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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)

**(1) PROPOSED SHARE CONSOLIDATION;
(2) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;
(3) PROPOSED RIGHTS ISSUE
ON THE BASIS OF THREE (3) RIGHTS SHARES
FOR EVERY TWO (2) CONSOLIDATED SHARES HELD
ON THE RECORD DATE ON FULLY UNDERWRITTEN BASIS;
AND
(4) CONNECTED TRANSACTION IN RELATION
TO THE UNDERWRITING AGREEMENT**

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation, pursuant to which every five (5) issued and unissued Existing Shares of HK\$0.01 each will be consolidated into one (1) Consolidated Share of HK\$0.05. The Share Consolidation is subject to, among other things, the approval by the Shareholders by way of poll at the EGM and is to take effect two Business Days after the EGM.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The Board proposes to increase the authorised share capital of the Company from HK\$20,000,000 divided into 2,000,000,000 Existing Shares to HK\$200,000,000 divided into 20,000,000,000 Existing Shares (which will become 4,000,000,000 Consolidated Shares upon the Share Consolidation becoming effective). Subject to the passing of an ordinary resolution by the Shareholders at the EGM to approve the Increase in Authorised Share Capital, the Increase in Authorised Share Capital will become effective on the date of EGM.

PROPOSED RIGHTS ISSUE

Subject to, among other things, the Increase in Authorised Share Capital and the Share Consolidation having become effective, the Board proposes to conduct the Rights Issue on the basis of three (3) Rights Shares for every two (2) Consolidated Shares held on the Record Date at the Subscription Price of HK\$0.115 per Rights Share, to raise up to approximately HK\$34.43 million before expenses by way of issuing 299,400,000 Rights Shares. Assuming that there is no change in the number of issued Shares on or before the Record Date, the estimated net proceeds of the Rights Issue after deduction of all estimated expenses will be approximately HK\$32.81 million.

The Company will provisionally allot to the Qualifying Shareholders three (3) Rights Shares in nil-paid form for every two (2) Consolidated Shares in issue and held on the Record Date, which is currently expected to be on Wednesday, 29 November 2023. The Rights Issue will not be available to the Non-Qualifying Shareholders. The Group intends to apply the net proceeds from the Rights Issue for (i) repayment of trade and other payables and accruals; (ii) repayment of the Shareholder's Loan; and (iii) general working capital.

The Rights Issue will be fully underwritten by the Underwriter. Details of the underwriting arrangement are set out in the paragraph headed "The Underwriting Agreement" in this announcement.

THE IRREVOCABLE UNDERTAKINGS AND THE UNDERWRITING AGREEMENT

As at the date of this announcement, New Metro, the controlling shareholder of the Company, holds 354,659,000 Shares, representing approximately 35.54% of the existing issued Shares. On 3 October 2023 (after trading hours), New Metro entered into the NMI Irrevocable Undertaking in favour of the Company. Pursuant to the NMI Irrevocable Undertaking, New Metro unconditionally and irrevocably undertakes, among other things, that it will not dispose of the 354,659,000 Existing Shares (or 70,931,800 Consolidated Shares, as the case may be) comprising the current shareholding in the Company owned by it up to and including the Record Date and it will subscribe for the Rights Shares to which he is entitled under the Rights Issue in full.

As at the date of this announcement, Mr. Tsang holds 49,000,000 Shares, representing approximately 4.91% of the existing issued Shares. On 3 October 2023 (after trading hours), Mr. Tsang entered into the Tsang Irrevocable Undertaking in favour of the Company. Pursuant to the Tsang Irrevocable Undertaking, Mr. Tsang unconditionally and irrevocably undertakes, among other things, that he will not dispose of the 49,000,000 Existing Shares (or 9,800,000 Consolidated Shares, as the case may be) comprising the current shareholding in the Company owned by him up to and including the Record Date and he will subscribe for the Rights Shares to which he is entitled under the Rights Issue in full.

As at the date of this announcement, Mr. Chiu holds 49,000,000 Shares, representing approximately 4.91% of the existing issued Shares. On 3 October 2023 (after trading hours), Mr. Chiu entered into the Chiu Irrevocable Undertaking in favour of the Company. Pursuant to the Chiu Irrevocable Undertaking, Mr. Chiu unconditionally and irrevocably undertakes, among other things, that he will not dispose of the 49,000,000 Existing Shares (or 9,800,000 Consolidated Shares, as the case may be) comprising the current shareholding in the Company owned by him up to and including the Record Date and he will subscribe for the Rights Shares to which he is entitled under the Rights Issue in full.

Save for the above, the Company has not received any information from any Shareholders of their intention to take up the Rights Shares to be provisionally allotted or offered to them under the Rights Issue as at the date of this announcement.

Pursuant to the Underwriting Agreement, New Metro shall underwrite up to 163,602,300 Rights Shares, being such number of Rights Shares to be issued pursuant to the Rights Issue less the 135,797,700 Rights Shares to be subscribed by New Metro, Mr. Tsang and Mr. Chiu pursuant to the Irrevocable Undertakings.

WARNING OF THE RISKS OF DEALING IN THE SHARES

Shareholders and potential investors of the Company should note that the Share Consolidation is conditional upon the satisfaction of the conditions as set out in the paragraph headed “Conditions of the Share Consolidation” in this announcement. Accordingly, the Share Consolidation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities, the Consolidated Shares and/or nil-paid Rights Shares of the Company. If they are in doubt, they should consult their professional advisers.

The Rights Issue is subject to the fulfilment of conditions including, among other things, the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms and the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. If this condition is not fulfilled, the Rights Issue will not proceed, in which case a further announcement will be made by the Company at the relevant time.

Shareholders should note that the Shares will be dealt in on an ex-rights basis commencing from Tuesday, 21 November 2023 and that dealing in the Shares will take place while the conditions to which the Underwriting Agreement are subject remain unfulfilled.

Any Shareholder or other person dealing in the Shares up to the date on which all conditions to which the Rights Issue is subject are fulfilled (which is expected to be on 4:00 p.m. on Friday, 15 December 2023), will accordingly bear the risk that the Rights Issue cannot become unconditional and may not proceed. Any Shareholder or other person contemplating any dealings in the Shares and/or nil-paid Rights Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional advisers.

GEM LISTING RULES IMPLICATIONS

The Share Consolidation

The Share Consolidation is conditional upon, among other things, the passing of an ordinary resolution by the Shareholders by way of poll at the EGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as none of the Shareholders or their associates would have any interest in the Share Consolidation, no Shareholder would be required to abstain from voting in favour of the resolution relating to the Share Consolidation at the EGM.

The Increase in Authorised Share Capital

The Increase in Authorised Share Capital is subject to the passing of an ordinary resolution by the Shareholders at the EGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as none of the Shareholders or their associates would have any interest in the Increase in Authorised Share Capital, no Shareholder would be required to abstain from voting in favour of the resolution relating to the Increase in Authorised Share Capital at the EGM.

The Rights Issue

In accordance with Rule 10.29(1) of the GEM Listing Rules, as the Rights Issue will increase the total number of issued Shares by more than 50% within a 12 months period immediately preceding the date of this announcement (after taking into account the effect of the Share Consolidation), the Rights Issue is conditional upon the Shareholders' approval at the EGM, and any controlling shareholders of the Company and their respective associates, or where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) in relation to the Rights Issue at the EGM.

Pursuant to the Deed of Acting in Concert Undertaking, each of New Metro, Mr. Lam, Mr. Chau and Mr. Hsu (being the controlling shareholders of the Company) is deemed to be interested in the Shares held by the others. As at the date of this announcement, the aforesaid controlling shareholders of the Company are interested in 506,525,000 Shares, representing approximately 50.75% of the entire issued share capital of the Company. Therefore, they and their respective associates shall abstain from voting in favour of the resolution(s) in relation to the Rights Issue at the EGM.

New Metro, the Underwriter, is a controlling shareholder of the Company and therefore a connected person of the Company. Accordingly, the transactions contemplated under the Underwriting Agreement constitute connected transactions for the Company under the GEM Listing Rules and the Underwriting Agreement is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules. New Metro and its associates shall abstain from voting in respect of the resolution(s) relating to the Underwriting Agreement at the EGM. Given Mr. Chau and Mr. Hsu are both parties acting in concert with Mr. Lam and New Metro pursuant to the Deed of Acting in Concert Undertaking, they will also voluntarily abstain from voting on the relevant resolution(s) at the EGM approving the Underwriting Agreement at the EGM.

