

**DATE: 5 OCTOBER 2023**

**UNIVERSE PRINTSHOP HOLDINGS LIMITED**

**(as Company)**

**AND**

**NEW METRO INC.**

**(as Underwriter)**

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**SUPPLEMENTAL UNDERWRITING AGREEMENT**

**relating to a rights issue of up to 163,602,300 Rights Shares  
of HK\$0.05 each (upon the Share Consolidation having become effective)  
in Universe Printshop Holdings Limited  
payable in full on application in the proportion of  
three (3) Rights Shares for every two (2) Consolidated Shares  
held on the Record Date**

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## INDEX

1.	DEFINITIONS.....	4
2.	CONDITIONS.....	9
3.	PUBLICATION OF THE ANNOUNCEMENT .....	10
4.	THE RIGHTS ISSUE .....	11
5.	UNDERWRITING OBLIGATIONS.....	13
6.	OBLIGATIONS OF THE UNDERWRITER .....	14
7.	ALLOTMENT AND ISSUE.....	15
8.	FEES AND EXPENSES .....	16
9.	ANNOUNCEMENTS .....	16
10.	REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS.....	17
11.	INDEMNITY.....	21
12.	RESCISSION AND TERMINATION .....	22
13.	TIME OF THE ESSENCE.....	25
14.	NOTICES .....	25
15.	COUNTERPARTS.....	26
16.	GOVERNING LAW .....	26

THIS AGREEMENT is dated 5 October 2023

**BETWEEN:**

- (1) **UNIVERSE PRINTSHOP HOLDINGS LIMITED**, a company incorporated in the Cayman Islands with limited liability and having its registered office at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its head office and principal place of business in Hong Kong at Shop B3, G/F, Block 3, Kwun Tong Industrial Centre, 448-458 Kwun Tong Road, Kwun Tong, Hong Kong (the "**Company**"); and
- (2) **NEW METRO INC.**, a company incorporated in the British Virgin Islands with limited liability and having its registered office at Mandar House, 3rd Floor, Johnson's Ghut, Tortola, British Virgin Islands (the "**Underwriter**").

**WHEREAS:**

- (A) On 3 October 2023 (after trading hours), the Company and the Underwriter entered into the underwriting agreement in respect of the proposed rights issue of the Company (the "**Underwriting Agreement**"). Subsequent to the entering into of the Underwriting Agreement, it is intended that the arrangement regarding application for excess Rights Shares shall be replaced by compensatory arrangements and the Placing. In light of the above, the Company and the Underwriter agree to amend and supplement the Underwriting Agreement as set out in this Agreement.
- (B) The Company is incorporated in the Cayman Islands with limited liability whose issued Shares are listed on GEM of the Stock Exchange (stock code: 8448). As at the date hereof, the Company has an authorised share capital of 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. As at the date hereof, 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.
- (C) As at the date hereof, the Board has resolved to propose 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 (or 4,000,000,000 Consolidated Shares upon the Share Consolidation becoming effective) (the "**Increase in Authorised Share Capital**"). 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.

- (D) As at the date hereof, the Board has also resolved to propose to consolidate every five (5) issued and unissued Existing Shares of par value of HK\$0.01 each into one (1) Consolidated Share of par value of HK\$0.05 (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 and 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.
- (E) The Company proposes, subject to the fulfilment of the Conditions Precedent (including the Increase in Authorised Share Capital and the Share Consolidation having become effective), to issue 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 payable in full on application and otherwise on the terms and subject to the conditions set out in this Agreement, the Placing Agreement and the Prospectus Documents.
- (F) As at the date hereof, the Underwriter beneficially owns 354,659,000 Existing Shares, representing approximately 35.54% of the total issued share capital of the Company and equivalent to 70,931,800 Consolidated Shares upon the Share Consolidation having become effective. The Underwriter is beneficially wholly owned by Mr. Lam Shing Tai, an executive Director and the chairman of the Board. The Underwriter is a controlling shareholder of the Company, and has irrevocably undertaken (the "**NMI Irrevocable Undertaking**") to the Company that:
- (i) it will subscribe for 106,397,700 Rights Shares which comprise the full acceptance of its provisional entitlement in respect of the 354,659,000 Existing Shares (equivalent to 70,931,800 Consolidated Shares) wholly and beneficially owned by it;
  - (ii) it will not dispose of any 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 the Underwriter, and such Shares will remain wholly and beneficially owned by it up to and including the Record Date;
  - (iii) it will lodge or procure its acceptance of the 106,397,700 Rights Shares, which will be the number of Rights Shares provisionally allotted to it nil-paid under the Rights Issue, with the Registrar, with payment in full therefor, by no later than the Latest Time for Acceptance or otherwise in accordance with the instructions set out in the Prospectus Documents; and

- (iv) take appropriate steps, including, the disposal of such number of Shares necessary to ensure that sufficient public float exists in the shares of the Company in compliance with the GEM Listing Rules upon completion of the Rights Issue.
- (G) As at the date hereof, Mr. Tsang Yee Fung beneficially owns 49,000,000 Existing Shares, representing approximately 4.91% of the total issued share capital of the Company and equivalent to 9,800,000 Consolidated Shares upon the Share Consolidation having become effective. Mr. Tsang has irrevocably undertaken (the “**Tsang Irrevocable Undertaking**”) to the Company and the Underwriter that:
- (i) he will subscribe for 14,700,000 Rights Shares which comprise the full acceptance of his provisional entitlement in respect of the 49,000,000 Existing Shares (equivalent to 9,800,000 Consolidated Shares) wholly and beneficially owned by him;
  - (ii) he will not dispose of any 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 Mr. Tsang, and such Shares will remain wholly and beneficially owned by him up to and including the Record Date; and
  - (iii) he will lodge the acceptance of the 14,700,000 Rights Shares, which will be the number of Rights Shares provisionally allotted to him nil-paid under the Rights Issue, with the Registrar, with payment in full therefor, by no later than the Latest Time for Acceptance or otherwise in accordance with the instructions set out in the Prospectus Documents.
- (H) As at the date hereof, Mr. Chiu Wan Lung beneficially owns 49,000,000 Existing Shares, representing approximately 4.91% of the total issued share capital of the Company and equivalent to 9,800,000 Consolidated Shares upon the Share Consolidation having become effective. Mr. Chiu has irrevocably undertaken (the “**Chiu Irrevocable Undertaking**”) to the Company and the Underwriter that:
- (iv) he will subscribe for 14,700,000 Rights Shares which comprise the full acceptance of his provisional entitlement in respect of the 49,000,000 Existing Shares (equivalent to 9,800,000 Consolidated Shares) wholly and beneficially owned by him;
  - (v) he will not dispose of any 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 Mr. Chiu, and such Shares will remain wholly and beneficially owned by him up to and including the Record Date; and

- (vi) he will lodge the acceptance of the 14,700,000 Rights Shares, which will be the number of Rights Shares provisionally allotted to him nil-paid under the Rights Issue, with the Registrar, with payment in full therefor, by no later than the Latest Time for Acceptance or otherwise in accordance with the instructions set out in the Prospectus Documents.
- (I) On the terms and subject to the conditions hereinafter appearing, the Underwriter has agreed to fully underwrite up to 163,602,300 Underwritten Shares.
- (J) Listing application will be made to the GEM Listing Committee of the Stock Exchange for the approval for the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully paid forms.
- (K) Simultaneously upon the entering into of this Agreement, the Company has entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent shall, on a best effort basis, procure placee(s) to subscribe for the Untaken Shares and the NQS Right Unsold Rights Shares.

**NOW IT IS HEREBY AGREED as follows:**

Clauses 1 to 16 of the Underwriting Agreement shall be deleted in its entirety and replaced with the following clauses.

