

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.



eprint GROUP LIMITED
eprint集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1884)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2015
AND
RETIREMENT OF DIRECTOR AND
CHANGE OF MEMBER OF REMUNERATION COMMITTEE**

FINANCIAL HIGHLIGHTS

	For the year ended 31 March		
	2015	2014	
	HK\$'million	HK\$'million	Change
Operating Results			
Revenue	316.5	304.6	3.9%
Profit for the year attributable to equity holders of the Company	32.3	21.6	49.5%
Net profit margin %	10.2%	7.0%	
Gross profit margin %	38.0%	37.6%	
Basic earnings per share (HK cents)	6.47	5.19	24.7%
Dividend payout ratio	99.9%	92.7%	

	As at 31 March		
	2015	2014	
	HK\$'million	HK\$'million	Change
Financial Position			
Total assets	237.8	253.1	(6.0%)
Total equity	161.0	164.8	(2.3%)
Bank balance and deposit	<u>118.2</u>	<u>134.0</u>	<u>(11.8%)</u>
Key Financial Ratios			
Return on equity (%)	20.1%	13.1%	
Gearing ratio (%)	<u>12.9%</u>	<u>21.8%</u>	

The board (the “**Board**”) of directors (the “**Director(s)**”) of eprint Group Limited (the “**Company**”) announces the consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 March 2015, together with the comparative figures for the year ended 31 March 2014, are as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2015

	Note	2015 HK\$'000	2014 HK\$'000
Revenue	3	316,547	304,562
Cost of sales	4	<u>(196,331)</u>	<u>(190,012)</u>
Gross profit		120,216	114,550
Other income	3	7,736	6,165
Other losses – net	3	(860)	(1,122)
Selling and distribution expenses	4	(19,819)	(17,553)
Administrative expenses	4	<u>(70,581)</u>	<u>(75,136)</u>
Operating profit		<u>36,692</u>	<u>26,904</u>
Finance income		2,449	1,147
Finance costs		<u>(790)</u>	<u>(1,894)</u>
Finance income/(costs) – net		<u>1,659</u>	<u>(747)</u>
Share of profits of joint ventures – net		<u>109</u>	<u>1,776</u>

		2015	2014
	<i>Note</i>	HK\$'000	HK\$'000
Profit before income tax		38,460	27,933
Income tax expense	5	<u>(6,151)</u>	<u>(6,535)</u>
Profit for the year		32,309	21,398
Other comprehensive income:			
<i>Item that may be subsequently reclassified to profit or loss:</i>			
Currency translation differences		<u>(596)</u>	<u>(182)</u>
Total comprehensive income for the year		<u>31,713</u>	<u>21,216</u>
Profit for the year attributable to:			
Equity holders of the Company		32,335	21,577
Non-controlling interests		<u>(26)</u>	<u>(179)</u>
		<u>32,309</u>	<u>21,398</u>
Earnings per share for profit attributable to equity holders of the Company during the year			
Basic (expressed in HK cents per share)	6	<u>6.47</u>	<u>5.19</u>
Diluted (expressed in HK cents per share)	6	<u>6.46</u>	<u>5.19</u>
Total comprehensive income for the year attributable to:			
Equity holders of the Company		31,739	21,395
Non-controlling interests		<u>(26)</u>	<u>(179)</u>
		<u>31,713</u>	<u>21,216</u>
Dividends	7	<u>32,300</u>	<u>34,999</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