Save as disclosed above, no other Shareholder is required to abstain from voting at the EGM. No Shareholder has informed the Company that he/she/it intends to vote in favour of or against the proposed resolution(s) in connection with the Rights Issue as at the date of this announcement.

The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

GENERAL

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders as to whether the terms of the Rights Issue and the Underwriting Agreement are fair and reasonable and in the interest of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote at the EGM.

An independent financial adviser, Proton Capital Limited (a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO), has been appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the terms of the Rights Issue and the Underwriting Agreement. The Independent Board Committee will formulate its view, as the case may be, with respect to the terms of the Rights Issue and the Underwriting Agreement after obtaining and considering the advice of the independent financial adviser.

A circular containing, among other matters, further details of (i) the Increase in Authorised Share Capital and the Share Consolidation; (ii) the Underwriting Agreement; (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Rights Issue and the Underwriting Agreement; (iv) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue and the Underwriting Agreement; and (v) a notice of the EGM, is expected to be despatched on or before 25 October 2023. Upon fulfilment of certain conditions of the Rights Issue, the Prospectus Documents will be despatched to the Qualifying Shareholders on the Prospectus Posting Date. The Overseas Letter and the Prospectus, without the PAL and the EAF, will be sent to the Non-Qualifying Shareholders (if any) for their information only.

PROPOSED SHARE CONSOLIDATION

The Board proposes to put forward proposal to the Shareholders to implement the Share Consolidation, pursuant to which every five (5) issued and unissued Existing Shares of par value of HK\$0.01 each will be consolidated into one (1) Consolidated Share of par value of HK\$0.05. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as none of the Shareholders or their associates would have material interest in the Share Consolidation, no Shareholder would be required to abstain from voting in favour of the resolution relating to the Share Consolidation at the EGM.

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$20,000,000 divided into 2,000,000,000 Existing Shares of par value of HK\$0.01 each, of which 998,000,000 Existing Shares have been allotted and issued as fully paid or credited as fully paid. Upon the Share Consolidation becoming effective and assuming that the Increase in Authorised Share Capital has taken effect on the date of the EGM (increasing the existing authorised share capital of the Company from HK\$20,000,000 divided into 2,000,000,000 Existing Shares to HK\$200,000,000 divided into 20,000,000,000 Existing Shares) and no further Existing Shares will be allotted and issued or repurchased prior thereto, the authorised share capital of the Company shall become HK\$20,000,000 divided into 400,000,000 Consolidated Shares of par value of HK\$0.05 each, of which 199,600,000 Consolidated Shares will be in issue and fully paid or credited as fully paid. Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other.

Other than the expenses incurred and to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save that any fractional Consolidated Shares will not be allocated to the Shareholders who may otherwise be entitled.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders by way of poll to approve the Share Consolidation at the EGM;
- (ii) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective; and
- (iii) compliance with all relevant procedures and requirements under the applicable laws of the Cayman Islands and the GEM Listing Rules that are necessary to effect the Share Consolidation.

Subject to the fulfilment of the conditions of the Share Consolidation, the effective date of the Share Consolidation is expected to be on Monday, 20 November 2023, being two Business Days after the date of the EGM.

Application for listing of the Consolidated Shares

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made by the Company for the Consolidated Shares to be admitted into CCASS.

None of the Existing Shares are listed on or dealt in any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Fractional entitlement to the Consolidated Shares

Fractional Consolidated Shares, if any, will be disregarded and will not be issued to the Shareholders but will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of existing share certificates held by such holder.

Exchange of share certificates

Subject to the Share Consolidation having become effective, Shareholders may, during the period from 9:00 a.m. on Monday, 20 November 2023 to 4:30 p.m. on Thursday, 28 December 2023 (both days inclusive) submit share certificates for the Existing Shares to the Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, to exchange, at the expense of the Company, for new share certificates for the Consolidated Shares.

Thereafter, share certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each share certificate for the Existing Shares cancelled or each new share certificate issued for the Consolidated Shares, whichever number of share certificates cancelled/issued is higher.

The existing share certificates for the Existing Shares will only be valid for delivery, trading and settlement purposes for the period up to 4:10 p.m. on Friday, 22 December 2023, and thereafter will not be accepted for delivery, trading and settlement purposes. However, the existing share certificates for the Existing Shares will continue to be good evidence of legal title to the Consolidated Shares on the basis of five (5) Existing Shares for one (1) Consolidated Share. The new share certificates for the Consolidated Shares will be issued in blue colour in order to distinguish them from the existing share certificates for the Existing Shares which are in pink colour.

Other securities of the Company

The Company has adopted a share option scheme on 26 February 2018 pursuant to which the total number of Shares in respect of which options may be granted under the share option scheme shall not exceed 90,000,000 Existing Shares (equivalent to 18,000,000 Consolidated Shares assuming the Share Consolidation has become effective). As at the date of this announcement, the scheme mandate limit has not been refreshed and no options have been granted since the date of adoption of the share option scheme of the Company.

Save as abovementioned, as at the date of this announcement, the Company does not have any other derivatives, options, warrants, other securities or conversion rights or other similar rights which are convertible or exchangeable into, any Existing Shares or Consolidated Shares, as the case may be.

No change in board lot size

The Existing Shares are currently traded on the Stock Exchange in board lot size of 20,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain unchanged at 20,000 Consolidated Shares per board lot.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation, a designated broker will be appointed by the Company to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot arrangement will be set out in the Company's circular to be despatched to the Shareholders in relation to, among other matters, the Share Consolidation.

Shareholders or potential investors should note that (i) odd lots will be created after the Share Consolidation; (ii) successful matching of the sale and purchase of odd lots of the Consolidated Shares are not guaranteed; and (iii) odd lots of the Consolidated Shares might be sold below the market price. Shareholders who are in any doubt about the odd lot arrangement are recommended to consult their own professional advisers.

REASONS FOR THE SHARE CONSOLIDATION

Pursuant to Rule 17.76 of the GEM Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with consolidation or splitting of its securities. Further, the "Guide on Trading Arrangements for Selected Types of Corporate Actions" issued by the Hong Kong Exchanges and Clearing Limited has further stated that (i) the market price of the Shares at a level less than HK\$0.10 each will be considered as trading at extremity as referred to under Rule 17.76 of the GEM Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000.

Based on the closing price of HK\$0.027 per Existing Share as at the date of this announcement, the value per board lot of 20,000 Existing Shares is HK\$540 which is less than HK\$2,000. In view of the above, the Board resolved to propose the Share Consolidation, resulting in HK\$0.135 per Consolidated Share and HK\$2,700 per board lot of 20,000 Consolidated Shares based on the closing price of HK\$0.027 per Existing Share as at the date of this announcement with the view to complying with the trading requirements under the GEM Listing Rules, which can reduce transaction and registration costs to be incurred by the Shareholders and thereby facilitate the Rights Issue to achieve the Company's fund-raising needs as well as for any future fund-raising activities.

In addition, the Directors consider that the Share Consolidation will bring about a corresponding upward adjustment in the trading price per Consolidated Share on the Stock Exchange. Furthermore, the Share Consolidation would reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction cost for each securities trade. It is also believed that the Share Consolidation will increase the attractiveness of investment in the Shares to a broader range of investors, in particular to institutional investors whose house rules might otherwise prohibit or restrict trading in securities that are priced below a prescribed floor, and thus help to further broaden the shareholder base of the Company.

As at the date of this announcement, (i) the Company has no intention to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation; and (ii) save for the Rights Issue, the Company does not have any agreement, arrangement, understanding or negotiation (either concluded or in process) on any potential fund-raising activities which will involve issue of Shares nor any intention or plan to conduct other equity fund-raising activities in the next 12 months upon completion of the Rights Issue. However, if there shall arise any change of the Group's current circumstances or business plans and that the net proceeds from the Rights Issue may not satisfy such upcoming financing needs, the Board does not rule out the possibility that the Company may conduct further equity fund-raising exercises to support such future developments of the Group. The Company will make further announcement(s) in this regard in accordance with the GEM Listing Rules as and when appropriate.