**1. DEFINITIONS**

1.1 In this Agreement including the Recitals and Exhibit, unless the context otherwise requires, the following expressions have the following meanings:

**“Announcement(s)”** the announcement(s) published / to be published by the Company in relation to, among other things, the Increase in Authorised Share Capital, the Share Consolidation, this Agreement, the Rights Issue and the Irrevocable Undertakings in the agreed form, draft(s) of which is/are set out in this Agreement as the Exhibit

**“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

<b>“CCASS”</b>	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
<b>“Chiu Irrevocable Undertaking”</b>	has the meaning ascribed thereto in Recital (H)
<b>“Companies (WUMP) Ordinance”</b>	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (as amended from time to time)
<b>“Conditions Precedent”</b>	the conditions set out in Clause 2.1
<b>“Consolidated Shares”</b>	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
<b>“Directors”</b>	the directors of the Company
<b>“EGM”</b>	the 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 Placing, this Agreement and the transactions contemplated respectively thereunder
<b>“Existing Shares”</b>	the ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company immediately before the Share Consolidation becoming effective
<b>“GEM Listing Committee”</b>	has the meaning ascribed thereto under the GEM Listing Rules
<b>“GEM Listing Rules”</b>	the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited
<b>“Group”</b>	the Company and its subsidiaries
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China

<b>“Increase in Authorised Share Capital”</b>	has the meaning ascribed thereto in Recital (C)
<b>“Irrevocable Undertakings”</b>	the NMI Irrevocable Undertaking, the Tsang Irrevocable Undertaking and the Chiu Irrevocable Undertaking
<b>“Latest Lodging Date”</b>	4:30 p.m. on Wednesday, 22 November 2023 or such other date and/or time as the Underwriter and the Company may agree as the latest time for lodging transfer of Shares in order to qualify for the Rights Issue
<b>“Latest Time for Acceptance”</b>	4:00 p.m. on Thursday, 14 December 2023 or such other date and/or time as may be agreed between the Company and the Underwriter, being the latest time for acceptance of, and payment for, the Rights Shares under the Rights Issue
<b>“Latest Time for Termination”</b>	5:00 p.m. on Friday, 22 December 2023 or such later date and/or time as may be agreed between the Company and the Underwriter, being the latest time to terminate this Agreement
<b>“NMI Irrevocable Undertaking”</b>	has the meaning ascribed thereto in Recital (F)
<b>“No Action Shareholder(s)”</b>	the Qualifying Shareholders who do not subscribe for the Rights Shares (whether partially or fully) under the PAL(s) or their renounees, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed
<b>“Non-Qualifying Shareholder(s)”</b>	the Overseas Shareholders to whom the Board considers it necessary or on account either of the legal restrictions under expedient to exclude from the Rights Issue the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place based on the enquiry made pursuant to Clause 5.1
<b>“NQS Unsold Rights Shares”</b>	the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders (if any) in nil-paid form that have not been sold by the Company
<b>“Overseas Letter”</b>	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 in the agreed form
<b>“Overseas Shareholder(s)”</b>	Shareholder(s) whose registered address(es) as shown in the register of members of the Company on the Record Date is/are outside of Hong Kong
<b>“PAL(s)”</b>	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue in the agreed form
<b>“Placing”</b>	the placing of the Untaken Shares and the NQS Unsold Rights Shares on a best effort basis by the Placing Agent to the independent placee(s) on the terms and conditions of the Placing Agreement
<b>“Placing Agent”</b>	Sorrento Securities Limited, a corporation licensed by the Securities and Futures Commission to conduct Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the placing agent appointed by the Company
<b>“Placing Agreement”</b>	the placing agreement dated 5 October 2023 and entered into between the Company and the Placing Agent in respect of the Placing
<b>“Placing End Date”</b>	5:00 p.m. on Thursday, 21 December 2023 or such other dates as the Company may announce
<b>“Prospectus”</b>	the prospectus to be issued by the Company in relation to the Rights Issue in the agreed form
<b>“Prospectus Documents”</b>	the Prospectus and the PALs
<b>“Prospectus Posting Date”</b>	Thursday, 30 November 2023 or such other date as the Company and the Underwriter may agree in writing
<b>“Qualifying Shareholder(s)”</b>	the Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholders
<b>“Record Date”</b>	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

<b>“Registrar”</b>	Tricor Investor Services Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, the Company’s branch share registrar and transfer office in Hong Kong
<b>“Rights Issue”</b>	the proposed issue by way of rights 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 this Agreement and the Prospectus Documents
<b>“Rights Shares”</b>	299,400,000 Consolidated Shares proposed to be allotted and issued under the Rights Issue on the terms and subject to the conditions set out in this Agreement and the Prospectus Documents
<b>“Settlement Date”</b>	the date on which the share certificates are despatched generally to persons who have applied for the Rights Shares
<b>“Share Consolidation”</b>	has the meaning ascribed thereto in Recital (D)
<b>“Share(s)”</b>	the ordinary share(s) in the share capital of the Company
<b>“Shareholder(s)”</b>	holders of the issued Shares
<b>“Specified Event”</b>	an event occurring or matter arising on or after the date hereof and prior to the Latest Time for Termination which if it had occurred or arisen before the date hereof would have rendered any of the warranties contained in Clause 10.1 untrue or incorrect in any material respect
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“Subscription Price”</b>	the issue price of HK\$0.115 per Rights Share at which the Rights Shares are proposed to be offered for subscription
<b>“Tsang Irrevocable Undertaking”</b>	has the meaning ascribed thereto in Recital (G)
<b>“Underwriting Agreement”</b>	has the meaning ascribed thereto in Recital (A)
<b>“Underwritten Share(s)”</b>	up to 163,602,300 Rights Shares to be underwritten by the Underwriter pursuant to this Agreement

“Unsubscribed Share(s)”	the Untaken Shares and the NQS Right Unsold Rights Shares not successfully placed
“Untaken Shares”	the Rights Shares not taken up by Qualifying Shareholders under PAL(s) during the Rights Issue
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

- 1.2 References to the singular number include the plural and vice versa and references to one gender include every gender.
- 1.3 Any reference to a document being “**in the agreed form**” means in such form as may following the date of this Agreement be agreed between the Company and the Underwriter.
- 1.4 References to Clauses, Recitals and the Exhibit are to clauses of and recitals and exhibit to, this Agreement.

## **2. CONDITIONS**

- 2.1 The obligations of the Underwriter under this Agreement and the Rights Issue are conditional upon:
- (1) 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, the Placing Agreement and this 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);
  - (2) the Increase in Authorised Share Capital and the Share Consolidation having become effective;
  - (3) 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;
  - (4) 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;

- (5) 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;
  - (6) the Placing Agreement not having been terminated in accordance with the provisions thereof, including force majeure events;
  - (7) the obligations of the Underwriter becoming unconditional and that this Agreement is not terminated in accordance with its terms;
  - (8) the compliance with and performance of all the undertakings and obligations under the Irrevocable Undertakings; and
  - (9) the compliance with any other mandatory requirements under the applicable laws and regulations of Hong Kong and the Cayman Islands.
- 2.2 The Company shall use all reasonable endeavours to procure the fulfilment of the conditions set out in Clause 2.1 by the Latest Time for Termination or such other time as stated in Clause 2.1 and in particular, shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may be necessary in connection with the listing of the Rights Shares.
- 2.3 The Company shall make an application to GEM Listing Committee of the Stock Exchange for the listing of and permission to deal in the Rights Shares, in their nil-paid and fully-paid forms.
- 2.4 The conditions set out in Clause 2.1 are incapable of being waived. If the conditions referred to in Clause 2.1 are not satisfied in whole or in part by the Latest Time for Termination, or where appropriate, the times stipulated in Clause 2.1, or such other time and/or dates as the Company and the Underwriter may agree in writing, this Agreement shall terminate and (save in respect of any provisions of Clause 8.2 or Clauses 9, 11, 14 and 16 and any rights or obligations which may accrue under this 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 breach.

### **3. PUBLICATION OF THE ANNOUNCEMENT**

- 3.1 Subject to approval by the Stock Exchange, the Company shall arrange for the Announcement(s) to be published on the Stock Exchange's website and its own website as soon as reasonably practicable following the signing of this Agreement.