		2015	2014
	<i>Note</i>	HK\$'000	HK\$'000
Assets			
Non-current assets			
Property, plant and equipment		97,600	103,414
Investments in joint ventures		6,401	2,922
Deposits and prepayments		1,865	3,164
		<u>105,866</u>	<u>109,500</u>
Current assets			
Inventories		3,229	3,123
Trade receivables	8	2,316	2,379
Deposits, prepayments and other receivables	9	4,658	2,466
Current income tax recoverable		1,279	1,158
Amounts due from joint ventures		2,293	479
Bank deposit		–	18,004
Cash and cash equivalents		118,208	115,961
		<u>131,983</u>	<u>143,570</u>
Total assets		<u>237,849</u>	<u>253,070</u>
Equity			
Capital and reserves attributable to the equity holders of the Company			
Share capital		5,000	5,000
Share premium		80,357	80,357
Other reserves		57,998	57,412
Proposed final dividend		17,650	20,000
		<u>161,005</u>	<u>162,769</u>
Non-controlling interests		<u>(6)</u>	<u>2,025</u>
Total equity		<u>160,999</u>	<u>164,794</u>

		2015	2014
	<i>Note</i>	HK\$'000	<i>HK\$'000</i>
Liabilities			
Non-current liabilities			
Obligations under finance leases		6,969	14,694
Deferred income tax liabilities		12,172	10,496
		<u>19,141</u>	<u>25,190</u>
Current liabilities			
Trade payables	10	24,274	24,920
Accruals and other payables	10	19,322	16,284
Amounts due to directors		350	350
Borrowings		3,810	9,681
Obligations under finance leases		9,953	11,620
Current income tax payable		–	231
		<u>57,709</u>	<u>63,086</u>
Total liabilities		<u>76,850</u>	<u>88,276</u>
Total equity and liabilities		<u>237,849</u>	<u>253,070</u>
Net current assets		<u>74,274</u>	<u>80,484</u>
Total assets less current liabilities		<u>180,140</u>	<u>189,984</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). The consolidated financial statements have been prepared under the historical cost convention.

The consolidated financial statements are prepared in accordance with the applicable requirements of the predecessor Companies Ordinance (Cap. 32) for this financial year and the comparative period.

The preparation of the consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

(a) Amended standards and interpretation adopted by the Group

The following amendments to standards are mandatory for accounting periods beginning on or after 1 April 2014:

HKAS 32 (Amendment)	Financial instruments: Presentation – Offsetting financial assets and financial liabilities
HKAS 36 (Amendment)	Impairment of assets: Recoverable amount disclosures for non-financial assets
HKAS 39 (Amendment)	Financial instruments: Recognition and measurement – Novation of derivatives and continuation of hedge accounting
HKFRS 10, HKFRS 12 and HKAS 27 (2011) (Amendment)	Investment entities
HK(IFRIC) – Int 21	Levies

Other standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2014 are not material to the Group.

(b) New standards and amendments to standards have been issued but not effective for the financial year beginning on or after 1 April 2014 and have not been early adopted:

		Effective for annual period beginning on or after
HKFRSs (Amendment)	Annual Improvements to HKFRSs 2010-2012 Cycle	1 July 2014
HKFRSs (Amendment)	Annual Improvements to HKFRSs 2011-2013 Cycle	1 July 2014
HKAS 19 (2011) Amendment	Defined benefit plans: Employee contributions	1 July 2014
HKFRSs (Amendment)	Annual Improvements to HKFRSs 2012-2014 Cycle	1 January 2016
HKAS 1 (Amendment)	The disclosure initiative	1 January 2016
HKAS 16 and HKAS 38 (Amendment)	Clarification of acceptable methods of depreciation and amortisation	1 January 2016
HKAS 16 and HKAS 41 (Amendment)	Agriculture: bearer plants	1 January 2016
HKAS 27 (Amendment)	Equity method in separate financial statements	1 January 2016
HKFRS 10 and HKAS 28 (Amendment)	Sale or contribution of assets between an investor and its associate or joint venture	1 January 2016
HKFRS 10, HKFRS 12 and HKAS 28 (Amendment)	Investment entities: Applying the consolidation exception	1 January 2016
HKFRS 11 (Amendment)	Accounting for acquisitions of interests in joint operations	1 January 2016
HKFRS 14	Regulatory deferral accounts	1 January 2016
HKFRS 15	Revenue from contracts with customers	1 January 2017
HKFRS 9	Financial instruments	1 January 2018

The Group has not early adopted these new standards and amendments to the existing standards in the financial statements for the year ended 31 March 2015. The Group plans to apply the above standards and amendments when they become effective. The Group has already commenced an assessment of the related impact to the Group and it is not yet in a position to state whether any substantial changes to Group's significant accounting policies and presentation of the financial information will result.