In view of the above reasons, the Company considers the Share Consolidation is justifiable notwithstanding the potential costs and impact arising from the creation of odd lots to Shareholders. The Board is of the view that the Share Consolidation is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The Board proposes to increase the existing authorised share capital of the Company from HK\$20,000,000 divided into 2,000,000,000 Existing Shares to HK\$200,000,000 divided into 20,000,000,000 Existing Shares (which will become 4,000,000,000 Consolidated Shares upon the Share Consolidation becoming effective). The Increase in Authorised Share Capital is conditional upon the passing of an ordinary resolution by the Shareholders at the EGM. Subject to the passing of such ordinary resolution, the Increase in Authorised Share Capital will become effective on the date of the EGM.

In order to accommodate the future growth of the Group and to provide the Company with greater flexibility to raise funds from the Rights Issue, the Board considers the Increase in Authorised Share Capital is in the interests of the Company and the Shareholders as a whole.

PROPOSED RIGHTS ISSUE

Subject to, among other things, the Increase in Authorised Share Capital and the Share Consolidation having become effective, the Board proposes to conduct the Rights Issue on the basis of three (3) Rights Shares for every two (2) Consolidated Shares held at the close of business on the Record Date. The Rights Issue will be fully underwritten by the Underwriter. Set out below are the details of the Rights Issue statistics:

Rights Issue Statistics

Basis of the Rights Issue:	Three (3) Rights Shares for every two (2) Consolidated Shares held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price:	HK\$0.115 per Rights Share (with par value of HK\$0.05 each upon the Share Consolidation having become effective)
Number of Existing Shares in issue as at the date of this announcement:	998,000,000 Existing Shares
Number of Consolidated Shares in issue upon the Share Consolidation having become effective:	199,600,000 Consolidated Shares (assuming there is no further allotment and issue or repurchase of the Existing Shares up to the effective date of the Share Consolidation)
Number of Rights Shares:	299,400,000 Rights Shares (assuming there is no other change in the total number of issued Shares on or before the Record Date), representing (i) 150% of the total issued Consolidated Shares upon the Share Consolidation having become effective; and (ii) 60% of the total number of issued Shares as enlarged immediately upon completion of the Rights Issue. The aggregate nominal value of the Rights Shares will be HK\$14,970,000
Enlarged issued share capital of the Company upon completion of the Rights Issue:	499,000,000 Consolidated Shares
Right of excess applications:	Qualifying Shareholders may apply for the Rights Shares in excess of their provisional allotment

Number of the Underwritten Shares:	New Metro shall underwrite up to 163,602,300 Rights Shares, being such number of Rights Shares to be issued pursuant to the Rights Issue less the 135,797,700 Rights Shares to be subscribed by New Metro, Mr. Tsang and Mr. Chiu pursuant to the Irrevocable Undertakings
Irrevocable Undertakings:	Each of (i) New Metro, being a controlling shareholder of the Company and the Underwriter of the Rights Issue; (ii) Mr. Tsang; and (iii) Mr. Chiu, has unconditionally and irrevocably undertaken to the Company, among other things, that it/he will subscribe for the Rights Shares to which it/he is entitled under the Rights Issue in full. For details, please refer to the paragraph headed “The Irrevocable Undertakings” below in this announcement
Gross proceeds from the Rights Issue:	Approximately HK\$34.43 million (assuming there is no other change in the total number of issued Shares on or before the Record Date)

As at the date of this announcement, the Company does not have any outstanding convertible securities, options or warrants in issue or similar rights which confer any right to subscribe for, convert or exchange into the Shares.

The Subscription Price

The Subscription Price is HK\$0.115 per Rights Share (with par value of HK\$0.05 each upon the Share Consolidation having become effective), which shall be payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares or application for excess Rights Shares or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 14.81% to the adjusted closing price of HK\$0.135 per Consolidated Share on the Last Trading Day (based on the closing price of HK\$0.027 per Existing Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Share Consolidation);
- (ii) a discount of approximately 18.44% to the adjusted average closing price of approximately HK\$0.141 per Consolidated Share for the last five consecutive trading days up to and including the Last Trading Day (based on the average closing price of approximately HK\$0.0282 per Existing Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day and adjusted for the effect of the Share Consolidation);

- (iii) a discount of approximately 19.01% to the adjusted average closing price of approximately HK\$0.142 per Consolidated Share for the last ten consecutive trading days up to and including the Last Trading Day (based on the average closing price of approximately HK\$0.0283 per Existing Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day and adjusted for the effect of the Share Consolidation);
- (iv) a discount of approximately 8.00% to the theoretical ex-entitlement price of approximately HK\$0.125 per Consolidated Share on the Last Trading Day (based on the average closing price of HK\$0.0282 per Existing Share as quoted on the Stock Exchange for the five trading days immediately prior to the date of this announcement and the number of Shares as enlarged by the Rights Shares and adjusted for the effect of the Share Consolidation);
- (v) theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) represented by a discount of approximately 11.06%, based on the theoretical diluted price of approximately HK\$0.125 per Consolidated Share to the benchmarked price of approximately HK\$0.141 per Consolidated Share (as defined under Rule 10.44A of the GEM Listing Rules, taking into account the higher of (i) the closing price of the Existing Shares as quoted on the Stock Exchange on the Last Trading Day and (ii) the average of the closing prices of the Existing Shares as quoted on the Stock Exchange for the five (5) consecutive trading days prior to the date of this announcement and adjusted for the effect of the Share Consolidation); and
- (vi) a premium over the audited consolidated net liabilities per Consolidated Share attributable to the Shareholders as at 31 March 2023 of approximately HK\$0.0038 per Consolidated Share calculated based on the audited consolidated net liabilities of the Group attributable to the owners of the Company of approximately HK\$680,817 as at 31 March 2023 as set out in the annual report of the Company for the year ended 31 March 2023 (the “**Annual Report**”) and 180,000,000 Consolidated Shares in issue as at 31 March 2023 after adjusted for the effect of the Share Consolidation.

The Subscription Price was determined by the Company with reference to (i) the general downward trend of the prevailing market prices of the Existing Shares; (ii) the prevailing market conditions of the capital market in Hong Kong; (iii) the latest financial position of the Group; and (iv) the reasons for and benefits of the Rights Issue and the intended use of proceeds as set out in this announcement. As such, the Board considers that it is necessary and reasonable to set the Subscription Price at a discount to the recent market price of the Shares (taking into account the effect of the Share Consolidation) in order to attract Shareholders and investors to participate in the Rights Issue.

In view of the above, the Directors (excluding the members of the Independent Board Committee whose opinion will be set forth in the circular of the Company after having been advised by the independent financial adviser) consider that the terms of the Rights Issue, including the Subscription Price which has been set at a discount to the recent closing prices of the Existing Shares with an objective to encourage Qualifying Shareholders to take up their entitlements so as to participate in the potential growth of the Company, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions of the Rights Issue

The Rights Issue is conditional on each of the following conditions being fulfilled:

- (i) the passing of all necessary resolutions to be proposed at the EGM for the transactions contemplated thereunder (including but not limited to the Rights Issue and the Underwriting Agreement) by the Shareholders (other than those who are required to abstain from voting according to the GEM Listing Rules or other applicable laws and regulations if necessary);
- (ii) the Increase in Authorised Share Capital and the Share Consolidation having become effective;
- (iii) the issue by the Stock Exchange of a certificate authorising the registration of, and the registration with the Registrar of Companies in Hong Kong, respectively, of one copy of each of the Prospectus Documents not later than the Prospectus Posting Date and otherwise in compliance with the GEM Listing Rules and the Companies (WUMP) Ordinance;
- (iv) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus with Overseas Letter bearing a “For Information Only” stamp to the Non-Qualifying Shareholders, if any, for information purpose only on or before the Prospectus Posting Date;
- (v) the GEM Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully paid forms (by no later than the first day of their dealings);
- (vi) the obligations of the Underwriter becoming unconditional and the Underwriting Agreement not having been terminated in accordance with the provisions thereof, including force majeure events;
- (vii) the compliance with and performance of all the undertakings and obligations under the Irrevocable Undertakings; and

(viii) the compliance with any other mandatory requirements under the applicable laws and regulations of Hong Kong and the Cayman Islands.