- 3.2 The Company shall use its reasonable endeavours to procure the posting of the Prospectus Documents to the Shareholders on or about the Prospectus Posting Date. The Company shall deliver to the Underwriter a certified copy of the resolution of the Board approving the Prospectus Documents and authorising the despatch thereof as soon as reasonably practicable and in any event within two Business Days from the date of despatch of the Prospectus Documents.
- 3.3 The Company shall, on or before the second Business Day after the Prospectus Documents are posted to Shareholders in accordance with Clause 3.2, post the Prospectus and the Overseas Letter to the Non-Qualifying Shareholders (if any) for information purpose only.

#### 4. **THE RIGHTS ISSUE**

- 4.1 Subject to fulfilment of the Conditions Precedent:
- (1) the Company shall offer the Rights Shares to the Qualifying Shareholders at the Subscription Price, in the proportion of three (3) Rights Shares for every two (2) Consolidated Shares held on the Record Date, by posting the Prospectus Documents to such holders on the Prospectus Posting Date on the basis that payment for the Rights Shares shall be made in full on application not later than the Latest Time for Acceptance;
  - (2) the Company shall, on the Prospectus Posting Date, post the Prospectus marked "**For information only**" and the Overseas Letter to the Non-Qualifying Shareholders;
  - (3) the Company will allot and issue the Rights Shares upon the terms and subject to the conditions set out in the memorandum and articles of association of the Company and in accordance with the Prospectus Documents.
- 4.2 Prior to the despatch of the Prospectus Documents pursuant to Clause 4.1(1), the Company shall deliver to the Underwriter letter(s) from the auditors, reporting accountants or financial adviser of the Company, as appropriate, addressed to the Company reporting on or confirming the unaudited pro forma net tangible asset value of the Company, and where necessary, sufficiency of working capital of the Company, indebtedness statement and other financial information if and as required by the Stock Exchange to be contained in the Prospectus and consenting to the issue of the Prospectus with the inclusion of their names and the references thereto in the form and context in which they are included.

- 4.3 The Company shall procure that the Placing Agent to place to investors who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise independent third parties the Rights Shares representing:
- (1) any Rights Shares for which PALs (accompanied by the appropriate remittances which are honoured on first or, at the discretion of the Underwriter, subsequent presentation and otherwise in compliance with the procedure for acceptance as described in the Prospectus Documents) have not been lodged prior to the Latest Time for Acceptance; and
  - (2) any Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders (if any) in nil-paid form that have not been sold by the Company.
- 4.4 The Rights Shares, when allotted and issued, shall rank *pari passu in* all respects with the Shares in issue on the date of allotment and issue of the Rights Shares, including the right to receive all dividends and distributions which may be declared, made or paid on or after such date.
- 4.5 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.
- 4.6 In accordance with the compensatory arrangements under Rule 10.31(1)(b) of the GEM Listing Rules, 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 nil-paid Rights Shares commence and before the last day for dealing in the nil-paid Rights Shares, if a premium (net of expenses) can be obtained. Any net proceeds of sale thereof, after deduction of expenses, will be paid in Hong Kong dollars to the Non-Qualifying Shareholders pro rata to their respective entitlements as at the close of business on the Record Date, provided that if any of such persons would be entitled to a sum not exceeding HK\$100, such sum will be retained by the Company for its own benefit.
- 4.7 Any NQS Unsold Rights Shares will be placed by the Placing Agent at the price not less than the Subscription Price under the Placing together with the Untaken Shares. The proceeds of the sale as described above, less expenses and in the case of being sold by the Placing Agent, also less the Subscription Price and the Placing Agent's commission, will be paid pro-rata (but rounded down to the nearest cent) to the relevant Non-Qualifying Shareholders' and the No

Action Shareholders' shareholdings held on the Record Date on the basis of all NQS Unsold Rights Shares and Untaken Shares in Hong Kong dollars.

- 4.8 The Company shall use its best endeavours to ensure that the Placing pursuant to Placing Agreement are properly processed and dealt with in accordance with the terms of the Prospectus and the Placing Agreement. Any Untaken Shares and the NQS Unsold Rights Shares remain not placed after completion of the Placing will be taken up by the Underwriter pursuant to the terms of this Agreement.

## **5. UNDERWRITING OBLIGATIONS**

- 5.1 The Company shall immediately after the Latest Lodging Date but in any event before the Record Date make such enquiry regarding the legal restrictions, if any, under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange in the place where the Overseas Shareholders reside.
- 5.2 Subject to the provisions of this Agreement, the Underwriter's obligations under this Agreement shall terminate if, before the Latest Time for Acceptance, all the Rights Shares have been taken up in accordance with the terms of the Prospectus Documents or have been fully placed by the Placing Agent.
- 5.3 If, however, by the Latest Time for Acceptance there shall remain any Unsubscribed Shares, the Company shall as soon as practicable thereafter and in any event before 4:00 p.m. on the next Business Day following the Latest Time for Acceptance notify or procure the Registrar on behalf of the Company to notify the Underwriter in writing of the number of Underwritten Shares not accepted.
- 5.4 If by the Placing End Date, any of the Unsubscribed Shares have not been successfully placed by the Placing Agent, the Company shall as soon as practicable thereafter and in any event before 10:00 a.m. on the second Business Day after the Placing End Date notify or procure the Registrars on behalf of the Company to notify the Underwriter in writing of the number of Underwritten Shares not taken up and the Underwriter shall subscribe or procure subscription on the terms of the Prospectus Documents (so far as the same are applicable) for such Underwritten Shares not taken up not later than 12:00 noon on the second Business Day after (but not including) the date of receipt by the Underwriter of the notification referred to above.
- 5.5 The Underwriter shall, not later than 4:00 p.m. on the Settlement Date, pay or procure payment to the Company by way of banker's draft or cashier's order drawn on a licensed bank in Hong Kong or by way of bank transfer of the aggregate Subscription Price in respect of the Unsubscribed Shares for which

it is obliged to subscribe in accordance with Clause 5 less any amounts payable to the Underwriter pursuant to Clause 8.

- 5.6 As soon as reasonably practicable following receipt by the Company of payment referred to in Clause 5.5, the Company shall arrange for delivery to the Underwriter of share certificates in respect of the fully paid Unsubscribed Shares for which the Underwriter has subscribed in such names and in such denominations as the Underwriter may reasonably require at the same time as share certificates are despatched generally to persons who have applied for the Rights Shares or, where the Underwriter has designated an investor participant or CCASS participant stock account for deposit of all or part of the Rights Shares, evidence to the satisfaction of the Underwriter that such documents and instructions required to effect the crediting of such Rights Shares have been signed or given, as the case may be.

## **6. OBLIGATIONS OF THE UNDERWRITER**

- 6.1 Any transaction carried out by the Underwriter pursuant to Clause 5 (other than the obligations contained in Clause 6.2) shall constitute a transaction carried out at the request of the Company and as its agent and not in respect of the Underwriter's own account. The Underwriter (in relation to Clause 5) shall not be responsible for any loss or damage to any persons arising from any such transaction, except where such loss or damage arises from the breach by the Underwriter of its obligations under this Agreement or the gross negligence or wilful default or omission of the Underwriter or any agent appointed by it for such purpose.
- 6.2 In acting as agent of the Company hereunder, the Underwriter shall comply with all applicable laws and shall not do or omit anything, the doing or omission of which shall or may cause the Company or any of its directors to be in breach of any applicable laws, and in particular, but without prejudice to the generality of the foregoing, shall ensure that all offers made by it of the Rights Shares are made only in compliance with all applicable laws and regulations and do not require the registration of the Prospectus Documents or any of them or any other document as a prospectus or otherwise in any jurisdiction other than Hong Kong and Cayman Islands and the Underwriter shall not make or purport to make on behalf of the Company any representation or warranty not contained in the Prospectus Documents.
- 6.3 The Company hereby confirms the appointment of the Underwriter as underwriter of the Rights Issue subject to and upon the terms and conditions of this Agreement. The Company hereby confirms the appointment in this Clause 6.3 confers on the Underwriter all powers, authorities and discretions which are necessary for, or incidental to, the performance of its function as underwriter (including the appointment by the Underwriter, of such agents and affiliates as it reasonably deems appropriate). The Company will ratify and confirm all



actions which Underwriter lawfully and properly takes pursuant to the appointment.