(c) New Hong Kong Companies Ordinance (Cap. 622)

The requirements of Part 9 “Accounts and Audit” of the new Hong Kong Companies Ordinance (Cap. 622) come into operation as from the Company’s first financial year commencing on or after 3 March 2014 in accordance with section 358 of that Ordinance. The Group is in the process of making an assessment of expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9 of the new Hong Kong Companies Ordinance (Cap. 622). It has concluded that the impact is unlikely to be significant and only the presentation and the disclosure of information in the consolidated financial statements will be affected.

2. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Board of Directors of the Group. As the Group is principally engaged in the provision of printing services, which are subject to similar business risk, and resources are allocated based on what is beneficial to the Group in enhancing the value as a whole rather than any specific unit, the Board of Directors considers the performance assessment of the Group should be based on the profit before income tax of the Group as a whole and regards the Group’s business as a single operating segment and reviews financial information accordingly. Therefore, the Board of Directors considers there to be only one operating segment under the requirements of HKFRS 8-Operating Segments.

The subsidiary incorporated in the People’s Republic of China (the “**PRC**”) provides information technology support services within the Group. Since the Group only operates in Hong Kong and the Group’s assets are mainly located in Hong Kong, no geographical segment information is presented.

For the years ended 31 March 2014 and 2015, no external customers contributed over 10% of the Group’s revenue.

3. REVENUE, OTHER INCOME AND OTHER LOSSES – NET

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Revenue		
Provision of printing services	<u>316,547</u>	<u>304,562</u>
Other income		
Management fee income	240	270
Scrap sales	5,333	4,748
Rental income	275	–
License fee income	962	187
Pre-press processing and customer service fee income	543	839
Sundry income	<u>383</u>	<u>121</u>
	<u>7,736</u>	<u>6,165</u>
Other losses – net		
Loss on disposal of property, plant and equipment	(1,208)	(413)
Gain on disposal of a subsidiary (<i>Note</i>)	66	–
Exchange gain/(loss) – net	<u>282</u>	<u>(709)</u>
	<u>(860)</u>	<u>(1,122)</u>

Note: On 3 June 2014, eprint Bannershop Group Limited, a wholly owned subsidiary with carrying amount of net liabilities of HK\$66,130 was disposed to an independent third party for a consideration of HK\$8.

4. EXPENSES BY NATURE

Expenses included in cost of sales, selling and distribution expenses and administrative expenses are analysed as follows:

	2015 HK\$'000	2014 HK\$'000
Cost of materials	106,784	112,220
Auditor's remuneration		
– Audit services	1,350	1,202
– Non-audit services	491	310
Employee benefits expense	79,950	73,374
Depreciation of property, plant and equipment	12,016	11,269
Outsourced customer support expenses	13,433	11,717
Subcontracting fee	19,386	8,343
Operating lease rental of premises and equipment	16,034	15,672
Repairs and maintenance	4,414	3,646
Distribution costs	9,638	7,414
Utility expenses	6,624	6,526
Professional expenses incurred in connection with the Company's Listing ("Listing expenses")	–	17,626
Provision for impairment of trade receivables	28	11
Recovery of trade receivables previously written off	(30)	–
Others	16,613	13,371
Total cost of sales, selling and distribution expenses and administrative expenses	286,731	282,701

Others mainly represent credit card handling charges, advertising and promotion expenses and telecommunication expenses.

Note: The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 3 December 2013 (the "Listing").