The above conditions are incapable of being waived. If the above conditions are not satisfied in whole or in part by the Latest Time for Termination (or such other time stipulated above), the Underwriting Agreement shall be terminated and (save in respect of any provisions relating to, among other matters, notices and governing law and any rights or obligations which may accrue under the Underwriting Agreement prior to such termination) no party will have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches, and the Rights Issue will not proceed. The Company shall use all reasonable endeavours to procure the fulfilment of all the above conditions by the Latest Time for Termination (or such other time stipulated above).

Status of the Rights Shares

The Rights Shares, when issued and fully-paid, will be free from all liens, charges, encumbrances and third-party rights, interests or claims of any nature whatsoever and shall rank *pari passu* in all respects with the Shares then in issue, including as to the right to receive all dividends and distributions which may be declared, made or paid on or after the date of allotment of the fully-paid Rights Shares.

Qualifying Shareholders and Non-Qualifying Shareholders

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company on the Record Date and is not a Non-Qualifying Shareholder.

In order to be registered as members of the Company on the Record Date, all transfers of Consolidated Shares (together with the relevant share certificates and instruments of transfer) must be lodged with the Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by 4:30 p.m. on Wednesday, 22 November 2023. The register of members of the Company will be closed from Thursday, 23 November 2023 to Wednesday, 29 November 2023 (both days inclusive) for determining the entitlements to the Rights Issue. No transfer of Shares will be registered during this period.

Subject to the registration of the Prospectus Documents in accordance with the applicable laws and regulations, the Company will despatch the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date and will despatch the Prospectus (without the PAL(s) and the EAF(s)) to the Non-Qualifying Shareholders for their information only.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted.

Basis of provisional allotment

Under the Rights Issue, the basis of the provisional allotment shall be three (3) Rights Shares for every two (2) Consolidated Shares in issue held by the Qualifying Shareholders at the close of business on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Prospectus Documents and the Underwriting Agreement.

Acceptance for all or any part of a Qualifying Shareholder's provisional allotment of the Rights Shares should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar at or before the Latest Time for Acceptance.

No fractional entitlements to the Rights Shares and odd lot matching service

No fractional entitlements to the Rights Shares shall be issued to the Shareholders and no entitlements of the Non-Qualifying Shareholders to the Rights Shares shall be issued to the Non-Qualifying Shareholders. All fractions of the Rights Shares shall be rounded down to the nearest whole number of Rights Shares and aggregated and, if a premium (net of expenses) can be achieved, sold in the market by the Company.

Rights of the Overseas Shareholders

The Prospectus Documents are not intended to be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong.

If there are Overseas Shareholders at the close of business on the Record Date, the Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below. The Board will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders. If, based on legal advice, the Board is of the opinion that it would be necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account of either the legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in such relevant jurisdiction, the Rights Issue will not be extended to such Overseas Shareholders. Further information in this connection will be set out in the Prospectus.

To the extent reasonably practicable and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, the Company will send copies of the Prospectus with the Overseas Letter to the Non-Qualifying Shareholders for their information only, but will not send the PALs and EAFs to them. The Non-Qualifying Shareholders will not be entitled to any provisional allotment under the Rights Issue.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the Rights Shares in their nil-paid form commence and before dealings in the Rights Shares in their nil-paid form end, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses and stamp duty, of more than HK\$100 will be paid to the Non-Qualifying Shareholders pro rata to their shareholdings held on the Record Date. In light of administrative costs, the Company will retain individual amounts of HK\$100 or less for its own benefit. Any unsold entitlements of the Non-Qualifying Shareholders will be made available for excess application by the Qualifying Shareholders under the EAFs.

Overseas Shareholders should note that they may or may not be entitled to participate in the Rights Issue, subject to the results of the enquiries to be made by the Company. The Company reserves the right to treat as invalid any acceptances of, or applications for, the Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their own professional advisers.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all fully paid Rights Shares are expected to be posted on Friday, 22 December 2023 by ordinary post to the allottees, at their own risk, to their registered addresses. If the Underwriting Agreement is terminated or not becoming unconditional, refund cheques will be posted on Friday, 22 December 2023 by ordinary post, at the respective Shareholders' own risk, to their registered addresses. Refund cheques in respect of wholly or partially unsuccessful applications for the excess Rights Shares (if any) are expected to be posted on Friday, 22 December 2023 by ordinary post to the applicants, at their own risk, to their registered addresses. Each Shareholder will receive one share certificate for all allotted Shares.

Application for excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Non-Qualifying Shareholders and for any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders.

Application for excess Rights Shares can be made only by duly completing and signing an EAF (in accordance with the instructions printed therein) and lodging the same with a separate cheque or banker's cashier order for the sum payable for the excess Rights Shares being applied for with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:00 p.m. on Thursday, 14 December 2023 (i.e. the Latest Time for Acceptance).

The Directors will allocate the excess Rights Shares (if any) at their discretion on a fair and equitable basis on the principles that (i) any excess Rights Shares will be allocated to the Qualifying Shareholders who apply for them on a pro rata basis by reference to the number of the excess Rights Shares applied for under each application; and (ii) no reference will be made to the Rights Shares subscribed through applications by the PALs or the existing number of Shares held by the Qualifying Shareholders.

If the aggregate number of Rights Shares not taken up by the Qualifying Shareholders and/or transferees of nil-paid Rights Shares under the PALs is greater than the aggregate number of excess Rights Shares being applied for under EAFs, the Directors will allocate to each Qualifying Shareholder who applies for excess Rights Shares the actual number of excess Rights Shares being applied for.

Shareholders with Shares held by a nominee (or which are held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company. Accordingly, such Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to the relevant beneficial owners individually.

Shareholders with Shares held by a nominee (or which are held in CCASS) are advised to consider whether they would like to arrange for the registration of their relevant Shares under the names of the beneficial owners prior to the Record Date for the purpose of the Rights Issue. In such case, all necessary documents must be lodged with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by 4:30 p.m. on Wednesday, 22 November 2023. Shareholders and investors should consult their professional advisers if they are in doubt as to their status.

Any Rights Shares not taken up by the Qualifying Shareholders and not taken by excess applications will be taken up by the Underwriter pursuant to the terms and conditions of the Underwriting Agreement.

Application for listing and dealing arrangements of the Rights Shares

The Company will apply to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange. The nil-paid and fully-paid Rights Shares will be traded in board lots of 20,000 Shares.

No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy and other applicable fees and charges in Hong Kong.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement date of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange or such other dates as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stock brokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Taxation

Shareholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the Rights Shares and, regarding the Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sale of the nil-paid Rights Shares on their behalf.

THE IRREVOCABLE UNDERTAKINGS

As at the date of this announcement, New Metro, the controlling shareholder of the Company, holds 354,659,000 Shares, representing approximately 35.54% of the existing issued Shares. On 3 October 2023 (after trading hours), New Metro entered into the NMI Irrevocable Undertaking in favour of the Company. Pursuant to the NMI Irrevocable Undertaking, New Metro unconditionally and irrevocably undertakes, among other things, that it will not dispose of the 354,659,000 Existing Shares (or 70,931,800 Consolidated Shares, as the case may be) comprising the current shareholding in the Company owned by it up to and including the Record Date and it will subscribe for the Rights Shares to which he is entitled under the Rights Issue in full.

As at the date of this announcement, Mr. Tsang holds 49,000,000 Shares, representing approximately 4.91% of the existing issued Shares. On 3 October 2023 (after trading hours), Mr. Tsang entered into the Tsang Irrevocable Undertaking in favour of the Company. Pursuant to the Tsang Irrevocable Undertaking, Mr. Tsang unconditionally and irrevocably undertakes, among other things, that he will not dispose of the 49,000,000 Existing Shares (or 9,800,000 Consolidated Shares, as the case may be) comprising the current shareholding in the Company owned by him up to and including the Record Date and he will subscribe for the Rights Shares to which he is entitled under the Rights Issue in full.

As at the date of this announcement, Mr. Chiu holds 49,000,000 Shares, representing approximately 4.91% of the existing issued Shares. On 3 October 2023 (after trading hours), Mr. Chiu entered into the Chiu Irrevocable Undertaking in favour of the Company. Pursuant to the Chiu Irrevocable Undertaking, Mr. Chiu unconditionally and irrevocably undertakes, among other things, that he will not dispose of the 49,000,000 Existing Shares (or 9,800,000 Consolidated Shares, as the case may be) comprising the current shareholding in the Company owned by him up to and including the Record Date and he will subscribe for the Rights Shares to which he is entitled under the Rights Issue in full.