- 6.4 For the avoidance of doubt, the commitment of the Underwriter under this Agreement shall be limited to and shall not exceed the amount of the Underwritten Shares.
- 6.5 Subject to the fulfilment of the Conditions Precedent, the Company shall duly allot and issue the Rights Shares validly applied for and shall issue certificates for the Rights Shares to the relevant subscribers in accordance with the terms of the Prospectus Documents.
- 6.6 The Underwriter hereby represents, warrants and undertakes to the Company that:
- (1) it has the requisite power and authority to enter into and perform its obligations under this Agreement;
  - (2) this Agreement constitutes, and any other documents required to be executed by it pursuant to the provisions of this Agreement will, when executed, constitute, valid and binding obligations of it in accordance with their respective terms; and
  - (3) no action has been or will be taken by it directly or indirectly in any jurisdiction (other than Hong Kong) that would result in a Rights Issue and/or give rise to a requirement for any prospectus to be published or filed or any registration or qualification to be made or obtained and all offers of new shares shall be made on such terms.

## **7. ALLOTMENT AND ISSUE**

- 7.1 Subject to the fulfilment of the Conditions Precedent, the Company shall, not later than 4:00 p.m. on the Business Day immediately following the Settlement Date or such later time and/or date as may be agreed between the Underwriter and the Company in writing (subject to the consent of the Stock Exchange), duly allot and issue the Rights Shares validly applied for and shall issue certificates for the Rights Shares to the relevant subscribers in accordance with the terms of the Prospectus Documents.
- 7.2 The Underwritten Shares taken up by the Underwriter will be duly allotted and issued and certificates in respect thereof, or evidence that the same has been deposited into investor participant or CCASS participant stock account designated by the Underwriter, will be delivered to the Underwriter or as it may direct as soon as is reasonably practicable following receipt by the Company of payment as provided in Clause 5.5, in accordance with Clause 5.6.

## **8. FEES AND EXPENSES**

- 8.1 The Underwriter will not be entitled to any underwriting commission for the services under this Agreement. In consideration of the Underwriter's services hereunder, and subject to the due performance by the Underwriter of its obligations hereunder, the Company shall reimburse and by not later than the date of despatch of the share certificates in respect of the Rights Shares make payment to the Underwriter all reasonable costs, fees and out-of-pocket expenses properly incurred by it in connection with the underwriting of the Underwritten Shares and agreed in advance by the Company in writing.
- 8.2 Payment of the amounts of the reasonable costs, fees and out-of-pocket expenses properly incurred by the Underwriter in connection with the underwriting of the Underwritten Shares referred to in Clause 8.1 shall be made whether or not the Underwriter's obligations under this Agreement become unconditional or are terminated pursuant to Clause 12.
- 8.3 The amounts of the reasonable costs, fees and out-of-pocket expenses properly incurred by the Underwriter in connection with the underwriting of the Underwritten Shares payable pursuant to Clause 8.1 may be withheld by the Underwriter from any payment to be made by the Underwriter to the Company pursuant to Clause 5.5. In the event of that the amount of the subscription moneys payable by the Underwriter being less than the full amount due to the Underwriter, the amounts payable pursuant to Clause 8.1, or the balance thereof, shall be due and payable as soon as reasonably practicable and in any event not later than the date of despatch of the share certificates in respect of the Rights Shares or, where the Underwriter has designated an investor participant or CCASS participant stock account for deposit of all or part of the Rights Shares, the date of effecting the crediting of such Rights Shares or such other date as may be agreed between the Company and Underwriter.
- 8.4 The Company shall bear its own legal fees, accountancy and other professional fees, the Registrar's fees, the cost of printing and distributing the Announcement and the Prospectus Documents and all other costs, charges and expenses relating to the issue of the Rights Shares and associated transactions (including, without limitation, all fees payable to the Stock Exchange in connection with the listing of the Rights Shares and capital duty (if any) payable on the issue of its share capital). The Company shall forthwith upon request by the Underwriter reimburse the Underwriter for any such expenses as are referred to above which the Underwriter may have properly paid or incurred on behalf of the Company.

## **9. ANNOUNCEMENTS**

- 9.1 Save as expressly required hereunder or as otherwise required by the Stock Exchange and/or the Securities and Futures Commission of Hong Kong, no

public announcement or communication to the Shareholders or to the Stock Exchange and/or the Securities and Futures Commission of Hong Kong concerning the Company and/or its subsidiaries which is material in relation to the Rights Issue and/or this Agreement shall be made or despatched by the Company between the date hereof and, if all the Underwritten Shares are taken up, the Latest Time for Acceptance or, in any other case, the time at which the Underwriter is obliged to make payment under Clause 5.5, without prior written approval from the Company and the Underwriter as to the content, timing and manner of making or despatch thereof which approval shall not be unreasonably withheld or delayed.

## **10. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS**

10.1 The Company represents and warrants to and undertakes with the Underwriter in the following terms:

- (a) the facts stated in the Recitals to this Agreement are true and accurate in all material respects;
- (b) all statements of fact contained or to be contained in the Announcement or the Prospectus Documents (including, in particular, the section headed “Reasons for and benefits of the Rights Issue and intended use of proceeds”) are and will at the date of issue thereof be true and accurate in all material respects and not misleading and all expressions of opinion, intention and expectation expressed therein (including, in particular, the section headed “Reasons for and benefits of the Rights Issue and intended use of proceeds”) are and will be fair and made after due and careful consideration;
- (c) there will be no information not disclosed in the Prospectus Documents (i) the omission of which makes any statement therein misleading or which, in the context of the issue of the Rights Shares, might be material for disclosure therein or (ii) which is necessary to enable investors to make an informed assessment of the activities, assets and liabilities, financial position, management, profits and losses and prospects of the Company and of the rights attaching to the Rights Shares;
- (d) the audited consolidated statement of financial position of the Company as at 31 March 2023, and the audited consolidated statement of comprehensive income of the Company for the financial year ended on such date (including the notes thereto) were prepared in accordance with the applicable laws and on a basis consistent with that adopted in preparing the audited accounts for the previous financial period in accordance with accounting principles, standards and practices generally accepted in Hong Kong so as to give (except to the extent (if any) disclosed therein) a true and fair view of the state of affairs of the

Company as at the relevant dates and the profit or loss of the Company for the relevant financial periods. There has been no material adverse change in the financial or trading position of the Company or any of its subsidiaries since 31 March 2023;

- (e) the returns for taxation purposes, which ought to have been made by or in respect of each of the companies in the Group in Hong Kong and any other part of the world, have been duly made and there are no circumstances known to any company in the Group or any of their respective directors, after making due and careful enquiry, which might be the occasion of any such dispute which is material and all such returns are in all material respects up to date, correct and on a proper basis and are not the subject of any material dispute with the relevant revenue or other appropriate authorities;
- (f) there are existing valid policies of insurance against all liabilities, risks and losses against which it is normal or prudent to insure in respect of all property and assets owned by and all businesses carried on by the companies in the Group and nothing has been done or has been omitted to be done whereby any of the said policies has or may become void or is likely to be avoided;
- (g) the statements, forecasts, estimates and expressions of opinion contained in the Announcement and to be contained in the Prospectus have been and will at the respective dates of issue thereof be made after due and proper consideration, are and will at the respective dates of issue thereof be fair and honest and represent reasonable expectations based on facts known to the Company and/or the Directors or any of them;
- (h) all information necessary for the purpose of, or in the course of preparation of, the Announcement and the Prospectus, or which ought reasonably to have been disclosed or made available by the Company or the Directors was so disclosed or made available to the Underwriter or its legal advisers (if any) fully, fairly and accurately will be true, accurate and complete in all material respects and will contain all material information and particulars with regard to the subject matter thereof;
- (i) each of the companies in the Group is duly incorporated in and under the laws of its respective place of incorporation and has full power and authority to conduct its business as now carried on;
- (j) neither the Company nor any of its subsidiaries is engaged in any litigation, arbitration, prosecution or other legal proceeding of material importance nor is there any such proceeding pending or threatened

against the Company or any of its subsidiaries, nor is there any claim or fact likely to give rise to any claim which in any such case may have or has had a significant effect on the financial position of the Company and its subsidiaries taken as a whole or which is material in the context of the Rights Issue;