5. INCOME TAX EXPENSE

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Current income tax		
– Hong Kong profits tax	4,430	5,536
– PRC corporate income tax	3	15
Under/(over) provision in prior year	42	(132)
	<u>4,475</u>	<u>5,419</u>
Deferred income tax	<u>1,676</u>	<u>1,116</u>
Income tax expense – total	<u>6,151</u>	<u>6,535</u>

Subsidiaries incorporated in Hong Kong are subject to Hong Kong profits tax at a rate of 16.5% on the estimated assessable profits for the year (2014: 16.5%). Subsidiary incorporated in the PRC is subject to PRC corporate income tax based on the statutory income tax rate of 25% for the year (2014: 25%) as determined in accordance with the relevant PRC income tax rules and regulations. The Company has not been subject to any taxation in the Cayman Islands as it does not have any assessable profit for the periods since its incorporation.

6. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue for the years ended 31 March 2014 and 2015.

	2015	2014
Profit attributable to equity holders of the Company (<i>HK\$'000</i>)	<u>32,335</u>	<u>21,577</u>
Weighted average number of ordinary shares in issue (<i>thousands</i>)	<u>500,000</u>	<u>415,753</u>
Basic earnings per share (<i>HK cents</i>)	<u>6.47</u>	<u>5.19</u>

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has one category of dilutive potential ordinary shares: share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Group's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as below is compared with the number of shares that would have been issued assuming the exercise of the share options.

	2015	2014
Profit attributable to equity holders of the Company (<i>HK\$'000</i>)	<u>32,335</u>	<u>21,577</u>
Weighted average number of ordinary shares in issue (<i>thousands</i>)	500,000	415,753
Adjustment for:		
– Share options (<i>thousands</i>)	<u>327</u>	<u>216</u>
Weighted average number of ordinary shares for diluted earnings per share (<i>thousands</i>)	500,327	415,969
Diluted earnings per share (<i>HK cents</i>)	<u>6.46</u>	<u>5.19</u>

7. DIVIDENDS

The dividends paid in 2015 and 2014 were HK\$34,650,000 and HK\$14,999,000 (Note a and b) respectively. A dividend in respect of the year ended 31 March 2015 of HK3.53 cents per share, amounting to a total dividend of HK\$17,650,000, is to be proposed by the Board of Directors on 19 June 2015 and to be approved by the shareholders in the forthcoming annual general meeting. These financial statements do not reflect this dividend payable.

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interim dividend paid of HK2.93 cents (2014: First – HK\$2,425 (<i>Note a</i>) and second – HK\$80 (<i>Note b</i>)) per ordinary share	14,650	14,999
Proposed final dividend of HK3.53 cents (2014: HK4 cents) per ordinary share	<u>17,650</u>	<u>20,000</u>
	<u>32,300</u>	<u>34,999</u>

Notes:

In preparation for the Listing, the Company and other companies now comprising the Group have undergone a reorganisation (the “**Reorganisation**”) pursuant to which the Company has become the holding company of the Group.

- (a) Before the Reorganisation, the Board of Directors of Promise Network Printing Limited declared and paid an interim dividend of HK\$2,425 per ordinary share to its then shareholders totaling HK\$6,998,550 during the year ended 31 March 2014.
- (b) Before the Reorganisation, the Board of Directors of the Company declared and paid an interim dividend of HK\$80 per ordinary share, totaling HK\$8,000,000 to its then shareholders during the year ended 31 March 2014.

8. TRADE RECEIVABLES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade receivables	<u>2,316</u>	<u>2,379</u>

The directors of the Company consider that the carrying amounts of trade receivables approximate their fair values.

Payment terms granted to customers are mainly cash on delivery and on credit. The average credit period ranges from 30 days to 60 days. The ageing analysis of the trade receivables based on invoice date is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
1 – 30 days	1,980	2,072
31 – 60 days	251	150
Over 60 days	<u>85</u>	<u>157</u>
	<u>2,316</u>	<u>2,379</u>

As at 31 March 2015, trade receivables of HK\$763,000 (2014: HK\$899,000) were past due but not impaired. These relate to certain customers with no recent history of default. Based on historic low default rate, the Group believes that no impairment provision is necessary. The past due ageing analysis of these receivables is as follows:

	2015 HK\$'000	2014 <i>HK\$'000</i>
1 – 30 days	641	733
31 – 60 days	43	58
Over 60 days	79	108
	<u>763</u>	<u>899</u>

The maximum exposures of the Group to credit risk are the carrying value of trade receivables mentioned above.