Save for the above, the Company has not received any information from any Shareholders of their intention to take up the Rights Shares to be provisionally allotted or offered to them under the Rights Issue as at the date of this announcement.

THE UNDERWRITING AGREEMENT

On 3 October 2023 (after trading hours), the Company entered into the Underwriting Agreement with the Underwriter. The principal terms of the Underwriting Agreement are as follows:

Date:	3 October 2023 (after trading hours)
Parties:	The Company as the issuer and New Metro as the underwriter
	New Metro is a controlling shareholder of the Company which beneficially holds 354,659,000 Shares, representing approximately 35.54% of the entire issued share capital of the Company as at the date of this announcement. As such, the Underwriter complies with Rule 10.24A(2) of the GEM Listing Rules and the Underwriter is a connected person of the Company under Chapter 20 of the GEM Listing Rules. It is not in the ordinary course of business of New Metro to underwrite securities
Number of the Underwritten Shares:	The total number of the Underwritten Shares shall be in maximum 163,602,300 Rights Shares, being such number of Rights Shares to be issued pursuant to the Rights Issue less the 135,797,700 Rights Shares to be subscribed by New Metro, Mr. Tsang and Mr. Chiu pursuant to the Irrevocable Undertakings
Underwriting commission:	Nil

The terms of the Underwriting Agreement (including the commission rate) were determined after arm's length negotiations between the Company and the Underwriter with reference to the financial position of the Group, the size of the Rights Issue, and the prevailing market conditions, taking into consideration the intention of the Underwriter to facilitate the Company's fund-raising efforts. In cases where the underwriter is a substantial/controlling shareholder, the Company noted that it appears to be a common practice that no underwriting commission would be charged.

The Directors (excluding the members of the Independent Board Committee whose opinion will be set forth in the circular of the Company after having been advised by the independent financial adviser) are of the view that the terms of the Underwriting Agreement, including the commission rate, are fair and reasonable and the transactions contemplated under the Underwriting Agreement are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination (provided that for the purposes of the Underwriting Agreement if the date of the Latest Time for Termination shall be a Business Day on which "extreme conditions" caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is or remains in force in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day, the date of the Latest Time for Termination shall be the next Business Day on which no "extreme conditions" caused by super typhoons is announced by the Government of Hong Kong or no tropical cyclone warning signal no. 8 or above or no black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day):

- (i) in the absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

- (ii) any material adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction on trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (iii) there is any change in the circumstances of the Company which in the absolute opinion of the Underwriter will materially and adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or the destruction of any material asset of the Company; or
- (iv) any event of force majeure occurs, including without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which in the absolute opinion of the Underwriter would materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (v) any other material adverse change in relation to the business or the financial or trading position or prospects of the Company as a whole whether or not ejusdem generis with any of the foregoing; or
- (vi) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten (10) consecutive Business Days, excluding any suspension in connection with the clearance of this announcement or the Prospectus Documents or other announcements in connection with the Rights Issue,

the Underwriter shall be entitled to terminate the Underwriting Agreement by notice in writing to the Company served prior to the Latest Time for Termination.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if, prior to the Latest Time for Termination:

- (i) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (ii) any Specified Event comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

Upon giving of notice pursuant to the Underwriting Agreement, the obligations of the Underwriter and the Company under the Underwriting Agreement shall terminate and no party shall have any claim against the other party for costs, damages, compensation or otherwise save for any antecedent breaches.

If the Underwriter or the Company terminates the Underwriting Agreement, the Rights Issue will not proceed. A further announcement will be made by the Company if the Underwriting Agreement is terminated by the Underwriter or the Company.

EXPECTED TIMETABLE OF THE INCREASE IN AUTHORISED SHARE CAPITAL, THE SHARE CONSOLIDATION AND THE RIGHTS ISSUE

The expected timetable for the Increase in Authorised Share Capital, the Share Consolidation and the Rights Issue is set out below:

Event	Timeline
Publication of this announcement	Tuesday, 3 October 2023
Despatch of the circular, proxy form and notice of the EGM.	on or before Wednesday, 25 October 2023
Latest time for lodging transfer documents of the Shares to qualify for attendance and voting at the EGM.	4:30 p.m. on Thursday, 9 November 2023
Closure of register of members of the Company to determine entitlement to attend and vote at the EGM.	Friday, 10 November 2023 to Thursday, 16 November 2023 (both days inclusive)
Latest time for lodging proxy forms for the EGM	11:00 a.m. on Tuesday, 14 November 2023
Record date for attending and voting at the EGM	Thursday, 16 November 2023
EGM.	11:00 a.m. on Thursday, 16 November 2023
Announcement of poll results of the EGM.	Thursday, 16 November 2023

The following events are conditional on the fulfilment of the condition(s) for the implementation of the Increase in Authorised Share Capital, the Share Consolidation and the Rights Issue

Effective Date of the Increase in Authorised Share Capital	Thursday, 16 November 2023 <i>(the Increase in Authorised Share Capital will become effective at the time when the relevant ordinary resolution is passed by the Shareholders at the EGM)</i>
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Event	Timeline
Re-opening of the register of members of the Company	Friday, 17 November 2023
Effective date of the Share Consolidation	Monday, 20 November 2023
Commencement of dealings in the Consolidated Shares	9:00 a.m. on Monday, 20 November 2023
Original counter for trading in the Existing Shares in board lots of 20,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Monday, 20 November 2023
Temporary counter for trading in the Consolidated Shares in board lots of 4,000 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Monday, 20 November 2023
First day for free exchange of existing share certificates for the Existing Shares into new share certificates for the Consolidated Shares	Monday, 20 November 2023
Last day of dealings in the Consolidated Shares on a cum-entitlement basis of the Rights Issue	Monday, 20 November 2023
First day of dealings in the Consolidated Shares on a ex-entitlement basis of the Rights Issue	Tuesday, 21 November 2023
Latest time for lodging transfer documents of the Consolidated Shares to qualify for the Rights Issue	4:30 p.m. on Wednesday, 22 November 2023
Closure of register of members of the Company to determine the entitlements to the Rights Issue	Thursday, 23 November 2023 to Wednesday, 29 November 2023 (both days inclusive)
Record Date for determining entitlements to the Rights Issue	Wednesday, 29 November 2023
Re-opening of the register of members of the Company	Thursday, 30 November 2023

Event	Timeline
Despatch of the Prospectus Documents (including the Prospectus, the PALs and the EAFs; in the case of the Non-Qualifying Shareholders, the Prospectus with the Overseas Letter only).	Thursday, 30 November 2023
First day of dealings in nil-paid Rights Shares	Monday, 4 December 2023
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares	9:00 a.m. on Monday, 4 December 2023
Original counter for trading in the Consolidated Shares in board lots of 20,000 Consolidated Shares (in the form of new share certificates) re-opens.	9:00 a.m. on Monday, 4 December 2023
Parallel trading in the Consolidated Shares (in the form of both existing share certificates in board lots of 4,000 Consolidated Shares and new share certificates in board lots of 20,000 Consolidated Shares) commences	9:00 a.m. on Monday, 4 December 2023
Latest time for splitting of the PAL(s).	4:30 p.m. on Wednesday, 6 December 2023
Last day of dealings in nil-paid Rights Shares	Monday, 11 December 2023
Latest time for acceptance of, and payment for, the Rights Shares and application for and payment for excess Rights Shares	4:00 p.m. on Thursday, 14 December 2023
Latest time to terminate the Underwriting Agreement and for the Rights Issue to become unconditional	4:00 p.m. on Friday, 15 December 2023
Announcement of results of the Rights Issue.	Thursday, 21 December 2023

Event	Timeline
Share certificates for the Rights Shares and refund cheques, if any, to be despatched (if the Rights Issue is terminated and in respect of wholly or partly unsuccessful application for excess Rights Shares).	Friday, 22 December 2023
Designated broker ceases to provide matching services for odd lots of the Consolidated Shares	4:00 p.m. on Friday, 22 December 2023
Temporary counter for trading in the Consolidated Shares in board lots of 4,000 Consolidated Shares (in the form of existing share certificates) closes.	4:10 p.m. on Friday, 22 December 2023
Parallel trading in the Consolidated Shares (in the form of both existing share certificates in board lots of 4,000 Consolidated Shares and new share certificates in board lots of 20,000 Consolidated Shares) ends.	4:10 p.m. on Friday, 22 December 2023
First day of dealings in the fully-paid Rights Shares	Wednesday, 27 December 2023
Last time for free exchange of existing share certificates for the Existing Shares into new share certificates for the Consolidated Shares.	4:30 p.m. on Thursday, 28 December 2023

All time and dates specified in this announcement refer to Hong Kong local time and dates. Dates or deadlines specified in this announcement are indicative only and may be varied by the Company and the Underwriter. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

Effect of bad weather on the Latest Time for Acceptance

The Latest Time for Acceptance will not take place if a tropical cyclone warning signal No. 8 or above, or “extreme conditions” caused by super typhoons or a “black” rainstorm warning is:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Thursday, 14 December 2023, being the date on which the Latest Time for Acceptance falls. In this case, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or

- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Thursday, 14 December 2023, being the date on which the Latest Time for Acceptance falls. In this case, the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day on which none of the aforementioned warnings is in force at any time between 9:00 a.m. and 4:00 p.m..