- (k) neither the Company nor any of its subsidiaries has entered into any contract or commitment of an unusual or onerous nature during the two-year period prior to the date of the Prospectus which, in the context of Rights Issue, might be material for disclosure;
- (l) the Company and each of its subsidiaries has carried on its business in the ordinary and usual course and there has been no material adverse change in the financial or trading position of the Company or any of its subsidiaries which has not been fully and properly disclosed by the Company in the form of an announcement in accordance with the GEM Listing Rules or otherwise as required by the GEM Listing Rules;
- (m) no order has been made and no resolution has been passed for the winding up of, or for a provisional liquidator to be appointed in respect of, the Company or any of its subsidiaries, and no petition has been presented and no meeting has been convened for the purpose of winding up any of the same; no receiver has been appointed in respect of the Company or any of its subsidiaries or all or any of its assets; none of the Company or any of its subsidiaries is insolvent, or unable to pay its debts within the meaning of section 178 of the Companies (WUMP) Ordinance, or has stopped paying its debts as they fall due; and no unsatisfied judgment which is material to the condition of the Company is outstanding against the Company or any of its subsidiaries;
- (n) the Prospectus Documents will contain all particulars and information required by, and will be in accordance with the Companies (WUMP) Ordinance, the GEM Listing Rules and all other relevant ordinances and governmental regulations in Hong Kong and in the Cayman Islands and shall not involve any breach of or default under any agreement, trust deed or instrument to which the Company is a party;
- (o) no material outstanding indebtedness or guarantee or indemnity of any liability of the Company or any of its subsidiaries has become payable by reason of default by the Company or any of its subsidiaries and no event has occurred or is pending which with the lapse of time or the fulfilment of any condition or the giving of notice or the compliance with any other formality may result in any such indebtedness or guarantee or indemnity of any liability becoming so payable;

- (p) the Company shall not from the date hereof until after the Latest Time for Acceptance issue any Shares or issue or grant any share options or other securities convertible into, exchangeable for or which carry rights to acquire Shares;
- (q) the Company has power under its memorandum and articles of association, to take all necessary corporate or other action, and no other consents, actions, authorisations or approvals are necessary to enable or authorise it:
  - (i) to allot and issue the Rights Shares required to be provisionally allotted pursuant to the terms of this Agreement in accordance with the Prospectus Documents without any sanction;
  - (ii) to deal with the Rights Shares attributable to the Non-Qualifying Shareholders as may be specified in the Prospectus Documents; or
  - (iii) to enter into and perform its obligations under this Agreement and to make the Rights Issue;
- (r) the Rights Shares, when fully paid, shall be free from all liens, charges, encumbrances and third party rights, interests or claims of any nature whatsoever; and
- (s) the obligations of the Company under this Agreement constitute legally valid and binding obligations of it enforceable in accordance with the terms herein.

10.2 The Company hereby undertakes to use all reasonable endeavours not to cause or permit any Specified Event to occur prior to the Latest Time for Termination, and, if this Agreement is not rescinded pursuant to Clause 12, all such warranties, representations and undertakings as are contained in Clause 10.1 above shall be deemed to have been repeated as at the Latest Time for Termination with reference to the facts and circumstances then subsisting.

10.3 If any Specified Event shall occur or come to the knowledge of the Company prior to the Latest Time for Termination, it shall as soon as reasonably practicable give notice to the Underwriter of the same.

10.4 The Underwriter hereby irrevocable undertakes to the Company that:

- (1) the 354,659,000 Existing Shares (equivalent to 70,931,800 Consolidated Shares) registered in the name of and wholly and beneficially owned by the Underwriter will remain registered in the name

of and beneficially owned by the Underwriter before the date when the announcement of the results of the Rights Issue is published;

- (2) the Underwriter will accept its entitlements under the Rights Issue for an aggregate of 106,397,700 Rights Shares;
- (3) the Underwriter will lodge the PAL in respect of the Rights Shares referred to in Clause 10.4(2) accompanied by appropriate remittances which shall be honoured on first presentation and otherwise comply with the procedures for such acceptance and application as described in the Prospectus Documents prior to the Latest Time for Acceptance; and
- (4) take appropriate steps, including, the disposal of such number of Shares necessary to ensure that sufficient public float exists in the shares of the Company in compliance with the GEM Listing Rules upon completion of the Rights Issue.

10.5 The foregoing provisions of this Clause 10 will continue in full force and effect notwithstanding the completion of the Rights Issue.

## **11. INDEMNITY**

11.1 The Company shall on demand indemnify the Underwriter and shall on demand hold the Underwriter indemnified against all loss or liability of any nature (including, without limitation, claims, costs, charges and expenses) whatsoever arising from or in respect of any breach by the Company of any provision of this Agreement, or any claim which may be brought or threatened to be brought against the Underwriter (whether or not such claim is successfully compromised or settled) in each case arising out of or in relation to or by reason of the performance by the Underwriter of its obligations hereunder (and provided that such loss or liability is not connected with any failure by the Underwriter to comply with its obligations under Clause 5), by any subscriber of any of the Rights Shares or any subsequent purchaser or transferee thereof or any other person claiming that he has suffered loss in respect of them as a result of:

- (a) the Prospectus Documents not containing all the information required by law or pursuant to the GEM Listing Rules or rules of other relevant authority or body to be stated therein or on the grounds that any statement, estimate or forecast contained in the Prospectus Documents is untrue, inaccurate or misleading in any material respect;
- (b) the Prospectus Documents failing or being alleged in failing to disclose sufficient information necessary to enable an informed assessment to be made by a sophisticated investor of the assets and liabilities, financial position, profits and losses, and prospects of the Company or of the rights attaching to the Rights Shares;

- (c) any claims and proceedings arising out of matters which constitute a material breach of the representations and warranties in Clause 10;
- (d) any breach of the laws or regulations of any country resulting from the allotment or issue of the Rights Shares or the distribution of the Prospectus Documents;
- (e) any material misrepresentation by either the Company or any of the Directors or any employee of the Company in connection with the Rights Issue; or
- (f) the allotment or issue of the Rights Shares,

including in any such case (but without prejudice to the generality of the foregoing) all reasonable costs, charges and expenses of whatever nature which the Underwriter may properly incur or bear in disputing any such claim made against it or establishing any claim on its part under this Clause 11 provided that this indemnity shall not relate to any claims or proceedings costs or expenses arising from any negligent act, omission or default, on the part of the Underwriter and that the conduct of the defence (including any settlement of any such claim) shall be carried out by the Underwriter after, and on the basis of, regular consultation with the Company.

- 11.2 The Company shall not make any claim against the Underwriter to recover any damages which the Company may suffer arising out of the performance by the Underwriter of its obligations hereunder, provided that such damages do not arise from any negligent act, omission or default on the part of the Underwriter in respect of the Rights Issue.
- 11.3 If the Underwriter becomes aware of any claim relevant for the purposes of Clause 11.1 and to the extent permitted by applicable laws, rules and regulations, it shall give notice in writing thereof to the Company and shall take such action as the Company may reasonable request to avoid, dispute, resist, defend or appeal against the claim and any adjudication in respect thereof but subject to the Underwriter being indemnified and secured to its reasonable satisfaction against all losses and expenses to which it might thereby render itself liable to suffer and incur including, without limitation, reasonable legal expenses properly incurred by its legal advisers.