All trade receivables of the Group are denominated in Hong Kong dollars.

The Group does not hold any collateral as security for trade receivables.

9. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2015 HK\$'000	2014 <i>HK\$'000</i>
Other receivables	723	567
Deposits and prepayments	<u>5,800</u>	<u>5,063</u>
	6,523	5,630
Less: non-current portion		
Deposits and prepayments	<u>(1,865)</u>	<u>(3,164)</u>
Deposits, prepayments and other receivables – current portion	<u>4,658</u>	<u>2,466</u>

10. TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES

	2015 HK\$'000	2014 HK\$'000
Trade payables	24,274	24,920
Accruals and other payables		
Accrued expenses (<i>Note a</i>)	13,214	11,440
Advanced receipts from customers (<i>Note b</i>)	4,800	3,186
Other payables (<i>Note c</i>)	1,308	1,658
	19,322	16,284
Trade payables, accruals and other payables	43,596	41,204

Notes:

- (a) Accrued expenses are mainly relating to employee benefits expense and other office expenses.
- (b) Advanced receipts from customers represent payments received from customers for printing services.
- (c) Other payables are mainly relating to selling and distribution expenses.

Payment terms granted by suppliers are mainly on credit. The credit period ranges from 30 to 90 days.

The ageing analysis of the trade payables based on invoice date is as follows:

	2015 HK\$'000	2014 HK\$'000
1 – 30 days	9,955	9,043
31 – 60 days	4,198	4,467
61 – 90 days	5,391	5,732
Over 90 days	4,730	5,678
	24,274	24,920

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Board is pleased to present to shareholders the results of the Group for the year ended 31 March 2015. The Group's revenue amounted to approximately HK\$316,547,000, an increase of 3.9% compared with that of the corresponding year ended 31 March 2014. Gross profit margin was 38.0% which was 0.4% higher than the corresponding year ended 31 March 2014. The Group's audited profit attributable to equity holders for the year ended 31 March 2015 was HK\$32,335,000, an increase of 49.9% as compared with that of the corresponding year ended 31 March 2014. The increase was mainly due to the decrease in the administrative expenses of the Company for the year ended 31 March 2015 as a result of the absence of the listing expenses which incurred in the corresponding year ended 31 March 2014.

The Group has a leading position in supplying online printing services and customised printed products which target at a large and diverse customer group comprising primarily small and medium enterprises, design houses, education institutes and individual customers, for instance, students. As at 31 March 2015, the Group has 17 retail stores, 4 localised websites which provide internet-based graphic design software and editing tools that allow customers to design their desired products by themselves, and computer-integrated printing facilities in Hong Kong.

During the year, eprint Holdings Limited ("**eprint Holdings**"), a wholly-owned subsidiary of the Company, established a joint venture company, e-banner Limited ("**e-banner**") with an independent third party. eprint Holdings has a 40% shareholding in e-banner, which is principally engaged in developing, producing, marketing and sale of the banners, display stands, posters and display partitions and other related products in Hong Kong. The formation of e-banner can diversify the Group's business and product portfolio and create synergy effect with the existing printing business of the Group.

In July 2014, e-banner received a writ of summons ("**Summons**") issued against it and other twelve defendants for, inter alia, the relief of an injunction restraining e-banner competing the business of and soliciting customers of the plaintiffs, and claim for, inter alia, the damages for conspiracy and interference with the plaintiffs' trade or business. The Company has been informed by e-banner on 7 January 2015 that the court issued the judgment on 31 December 2014 that injunctions have been granted against four out of the thirteen defendants. e-banner is one of the four defendants which are subject to the injunctions. The Board considers that the judgment would not have material adverse impact on the operation of the Company.