If the Latest Time for Acceptance does not take place on the currently scheduled Thursday, 14 December 2023, the dates mentioned in the section headed “Expected Timetable of the Increase in Authorised Share Capital, the Share Consolidation and the Rights Issue” in this announcement may be affected. The Company will notify the Shareholders by way of announcement(s) on any change to the excepted timetable as soon as practicable.

EFFECT OF THE RIGHTS ISSUE ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the Share Consolidation; and (iii) immediately after the Share Consolidation and the completion of the Rights Issue in different scenarios, in each case assuming there is no change in the issued share capital of the Company as at the date of this announcement and up to and including the Record Date:

Shareholders	As at the date of this announcement		Immediately after the Share Consolidation		Immediately after the Share Consolidation and upon the completion of the Rights Issue assuming full acceptance by all Shareholders under the Rights Issue		Immediately after the Share Consolidation and upon the completion of the Rights Issue assuming no subscription by the Shareholders (other than those subscriptions pursuant to the Irrevocable Undertakings)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Controlling Shareholders								
New Metro ^(Notes 1 & 2)	354,659,000	35.54	70,931,800	35.54	177,329,500	35.54	340,931,800	68.32
Mr. Chau ^(Note 2)	41,366,000	4.14	8,273,200	4.14	20,683,000	4.14	8,273,200	1.66
Mr. Hsu ^(Note 2)	110,500,000	11.07	22,100,000	11.07	55,250,000	11.07	22,100,000	4.43
Other Shareholder								
Ms. Au Suk Han Shirley ^(Note 3)	9,500,000	0.95	1,900,000	0.95	4,750,000	0.95	1,900,000	0.38
Sub-total	516,025,000	51.71	103,205,000	51.71	258,012,500	51.71	373,205,000	74.79

Shareholders	As at the date of this announcement		Immediately after the Share Consolidation		Immediately after the Share Consolidation and upon the completion of the Rights Issue assuming full acceptance by all Shareholders under the Rights Issue		Immediately after the Share Consolidation and upon the completion of the Rights Issue assuming no subscription by the Shareholders (other than those subscriptions pursuant to the Irrevocable Undertakings)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Public Shareholders								
Mr. Tsang	49,000,000	4.91	9,800,000	4.91	24,500,000	4.91	24,500,000	4.91
Mr. Chiu	49,000,000	4.91	9,800,000	4.91	24,500,000	4.91	24,500,000	4.91
Other Public Shareholders	383,975,000	38.47	76,795,000	38.47	191,987,500	38.47	76,795,000	15.39
Sub-total	481,975,000	48.29	96,395,000	48.29	240,987,500	48.29	125,795,000	25.21
Total	998,000,000	100.00	199,600,000	100.00	499,000,000	100.00	499,000,000	100.00

Notes:

1. New Metro is beneficially wholly owned by Mr. Lam, the chairman of the Board and an executive Director.
2. New Metro, Mr. Lam (the sole ultimate beneficial owner of New Metro), Mr. Chau (a former executive Director) and Mr. Hsu (a former executive Director) entered into the Deed of Acting in Concert Undertaking, pursuant to which the parties have agreed to consolidate their respective interests in the Company and control directly and/or indirectly in the Company and to vote on any resolution to be passed at any shareholders' meeting of the Company in an unanimous manner, and each of them is deemed to be interested in the Shares held by the others.
3. Ms. Au Suk Han Shirley is the spouse of Mr. Yip Chi Man, an executive Director.

Shareholders and public investors should note that the above shareholding changes are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the Rights Issue are subject to various factors, including the results of acceptance of the Rights Shares. Further announcements will be made by the Company in accordance with the GEM Listing Rules following the completion of the Rights Issue upon which the Rights Shares are allotted and issued.

If a Qualifying Shareholder does not accept the Rights Shares provisionally allotted to him/her/it in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

EQUITY FUND-RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company had carried out the following equity fund-raising activities in the 12 months immediately preceding the date of this announcement:

Date of completion	Description of fund raising activities	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
3 May 2023	Issue of 98,000,000 new Shares under general mandate at the subscription price of HK\$0.04 per share.	All net proceeds would be used to settle the Group's current liabilities such as trade and other payables and accruals	All net proceeds have been utilised as intended
	The net proceeds from the subscription was approximately HK\$3.73 million		

Save for the above, the Company has not conducted any other equity fund-raising activities in the past 12 months immediately preceding the date of this announcement.

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND INTENDED USE OF PROCEEDS

The Company is an investment holding company. 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 digital printing.

As disclosed in the Annual Report, the Company had an audited net liabilities position of approximately HK\$681,000 and cash and cash equivalents of approximately HK\$4.96 million as at 31 March 2023. The current liabilities of the Company as at 31 March 2023 comprised mainly (i) trade and other payables and accruals of approximately HK\$19.87 million; (ii) contract liabilities of approximately HK\$1.81 million; and (iii) lease liabilities of approximately HK\$7.79 million. The non-current liabilities of the Company as at 31 March 2023 comprised mainly lease liabilities of approximately HK\$3.50 million. During the three months ended 30 June 2023, the Company recorded an unaudited loss and total comprehensive income of approximately HK\$4.37 million.

Recently, the Company acquired two sets of brand new four-colour digital inkjet printing machine manufactured by FUJIFILM (model: Jet Press 750S) accompanied with servers and FUJIFILM XMF Workflow system with a view to enhance its printing management for higher efficiency and consistency as well as to reduce unit fixed costs while reducing its carbon footprint. For details, please refer to the circular of the Company dated 31 May 2023. In order to expand the Group's business scale, the Group has leased certain premises in Kwun Tong, Hong Kong and formed a joint venture company with an Independent Third Party for undertaking extra printing orders. For details, please refer to the announcement of the Company dated 28 August 2023.

Although the Company has been proactively optimising its resources to capture business opportunities, such business strategies would take time to reflect in the financial performance of the Group and the Group has imminent need of capital to support its business operation and expansion. As at 31 August 2023, the Company had an unaudited cash and cash equivalents of approximately HK\$3.45 million.

Based on the Subscription Price of HK\$0.115 per Rights Share and 299,400,000 Rights Shares (being Consolidated Shares) to be issued under the Rights Issue, the gross proceeds from the Rights Issue would be approximately HK\$34.43 million. The estimated net proceeds from the Rights Issue after deduction of all estimated expenses would be approximately HK\$32.81 million (equivalent to a net price of approximately HK\$0.110 per Rights Share). The Group intends to apply the net proceeds from the Rights Issue for (i) repayment of trade and other payables and accruals; (ii) repayment of the Shareholder's Loan; and (iii) general working capital.

(i) Repayment of trade and other payables and accruals

As at 31 July 2023, the unaudited trade and other payables and accruals of the Company was approximately HK\$9.76 million which are generally payable within one month from relevant dates of invoices. Since it is necessary for the Group to secure stable supply of goods and services, the Group intends to utilise approximately HK\$8.65 million from the net proceeds of the Rights Issue to ensure settlement of these payables as soon as practicable, among which (i) approximately HK\$7.77 million will be used to settle an amount due to a subcontractor of the Group in relation to production of printing products; and (ii) approximately HK\$0.88 million will be used to settle the professional fee incurred by the Group and expenses relating to renovation and engineering work of the Group's recently leased premises.