## **12. RESCISSION AND TERMINATION**

- 12.1 If, prior to the Latest Time for Termination (provided that for the purposes of this Clause 12 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):

- (1) 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 hereof) 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 Company as a whole; or
- (2) 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
- (3) 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

- (4) 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
- (5) 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
- (6) 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 the Announcement or the Prospectus Documents or other announcements in connection with the Rights Issue,

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

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

- (1) any material breach of any of the representations, warranties or undertakings contained in Clause 10.1 above comes to the knowledge of the Underwriter; or
- (2) 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.

12.3 If prior to the Latest Time for Termination any such notice as is referred to above is given by the Underwriter, the obligations of all parties under this Agreement (save and except this Clause 12.3 and Clauses 9, 11, 14 and 16 which shall remain in full force and effect and save further that the Company shall pay the fees and expenses specified in Clause 8.1) shall terminate forthwith and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches. For the avoidance of doubt, the Underwriter shall not be entitled to give a notice pursuant to Clauses 12.1 or 12.2 at any time after its obligations under Clause 5 have terminated pursuant to Clause 5.2.

12.4 If this Agreement is terminated by the Underwriter at such time before the Latest Time for Termination but after the Underwriter has in accordance with Clause 5.5 paid or procured payment to the Company of the aggregate Subscription

Price in respect of the Underwritten Shares for which the Underwriter is obliged to procure subscription under the provisions of Clause 5, the Company shall, not later than the end of the second Business Day after (but not including) the date of receipt of the notice of termination issued by the Underwriter pursuant to Clause 12.1 or Clause 12.2, remit to the Underwriter such amount of aggregate Subscription Price which it has received from the Underwriter.

- 12.5 Rescission or termination of this Agreement under this Clause 12 shall be without prejudice to any rights of any party in respect of any breach by the other prior to such rescission or termination.

**13. TIME OF THE ESSENCE**

Any time, date or period mentioned in this Agreement may be extended by mutual agreement between the parties hereto, but as regards any time, date or period originally fixed or any time, date or period so extended as aforesaid, time shall be of the essence.

**14. NOTICES**

- 14.1 Any notice required to be given hereunder will be deemed to be duly served if left at or sent by hand or facsimile transmission or pre-paid post to the registered office or to the following addresses and facsimile numbers and where relevant, marked for the attention of the following persons:

<u>Party</u>	<u>Address</u>	<u>Facsimile number</u>
The Company	Shop B3, G/F, Block 3 Kwun Tong Industrial Centre 448-458 Kwun Tong Road Kwun Tong, Hong Kong  Attn.: The board of directors	(852) 3914 9127
The Underwriter	Shop B3, G/F, Block 3 Kwun Tong Industrial Centre 448-458 Kwun Tong Road Kwun Tong, Hong Kong  Attn.: Mr. Lam Shing Tai	N/A

- 14.2 Any such notice will be deemed to be served if sent by facsimile on receipt of answerback, if sent by hand at the time when the same is handed to or left at the address of the party to be served, and if sent by post on the day (excluding Sundays or Hong Kong public holidays) after the day of posting.

**15. COUNTERPARTS**

This Agreement may be entered into in any number of counterparts, all of which taken together shall constitute one and the same instrument. Any party may enter into this Agreement by executing any such counterpart.

**16. GOVERNING LAW**

- 16.1 This Agreement shall be governed by and construed in accordance with the laws of Hong Kong.
- 16.2 The parties hereby irrevocably submit to the non-exclusive jurisdiction of the courts of Hong Kong but this Agreement may be enforced in any other court in competent jurisdiction.
- 16.3 Any liability of any party hereunder to the other party may in whole or in part be released, compounded or compromised and time or indulgence may be given by any party hereunder as regards any other party under such liability without prejudicing that party's rights against any other person under the same or a similar liability.
- 16.4 Notwithstanding any other provisions of this Agreement, a person who is not a party to this Agreement shall not have any rights under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce any of the provisions of this Agreement.

**IN WITNESS WHEREOF** this Agreement has been entered into the day and year first above written.

**THE COMPANY**

**SIGNED** by YIP CHI MAN )  
 )  
for and on behalf of )  
 )  
**UNIVERSE PRINTSHOP HOLDINGS** )  
**LIMITED** )  
 )  
in the presence of: )



So Hang Fung

**THE UNDERWRITER**

**SIGNED** by LAM SHING TAI )  
 )  
for and on behalf of )  
 )  
**NEW METRO INC.** )  
 )  
in the presence of: )



So Hang Fung

**EXHIBIT**

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

*This announcement appears for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.*

## **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/controllering 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:

<b>Event</b>	<b>Timeline</b>
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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<b>Event</b>	<b>Timeline</b>
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

<b>Event</b>	<b>Timeline</b>
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

<b>Event</b>	<b>Timeline</b>
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	%
<b>Controlling Shareholders</b>								
New Metro <sup>(Notes 1 &amp; 2)</sup>	354,659,000	35.54	70,931,800	35.54	177,329,500	35.54	340,931,800	68.32
Mr. Chau <sup>(Note 2)</sup>	41,366,000	4.14	8,273,200	4.14	20,683,000	4.14	8,273,200	1.66
Mr. Hsu <sup>(Note 2)</sup>	110,500,000	11.07	22,100,000	11.07	55,250,000	11.07	22,100,000	4.43
<b>Other Shareholder</b>								
Ms. Au Suk Han Shirley <sup>(Note 3)</sup>	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	%
<b>Public Shareholders</b>								
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
<b>Total</b>	<b>998,000,000</b>	<b>100.00</b>	<b>199,600,000</b>	<b>100.00</b>	<b>499,000,000</b>	<b>100.00</b>	<b>499,000,000</b>	<b>100.00</b>

*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:

<b>Date of completion</b>	<b>Description of fund raising activities</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds as at the date of this announcement</b>
3 May 2023	Issue of 98,000,000 new Shares under general mandate at the subscription price of HK\$0.04 per share.  The net proceeds from the subscription was approximately HK\$3.73 million	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

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](http://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](http://www.uprintshop.hk).*

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*This announcement appears for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.*

## **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)**

### **SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO (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; (4) CONNECTED TRANSACTION IN RELATION TO THE UNDERWRITING AGREEMENT; AND (5) RESUMPTION OF TRADING**

Reference is made to the announcement (the “**Announcement**”) of Universe Printshop Holdings Limited (the “**Company**”) dated 3 October 2023 in relation to, among other things, the Rights Issue. Unless otherwise defined herein, capitalised terms in this announcement shall have the same meanings as those defined in the Announcement.

The Board would like to update the Shareholders and potential investors of the Company of the following arrangements in connection with the Rights Issue.

#### **THE COMPENSATORY ARRANGEMENTS**

The Company and the Underwriter entered into the supplemental underwriting agreement (the “**Supplemental Agreement**”) on 5 October 2023 pursuant to which the Company will make compensatory arrangements to dispose of the Untaken Shares and the NQS Unsold Rights Shares, by offering them to independent placees for the benefit of the relevant No Action Shareholders and Non-Qualifying Shareholders pursuant to Rule 10.31(1)(b) of the GEM Listing Rules. **Accordingly, there will be no excess application arrangements in relation to the Rights Issue and no EAFs will be despatched to the Shareholders.** Shareholders and potential investors of the Company should note the updates to the Rights Issue, particularly the arrangements and procedures in respect of the Untaken Shares and the NQS Unsold Rights Shares, the Placing, the additional conditions of the Rights Issue and the updated timetable and trading arrangements set out in this announcement.



## **Arrangements for the NQS Rights Shares**

In accordance with the compensatory arrangements under Rule 10.31(1)(b) of the GEM Listing Rules, 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 nil-paid Rights Shares commence and before the last day for dealing in the nil-paid Rights Shares, if a premium (net of expenses) can be obtained. Any net proceeds of sale thereof, after deduction of expenses, will be paid in Hong Kong dollars to the Non-Qualifying Shareholders pro rata to their respective entitlements as at the close of business on the Record Date, provided that if any of such persons would be entitled to a sum not exceeding HK\$100, such sum will be retained by the Company for its own benefit.