On 22 September 2014, the controlling shareholders of the Company, being Mr. She Siu Kee William, Mr. Chong Cheuk Ki, Mr. Lam Shing Kai, Mr. Leung Wai Ming and Mr. Leung Yat Pang, disposed of an aggregate of 61,875,000 shares of the Company, representing approximately 12.375% of the total issued shares of the Company, to Hong Kong Luck Investment Company Limited, which is a wholly-owned subsidiary of Shantou Dongfeng Printing Co. Ltd. (Shanghai Stock Exchange's stock code: 601515) ("**Shantou Dongfeng**"). Shantou Dongfeng is interested in the Company's online self-service printing platform and cloud printing services system. The Company expects to explore more business opportunities with Shantou Dongfeng in the future.

On 22 September 2014, eprint Digital Holdings Limited ("**eprint Digital**"), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement for the acquisition of the 30% interest in Invoice Limited ("**Invoice**") at a consideration of HK\$2,000,000 ("**Acquisition**"). Upon completion of the Acquisition on 29 September 2014, Invoice became a wholly-owned subsidiary of the Company. The Acquisition constituted a de minimis connected transaction and exempted from reporting, announcement and independent shareholders' approval under Chapter 14A of the Listing Rules. The Acquisition enables the Group to enjoy greater flexibility in its operation to cope with its future growth.

In October 2014, the Group formed a new company named "EPRINT AUSTRALIA Pty Ltd", which will be engaged in printing business in Australia. The formation of the aforesaid company can diversify the Group's business in different markets. The Company may introduce other investors into the project. The operation of its business is expected to commence in the next financial year.

In March 2015, eprint Digital established a subsidiary, Ebanner Solution Sdn. Bhd. ("**Ebanner Solution**") with an independent third party. eprint Digital, through an investment holding subsidiary, Digital Printing Centre Limited, has a 51% shareholding in Ebanner Solution, which is principally engaged in developing, producing, marketing and sale of banners, display stands, posters and display partitions and other related products in Malaysia. The formation of Ebanner Solution can diversify the Group's business and expand its business to the overseas market.

OUTLOOK

Although the Group was affected by fierce industry competition, high cost of production and shortage of labour supply, the Group has still maintained a stable gross profit margin. For the coming year, the Hong Kong market, which is the Group's major market, is expected to face challenges due to the unstable market environment. Nevertheless, the Group will continue to strive for diversifying its business, strengthening the development of products with higher profit margin, obtaining engagements from new customers and market, enhancing the production processes, reinforcing internal controls and implementing stringent control over the cost in order to achieve stable profit growth of the Group. Meanwhile, the Group will look for new business opportunities from time to time to strengthen its market position. The Group is confident in its business prospects and is looking forward to an overall satisfaction performance in the coming year.

On 1 November 2014, the Group and Invoice were certified by the Accredited Certification International Limited according to the requirements of ISO 14001:2004 (Environmental Management System Certification). On 15 December 2014, the Group received a certificate of commendation from the Environmental Protection Department for its participation and contribution to the carbon footprint disclosure under "Carbon Footprint Repository for Listed Companies in Hong Kong". These certifications further enhance the Group's resource efficiency.

On 30 March 2015, eprint Holdings and TBC Group Limited, as vendor, entered into the sale and purchase agreement pursuant to which eprint Holdings acquired an additional 11% of the issued shares of e-banner from TBC Group Limited. Upon completion on 1 April 2015, e-banner was owned as to 51% by eprint Holdings and became a subsidiary of the Group and the management of the Group believe that the operation of e-banner would create synergy effect with the Group in terms of customers and technologies and consider that the acquisition represented an opportunity for the Group to further widen its earning base and enhance its capital utilization efficiency. The Group plans to expand the business of e-banner to overseas markets, including Malaysia and Australia.