(ii) Repayment of the Shareholder's Loan

As at the date of this announcement, the outstanding principal amount of the Shareholder's Loan incurred by the Company due to Mr. Lam, the controlling shareholder of the Company, was approximately HK\$16.25 million which are non-interest bearing. The Company intends to utilise HK\$16.25 million of the net proceeds from the Rights Issue to repay part of the Shareholder's Loan. The Board considers that the repayment of the Shareholder's Loan can alleviate the liquidity pressure of the Company and reduce its debt level and gearing ratio.

(iii) General working capital

The Board intends to apply approximately HK\$7.91 million for the general working capital of the Group, among which (i) approximately HK\$6.02 million will be applied for additional staff salary of production and customer services team; and (ii) approximately HK\$1.89 million will be applied for rental payments of the Group's new retail store and production base for around eight months.

Having considered the recent trading prices of the Shares in open market and the existing share capital of the Company, the Company is of the view that the capital to be raised by the Rights Issue at a ratio of three (3) Rights Shares for every two (2) Consolidated Shares held on the Record Date would meet the abovementioned capital need of the Group whereas (i) a larger ratio would require the Qualifying Shareholders to take up more entitlements to avoid being diluted and increase underwriting effort of the Underwriter; and (ii) a smaller ratio would not cater for sufficient capital meeting the Group's requirement as detailed above.

The Board considers that the Rights Issue provides a good opportunity for the Group to strengthen its capital base and to enhance its financial position, while at the same time the Rights Issue will enable all Qualifying Shareholders to participate in the future development of the Company on equal terms. Since the Rights Issue will allow the Qualifying Shareholders to maintain their respective pro rata shareholdings in the Company and therefore avoid dilution, the Board considers that it is in the interests of the Company and the Shareholders as a whole to raise capital through the Rights Issue on a 3-to-2 ratio.

Alternative fund-raising methods considered

The Directors have considered other financing alternatives including (i) additional debt financing, (ii) equity fund raising such as placement of new Shares and open offer, and (iii) realisation of existing assets. The Board considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole, for the reasons as follows:

- (i) As for additional debt financing, the Board has attempted to obtain loan financing from its principal bankers and was advised that it is not feasible for the Company to obtain loan facilities in an amount comparable to gross proceeds from the Rights Issue under the recent financial status of the Company. Furthermore, the Company has also compared the existing interest rate of approximately 6.3% per annum offered by a bank for the Group's recent hire purchase arrangement of printing machines with the implied cost of capital of the Rights Issue of approximately 4.72% (being the total estimated expenses of the Rights Issue as percentage of gross proceeds) and noted that it would not be commercially justifiable to conduct debt financing when general interest rates of banks remain high at this moment and debt financing may result in a higher gearing ratio of the Group and this will also increase the ongoing interest expenses of the Group and in turn affect the profitability of the Company.
- (ii) As for placement of new Shares, it would lead to immediate dilution in the shareholding interest of existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company.

As for open offer, similar to a rights issue, it also offers qualifying shareholders to participate, but it does not allow the trading of rights entitlements in the open market.

The Directors are of the view that the Rights Issue provides better financial flexibility for the Company as it will strengthen the capital base of the Company, thus enhancing its net asset position without the ongoing burden of interest expenses, and also offers all the Qualifying Shareholders the opportunity to maintain their pro rata shareholding interests in the Company and avoid dilution for those Shareholders who take up their entitlement under the Rights Issue in full.

- (iii) As for realisation of existing assets, the Company's assets comprises mainly (i) plant and machinery; (ii) right-of-use assets; (iii) trade receivables; and (iv) cash and cash equivalents and the Group has already disposed of certain offset press which was considered no longer relevant to the Group's operation. For details, please refer to the announcement of the Company dated 18 April 2023. As the remaining machineries are necessary for the Group's operation, the Directors are of the view that it is not advisable at this moment for the Company to further realise its assets unless due to replacement or business needs.

The Board considers that the Rights Issue, which is on a fully underwritten basis, can enable the Company to raise sufficient funds to satisfy its imminent demands on funds as aforementioned. In addition, the Rights Issue would give the Qualifying Shareholders the opportunity to maintain their respective prorated shareholding interest in the Company and provide an opportunity to all Qualifying Shareholders to participate in the growth of the Company in proportion to their shareholdings. Although there will be dilution to shareholdings of the Qualifying Shareholders who do not take up all the Rights Shares to which they are entitled and the Non-Qualifying Shareholders, the Rights Issue requires the Independent Shareholders' approval so that the Independent Shareholders are given an opportunity to decide whether the Company shall proceed to the Rights Issue by voting for or against at the EGM to approve the Rights Issue.

The Company has also contacted certain securities firms for the feasibility of conducting underwritten fund-raising exercise but has received negative feedbacks from those securities firms for acting as underwriter for the Rights Issue in view of the recent market sentiment. Therefore, the Company considers that with New Metro as the underwriter to fully underwrite the committed Rights Shares, the Company would be able to secure necessary fund to satisfy its imminent capital needs on one hand and save underwriting commission on the other hand which is in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

The Share Consolidation

The Share Consolidation is conditional upon, among other things, the passing of an ordinary resolution by the Shareholders by way of poll at the EGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as none of the Shareholders or their associates would have any interest in the Share Consolidation, no Shareholder would be required to abstain from voting in favour of the resolution relating to the Share Consolidation at the EGM.

The Increase in Authorised Share Capital

The Increase in Authorised Share Capital is subject to the passing of an ordinary resolution by the Shareholders at the EGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as none of the Shareholders or their associates would have any interest in the Increase in Authorised Share Capital, no Shareholder would be required to abstain from voting in favour of the resolution relating to the Increase in Authorised Share Capital at the EGM.

The Rights Issue

In accordance with Rule 10.29(1) of the GEM Listing Rules, as the Rights Issue will increase the total number of issued Shares by more than 50% within a 12 months period immediately preceding the date of this announcement (after taking into account the effect of the Share Consolidation), the Rights Issue is conditional upon the Shareholders' approval at the EGM, and any controlling shareholders of the Company and their respective associates, or where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) in relation to the Rights Issue at the EGM.

Pursuant to the Deed of Acting in Concert Undertaking, each of New Metro, Mr. Lam, Mr. Chau and Mr. Hsu (being the controlling shareholders of the Company) is deemed to be interested in the Shares held by the others. As at the date of this announcement, the aforesaid controlling shareholders of the Company are interested in 506,525,000 Shares, representing approximately 50.75% of the entire issued share capital of the Company. Therefore, they and their respective associates shall abstain from voting in favour of the resolution(s) in relation to the Rights Issue at the EGM.

New Metro, the Underwriter, is a controlling shareholder of the Company and therefore a connected person of the Company. Accordingly, the transactions contemplated under the Underwriting Agreement constitute connected transactions for the Company under the GEM Listing Rules and the Underwriting Agreement is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules. New Metro and its associates shall abstain from voting in respect of the resolution(s) relating to the Underwriting Agreement at the EGM. Given Mr. Chau and Mr. Hsu are both parties acting in concert with Mr. Lam and New Metro pursuant to the Deed of Acting in Concert Undertaking, they will also voluntarily abstain from voting on the relevant resolution(s) at the EGM approving the Underwriting Agreement at the EGM.

Save as disclosed above, no other Shareholder is required to abstain from voting at the EGM. No Shareholder has informed the Company that he/she/it intends to vote in favour of or against the proposed resolution(s) in connection with the Rights Issue as at the date of this announcement.

The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

GENERAL

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders as to whether the terms of the Rights Issue and the Underwriting Agreement are fair and reasonable and in the interest of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote at the EGM.

An independent financial adviser, Proton Capital Limited (a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO), has been appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the terms of the Rights Issue and the Underwriting Agreement. The Independent Board Committee will formulate its view, as the case may be, with respect to the terms of the Rights Issue and the Underwriting Agreement after obtaining and considering the advice of the independent financial adviser.