Any NQS Unsold Rights Shares will be placed by the Placing Agent at the price not less than the Subscription Price under the Placing together with the Untaken Shares. The proceeds of the sale as described above, less expenses and in the case of being sold by the Placing Agent, also less the Subscription Price and the Placing Agent's commission, will be paid pro-rata (but rounded down to the nearest cent) to the relevant Non-Qualifying Shareholders' and the No Action Shareholders' shareholdings held on the Record Date on the basis of all NQS Unsold Rights Shares and Untaken Shares in Hong Kong dollars. Any Untaken Shares and the NQS Unsold Rights Shares remain not placed after completion of the Placing will be taken up by the Underwriter pursuant to the terms of the Underwriting Agreement (as amended and supplemented by the Supplemental Agreement).

## **Procedures in respect of the Untaken Shares and the NQS Unsold Rights Shares and the Placing**

The Company will make arrangements described in Rule 10.31(1)(b) of the GEM Listing Rule to dispose of the Untaken Shares and the NQS Unsold Rights Shares by offering the Untaken Shares and the NQS Unsold Rights Shares to independent placees for the benefit of the relevant No Action Shareholders and Non-Qualifying Shareholders.

The Company therefore appointed the Placing Agent to place the Untaken Shares and the NQS Unsold Rights Shares to independent placees on a best effort basis. Any premium over, the aggregate amount of (i) the Subscription Price for those Rights Shares; and (ii) the expenses of the Placing Agent (including any other related expenses/fees), that is realised will be paid to the No Action Shareholders and the Non-Qualifying Shareholders on a pro-rata basis. The Placing Agent will on a best effort basis, procure, by not later than 5:00 p.m. on the Placing End Date, acquirers for all (or as many as possible) of those Untaken Shares and the NQS Unsold Rights Shares if a premium over the Subscription Price and the expenses of procuring such acquirers (including any related commissions and any other related expenses/fees) can be obtained. Any Untaken Shares and the NQS Unsold Rights Shares remain not placed after completion of the Placing will be taken up by the Underwriter pursuant to the terms of the Underwriting Agreement (as amended and supplemented by the Supplemental Agreement).

Net Gain (if any) will be paid (without interest) on pro-rata basis (on the basis of all Untaken Shares and NQS Unsold Rights Shares) to the No Action Shareholders and the Non-Qualifying Shareholders (but rounded down to the nearest cent). It is proposed that Net Gain to any of the No Action Shareholder(s) or the Non-Qualifying Shareholders of HK\$100 or more will be paid to them in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit. Shareholders are reminded that Net Gain may or may not be realised, and accordingly the No Action Shareholders and the Non-Qualifying Shareholders may or may not receive any Net Gain.

## **THE PLACING**

On 5 October 2023, the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company conditionally agreed to appoint the Placing Agent and the Placing Agent conditionally agreed to act as the placing agent for the Company to procure, on a best effort basis, places to subscribe for the Placing Shares (i.e. the Untaken Shares and/or the NQS Unsold Rights Share during the Rights Issue) on the terms and subject to the conditions set out in the Placing Agreement. Under the terms of the Placing Agreement, if all the Rights Shares are already fully taken up in the Rights Issue through the PAL(s), the Placing will not proceed.

### **Placing Agreement**

The principal terms of the Placing Agreement are summarised below:

Date: 5 October 2023

Placing Agent: Sorrento Securities Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

Placing commission and expenses: 1.5% of the gross proceeds from the subscription of the Placing Shares successfully placed by the Placing Agent under the Placing Agreement. The Company shall also be responsible for all costs and expenses reasonably incurred in connection with or arising out of the Placing.

Placing price: The placing price of each of the Untaken Share and/or the NQS Unsold Rights Share (as the case maybe) shall be not less than the Subscription Price. The final price determination will be determined based on the demand for and market conditions of the Untaken Shares and the NQS Unsold Rights Shares during the process of Placing.

- Ranking:** The Placing Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the Consolidated Shares in issue as at the date of allotment and issue of the Placing Shares.
- Placing Period:** The Placing Period shall commence on Tuesday, 19 December 2023, and end on the Placing End Date or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Placing.
- Placees:** The Placing Agent shall ensure that the Placing Shares are placed (i) only to institutional, corporate or individual investors who and whose ultimate beneficial owner(s) shall be Independent Third Parties; (ii) such that no placee shall become a substantial Shareholder immediately following the Placing; (iii) such that the Placing will not have any implications under the Hong Kong Code on Takeovers and Mergers and no Shareholder will be under any obligation to make a general offer under the Hong Kong Code on Takeovers and Mergers as a result of the Placing; and (iv) such that the Placing will not result in the Company incapable to comply with the public float requirements under the GEM Listing Rules immediately following the Placing.

### **Conditions of the Placing**

The obligations of the Placing Agent and the Company under the Placing Agreement are conditional upon the following conditions being fulfilled:

- (i) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares, including the Placing Shares, in their nil-paid and fully paid forms (subject to customary conditions) and such approval not having been withdrawn or revoked;
- (ii) approval of the Rights Issue by the Independent Shareholders at the EGM;
- (iii) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion of the Placing Agreement; and

(iv) the Placing Agreement not having been terminated in accordance with the provisions thereof.

The Placing Agent may, in its absolute discretion, waive the fulfilment of all or any part of the conditions (other than those set out in paragraphs (i) to (ii) above) by notice in writing to the Company.

The timetable of the Placing is driven by the timetable of the Rights Issue. Under the terms of the Placing Agreement, the Placing Period shall commence on Tuesday, 19 December 2023, or such other date as the Company may announce. The Placing Period shall end on Thursday, 21 December 2023, or such other date as the Company may announce.

The long stop date for the fulfilment of conditions of the Placing Agreement shall be 5:00 p.m. on Friday, 22 December 2023 (being the next Business Day after the Placing End Date) or such later date as may be announced by the Company. The Company shall use its reasonable endeavours to procure the fulfilment of the conditions and if the said conditions are not fulfilled on or before the Placing Long Stop Date, the Placing Agreement will lapse and become null and void and the Company and the Placing Agent shall be released from all rights and obligations under the Placing Agreement, save for the liabilities for any antecedent breaches thereof.

### **Termination**

The Placing Agreement can only be terminated by mutual written confirmations by the Company and the Placing Agent.

### **Completion of the Placing**

Subject to the fulfilment of conditions of the Placing as set out in the section headed “Conditions of the Placing” of this announcement, the completion of the Placing is expected to take place on the Placing Long Stop Date (or such later date as the Company may announce).

The engagement between the Company and the Placing Agent of the Untaken Shares and the NQS Unsold Rights Shares was determined after arm’s length negotiation between the Placing Agent and the Company and is on normal commercial terms. In particular, the Directors, taking into account the range of placing commissions for recent rights issues conducted by issuers listed on the Stock Exchange, consider that the terms of the Placing Agreement, including the placing commission, are on normal commercial terms. Given that the Placing would provide (i) a distribution channel of the Untaken Shares and the NQS Unsold Rights Shares; and (ii) a compensatory mechanism for the No Action Shareholders and Non-Qualifying Shareholders, the Directors consider that the Placing Agreement is fair and reasonable and in the interest of the Company and its shareholders as a whole.

Given that the compensatory arrangements would provide a compensatory mechanism for the relevant No Action Shareholders and Non-Qualifying Shareholders, the Directors consider that the terms of the Supplemental Agreement are fair and reasonable and the compensatory arrangements are in the interest of the minority Shareholders.

## **THE RIGHTS ISSUE**

### **Conditions of the Rights Issue**

The Company sets out below updated conditions for the Rights Issue:

- (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, the Placing Agreement, the Underwriting Agreement and the Supplemental 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 Placing Agreement not having been terminated in accordance with the provisions thereof, including force majeure events;
- (vii) the obligations of the Underwriter becoming unconditional and the Underwriting Agreement (as amended and supplemented by the Supplemental Agreement) not having been terminated in accordance with the provisions thereof, including force majeure events;
- (viii) the compliance with and performance of all the undertakings and obligations under the Irrevocable Undertakings; and

- (ix) 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 (as amended and supplemented by the Supplemental 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 (as amended and supplemented by the Supplemental 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).

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

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

<b>Event</b>	<b>Timeline</b>
Publication of this supplemental announcement . . . . .	Thursday, 5 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, the Rights Issue and the Placing**

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>
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 an 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
Despatch of the Prospectus Documents (including the Prospectus and the PALs; 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 . . . . .	4:00 p.m. on Thursday, 14 December 2023



Announcement of the number of the Untaken Shares  
and NQS Unsold Rights Shares  
subject to the Placing . . . . . Monday, 18 December 2023

Commencement of the Placing (if there are any  
Untaken Shares and NQS Unsold Rights  
Shares available) . . . . . Tuesday, 19 December 2023

Placing End Date for placing the Placing Shares . . . . . 5:00 p.m. on Thursday,  
21 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

Latest time to terminate the Underwriting Agreement  
(as amended and supplemented by the Supplemental Agreement)  
and for the Rights Issue to become unconditional . . . . . 5:00 p.m. on Friday,  
22 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

Announcement of results of the Rights Issue . . . . . Tuesday, 2 January 2024

Share certificates for the Rights Shares and  
refund cheques, if the Rights Issue is terminated,  
to be despatched . . . . . Wednesday, 3 January 2024

First day of dealings in the fully-paid Rights Shares . . . . . Thursday, 4 January 2024

Payment of Net Gain to relevant No Action Shareholders  
and Non-Qualifying Shareholders and net proceeds  
from the sale of nil-pail Rights Shares to the  
relevant Non-Qualifying Shareholders (if any) . . . . . Monday, 22 January 2024

All updated 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, the Placing Agent 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 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		Immediately after		Immediately after		Immediately after the		Immediately after the	
	date of this announcement		the Share Consolidation		the Share Consolidation and upon the completion of the Rights Issue assuming full acceptance by all Shareholders under the Rights Issue		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) and all the Placing Shares are placed to the places under the compensatory arrangements		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) and none of the Placing Shares are placed to the places under the compensatory arrangements	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
<b>Controlling Shareholders</b>										
New Metro <sup>(Notes 1 &amp; 2)</sup>	354,659,000	35.54	70,931,800	35.54	177,329,500	35.54	177,329,500	35.54	340,931,800	68.32
Mr. Chau <sup>(Note 2)</sup>	41,366,000	4.14	8,273,200	4.14	20,683,000	4.14	8,273,200	1.66	8,273,200	1.66
Mr. Hsu <sup>(Note 2)</sup>	110,500,000	11.07	22,100,000	11.07	55,250,000	11.07	22,100,000	4.43	22,100,000	4.43
<b>Other Shareholder</b>										
Ms. Au Suk Han Shirley <sup>(Note 3)</sup>	9,500,000	0.95	1,900,000	0.95	4,750,000	0.95	1,900,000	0.38	1,900,000	0.38
Sub-total	<u>516,025,000</u>	<u>51.71</u>	<u>103,205,000</u>	<u>51.71</u>	<u>258,012,500</u>	<u>51.71</u>	<u>209,602,700</u>	<u>42.00</u>	<u>373,205,000</u>	<u>74.79</u>

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) and all the Placing Shares are placed to the placees under the compensatory arrangements		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) and none of the Placing Shares are placed to the placees under the compensatory arrangements	
	Number of Shares		Number of Shares		Number of Shares		Number of Shares		Number of Shares	
		%		%		%		%		%
<b>Public Shareholders</b>										
Mr. Tsang	49,000,000	4.91	9,800,000	4.91	24,500,000	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	24,500,000	4.91
Placees	-	-	-	-	-	-	163,602,300	32.79	-	-
Other Public Shareholders	383,975,000	38.47	76,795,000	38.47	191,987,500	38.47	76,795,000	15.39	76,795,000	15.39
Sub-total	<u>481,975,000</u>	<u>48.29</u>	<u>96,395,000</u>	<u>48.29</u>	<u>240,987,500</u>	<u>48.29</u>	<u>289,397,300</u>	<u>58.00</u>	<u>125,795,000</u>	<u>25.21</u>
<b>Total</b>	<u><u>998,000,000</u></u>	<u><u>100.00</u></u>	<u><u>199,600,000</u></u>	<u><u>100.00</u></u>	<u><u>499,000,000</u></u>	<u><u>100.00</u></u>	<u><u>499,000,000</u></u>	<u><u>100.00</u></u>	<u><u>499,000,000</u></u>	<u><u>100.00</u></u>

*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.

## **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, the Placing Agreement and the Underwriting Agreement (as amended and supplemented by the Supplemental 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, the Placing Agreement and the Underwriting Agreement (as amended and supplemented by the Supplemental 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 (as amended and supplemented by the Supplemental 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 Placing Agreement; (iii) the Underwriting Agreement (as amended and supplemented by the Supplemental Agreement); (iv) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Rights Issue, the Placing Agreement and the Underwriting Agreement (as amended and supplemented by the Supplemental Agreement); (v) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue, the Placing Agreement and the Underwriting Agreement (as amended and supplemented by the Supplemental Agreement); and (vi) 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, will be sent to the Non-Qualifying Shareholders (if any) for their information only.

Save as disclosed in this announcement, all other information and contents set out in the Announcement remain unchanged.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on GEM of the Stock Exchange has been suspended with effect from 9:00 a.m. on Wednesday, 4 October 2023 pending publication of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on Friday, 6 October 2023.

**Shareholders and potential investors of the Company should note the updates to the Rights Issue, particularly the compensatory arrangements that the Placing will be conducted and as such there will be no excess application arrangements in relation to the Rights Issue and no EAFs will be despatched to the Shareholders. Please refer to the updated timetable and trading arrangements set out in this announcement.**

**The Rights Issue is subject to the fulfilment of conditions including, among other things, the Placing Agreement and the Underwriting Agreement (as amended and supplemented by the Supplemental 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 (as amended and supplemented by the Supplemental 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 5:00 p.m. on Friday, 22 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:

“Latest Time for Termination” 5:00 p.m. on Friday, 22 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 (as amended and supplemented by the Supplemental Agreement)

“Net Gain” the aggregate of any premiums (being the aggregate amount paid by the placees) after deducting the aggregate amount of the Subscription Price for the Untaken Shares and the NQS Unsold Rights Shares placed by the Placing Agent under the Placing Agreement

“No Action Shareholder(s)”	the Qualifying Shareholders who do not subscribe for the Rights Shares (whether partially or fully) under the PAL(s) or their renounees, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed
“NQS Rights Shares”	the Rights Share(s) which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form (if any)
“NQS Unsold Rights Shares”	the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders (if any) in nil-paid form that have not been sold by the Company
“Placing”	the placing of the Untaken Shares and the NQS Unsold Rights Shares on a best effort basis by the Placing Agent to the independent placee(s) during the Placing Period on the terms and conditions set out in the Placing Agreement
“Placing Agent”	Sorrento Securities Limited, a licensed corporation to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO
“Placing Agreement”	the placing agreement dated 5 October 2023 entered into between the Company and the Placing Agent in relation to the placing of Untaken Shares and the NQS Unsold Rights Shares
“Placing End Date”	5:00 p.m. on Thursday, 21 December 2023 or such other dates as the Company may announce
“Placing Long Stop Date”	5:00 p.m. on Friday, 22 December 2023 or such later date as may be announced by the Company, being the latest date for the fulfilment of conditions of the Placing Agreement and the next Business Day after the Placing End Date
“Placing Period”	the period commencing from the third Business Day after the Latest Time for Acceptance and ending at 5:00 p.m. on the fifth Business Day after the Latest Time for Acceptance
“Placing Share(s)”	the Untaken Share(s) and the NQS Unsold Rights Share(s)

“Prospectus Documents”	the Prospectus and the PAL
“Untaken Share(s)”	the Rights Shares not taken up by Qualifying Shareholders under PAL(s) during the Rights Issue

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

Hong Kong, 5 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](http://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](http://www.uprintshop.hk).*