A circular containing, among other matters, further details of (i) the Increase in Authorised Share Capital and the Share Consolidation; (ii) the Underwriting Agreement; (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Rights Issue and the Underwriting Agreement; (iv) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue and the Underwriting Agreement; and (v) a notice of the EGM, is expected to be despatched on or before 25 October 2023. Upon fulfilment of certain conditions of the Rights Issue, the Prospectus Documents will be despatched to the Qualifying Shareholders on the Prospectus Posting Date. The Overseas Letter and the Prospectus, without the PAL and the EAF, will be sent to the Non-Qualifying Shareholders (if any) for their information only.

WARNING OF THE RISKS OF DEALING IN THE SHARES

Shareholders and potential investors of the Company should note that the Share Consolidation is conditional upon the satisfaction of the conditions as set out in the paragraph headed “Conditions of the Share Consolidation” in this announcement. Accordingly, the Share Consolidation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities, the Consolidated Shares and/or nil-paid Rights Shares of the Company. If they are in doubt, they should consult their professional advisers.

The Rights Issue is subject to the fulfilment of conditions including, among other things, the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms and the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. If these conditions are not fulfilled, the Rights Issue will not proceed, in which case a further announcement will be made by the Company at the relevant time.

Shareholders should note that the Shares will be dealt in on an ex-rights basis commencing from Tuesday, 21 November 2023 and that dealing in the Shares will take place while the conditions to which the Underwriting Agreement are subject remain unfulfilled.

Any Shareholder or other person dealing in the Shares up to the date on which all conditions to which the Rights Issue is subject are fulfilled (which is expected to be on 4:00 p.m. on Friday, 15 December 2023) will accordingly bear the risk that the Rights Issue cannot become unconditional and may not proceed. Any Shareholder or other person contemplating any dealings in the Shares and/or nil-paid Rights Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional advisers.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“acting in concert”	has the meaning ascribed to it under the Hong Kong Code on Takeovers and Mergers
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday, Sunday, public holiday and any day on which “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licenced banks are generally open for business in Hong Kong during normal working hours

“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Chiu Irrevocable Undertaking”	an undertaking dated 3 October 2023 given by Mr. Chiu in favour of the Company pursuant to which Mr. Chiu has unconditionally and irrevocably undertaken that he will subscribe for the Rights Shares to which he is entitled under the Rights Issue in full
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time)
“Company”	Universe Printshop Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM of the Stock Exchange (stock code: 8448)
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Consolidated Share(s)”	the ordinary share(s) of par value of HK\$0.05 each in the share capital of the Company immediately after the Share Consolidation becoming effective
“controlling shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Deed of Acting in Concert Undertaking”	the deed of acting in concert undertaking dated 4 April 2022 entered into among New Metro, Mr. Lam, Mr. Chau and Mr. Hsu
“Director(s)”	the director(s) of the Company
“EAF(s)”	the form(s) of application for excess Rights Shares proposed to be issued to the Qualifying Shareholders in such form as may be agreed between the Company and the Underwriter
“EGM”	an extraordinary general meeting of the Company to be convened and held for the purposes of, among other matters, considering and, if thought fit, approving the Increase in Authorised Share Capital, the Share Consolidation, the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder

“Existing Share(s)”	the ordinary share(s) of par value of HK\$0.01 each in the authorised and issued share capital of the Company immediately before the Share Consolidation becoming effective
“GEM Listing Committee”	has the meaning ascribed to it under the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Increase in Authorised Share Capital”	the proposed increase in the authorised share capital of the Company from HK\$20,000,000 divided into 2,000,000,000 Existing Shares to HK\$200,000,000 divided into 20,000,000,000 Existing Shares (which will become 4,000,000,000 Consolidated Shares upon the Share Consolidation becoming effective)
“Independent Board Committee”	the independent board committee of the Board comprising all independent non-executive Directors to advise the Independent Shareholders in respect of the Rights Issue and the Underwriting Agreement
“Independent Shareholder(s)”	any Shareholder(s) who are not required to abstain from voting at the EGM under the GEM Listing Rules
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), who/which, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, is/are third parties independent of the Company and its connected persons
“Irrevocable Undertakings”	the NMI Irrevocable Undertaking, the Tsang Irrevocable Undertaking and the Chiu Irrevocable Undertaking

“Last Trading Day”	3 October 2023, being the last trading day of the Shares on the Stock Exchange immediately prior to the publication of this announcement
“Latest Time for Acceptance”	4:00 p.m. on Thursday, 14 December 2023 or such later time or date as may be agreed between the Underwriter and the Company, being the latest time for acceptance of, and payment for, the Rights Shares and application and payment for excess Rights Shares
“Latest Time for Termination”	4:00 p.m. on Friday, 15 December 2023 or such later time or date as may be agreed between the Underwriter and the Company, being the latest time to terminate the Underwriting Agreement
“Mr. Chau”	Mr. Chau Man Keung, a former executive Director
“Mr. Chiu”	Mr. Chiu Wan Lung, an Independent Third Party
“Mr. Hsu”	Mr. Hsu Ching Loi, a former executive Director
“Mr. Lam”	Mr. Lam Shing Tai, an executive Director and the chairman of the Board
“Mr. Tsang”	Mr. Tsang Yee Fung, an Independent Third Party
“New Metro” or “Underwriter”	New Metro Inc., a company incorporated in the British Virgin Islands with limited liability, which is wholly owned by Mr. Lam, being the underwriter to the Rights Issue pursuant to the Underwriting Agreement
“NMI Irrevocable Undertaking”	an undertaking dated 3 October 2023 given by New Metro in favour of the Company pursuant to which New Metro has unconditionally and irrevocably undertaken that it will subscribe for the Rights Shares to which it is entitled under the Rights Issue in full
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) whom the Board considers necessary or expedient to exclude from the Rights Issue on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place

“Overseas Letter”	a letter from the Company to the Non-Qualifying Shareholders, if any, explaining the circumstances in which the Non-Qualifying Shareholders are not permitted to participate in the Rights Issue
“Overseas Shareholder(s)”	the Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date and whose registered address(es) (as shown in such register of members) is/are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) in respect of the Rights Issue to be issued to the Qualifying Shareholders
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL and the EAF
“Prospectus Posting Date”	Thursday, 30 November 2023 or such other date as may be agreed between the Company and the Underwriter, being the date of despatch of the Prospectus Documents
“Qualifying Shareholder(s)”	the Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholders
“Record Date”	Wednesday, 29 November 2023 or such other date as may be agreed between the Company and the Underwriter for the determination of the entitlements under the Rights Issue
“Registrar”	Tricor Investor Services Limited, the Company’s Hong Kong branch share registrar and transfer office, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Rights Issue”	the proposed issue of the Rights Shares on the basis of three (3) Rights Shares for every two (2) Consolidated Shares held by the Qualifying Shareholders at the close of business on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Rights Shares”	299,400,000 Consolidated Shares, proposed to be allotted and issued under the Rights Issue

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share Consolidation”	the proposed consolidation of every five (5) Existing Shares of par value of HK\$0.01 each into one (1) Consolidated Share of par value of HK\$0.05 in the share capital of the Company
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholder’s Loan”	the Company’s amount due to Mr. Lam, a controlling shareholder of the Company, in the principal amount of HK\$16.25 million for the support of the Group’s business operation
“Specified Event”	an event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the issue price of HK\$0.115 per Rights Share at which the Rights Shares are proposed to be offered for subscription
“Tsang Irrevocable Undertaking”	an undertaking dated 3 October 2023 given by Mr. Tsang in favour of the Company pursuant to which Mr. Tsang has unconditionally and irrevocably undertaken that he will subscribe for the Rights Shares to which he is entitled under the Rights Issue in full
“Underwriting Agreement”	the underwriting agreement dated 3 October 2023 entered into between the Company and the Underwriter in respect of the Rights Issue

“Underwritten Shares” up to 163,602,300 Rights Shares to be underwritten by the Underwriter pursuant to the Underwriting Agreement

“%” per cent.

By order of the Board
UNIVERSE PRINTSHOP HOLDINGS LIMITED
Lam Shing Tai
Chairman and Executive Director

Hong Kong, 3 October 2023

As at the date of this announcement, the executive Directors are Mr. Lam Shing Tai, Ms. Li Shuang, Mr. Kao Jung and Mr. Yip Chi Man and the independent non-executive Directors are Mr. Wong Chun Kwok, Mr. Ho Kar Ming and Ms. So Shuk Wan.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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.

This announcement will remain on the website of the Stock Exchange at www.hkexnews.hk on the “Latest Listed Company Information” 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.