On 30 March 2015, the Company and Shantou Dongfeng entered into the framework agreement for the formation of the project company for the internet design and printing business in the PRC excluding the existing business of the Group and Shantou Dongfeng. The Company and Shantou Dongfeng will invest a total of RMB25 million (equivalent to approximately HK\$31.25 million) in the project company and their equity interests in the project company will be 30% and 70% respectively. The parties targeted to complete the setting up of the project company before 30 June 2015 in the PRC and to launch the internet platform and relevant products by the end of 2015.

Under the leadership of the Board, the management of the Group has formed a broad consensus in response to the key improvement areas in the existing business operation and market expansion in order to further enhance the Group's overall competitiveness. The Group will continue to strengthen its market position and increase the market share by making use of the following competitive advantages:

- Well-positioned to seize enormous online market potential
- Comprehensive information technology infrastructure and unique eprint system which is automatically operated
- Well-recognised local brand

FINANCIAL REVIEW

Revenue

Income from the provision of printing services in Hong Kong increased by approximately HK\$12.0 million or 3.9% from approximately HK\$304.6 million for the year ended 31 March 2014 to approximately HK\$316.5 million for the year ended 31 March 2015. Such increase was primarily due to the increase of average monthly sales orders notwithstanding the slight decrease in the bound book printing sales as compared with last year. The following table sets forth a breakdown of the revenue by service category and their respective percentage of the total revenue for the years indicated.

	2015		2014	
	<i>HK\$'000</i>		<i>HK\$'000</i>	
Advertising printing	129,992	41.1%	125,240	41.2%
Bound book printing	87,131	27.5%	91,161	29.9%
Stationery printing	88,875	28.1%	79,527	26.1%
Other services	10,549	3.3%	8,634	2.8%
Total	<u>316,547</u>	<u>100.0%</u>	<u>304,562</u>	<u>100.0%</u>

Sales mix remained relatively stable and advertising printing was our primary printing service that accounted for approximately 41.1% and 41.2% of our total revenue for year ended 31 March 2015 and 2014, respectively.

Sales Channels	2015		2014	
	HK\$'000		HK\$'000	
Stores	115,968	36.6%	110,470	36.3%
Websites	126,086	39.8%	115,228	37.8%
Others (<i>Note</i>)	74,493	23.6%	78,864	25.9%
Total	<u>316,547</u>	<u>100.0%</u>	<u>304,562</u>	<u>100.0%</u>

Note: “Others” refers to revenue derived from orders received over the telephone, through e-mail, e-print mobile application and “Photobook” program.

Websites sales channel contributed approximately 39.8% of total revenue for the year ended 31 March 2015, which accounted for approximately 9.4% increase as compared with that of the year ended 31 March 2014. Such increase was primarily due to the continuous improvement in our online self-service ordering platform.

Other income

Other income primarily comprises sales of scrap materials, such as used zinc printing plates and paper scrap, pre-press processing and customer service fee income, rental income, management fee and license fee income received from the Group’s joint ventures.

Other losses – net

Other losses – net primarily comprises loss on disposal of plant and equipment, net foreign exchange gain and gain on disposal of a subsidiary.

Selling and distribution expenses

Selling and distribution expenses primarily consist of distribution costs, handling charges for electronic payments received, and store rentals as well as advertising and marketing expenses. Selling and distribution expenses represent approximately 6.3% and 5.8% of the revenue for the year ended 31 March 2015 and 2014, respectively.

Administrative expenses

Administrative expenses primarily comprise directors' fees, staff costs, outsourced customer support expenses, information technology support services expenses, office rental and utilities, depreciation, internet and telephone expenses, professional expenses and other miscellaneous administrative expenses. Administrative expenses represent approximately 22.3% and 24.7% of the total revenue for the year ended 31 March 2015 and 2014, respectively. The decrease in administrative expenses for the year ended 31 March 2015 was primarily due to the absence of the professional expenses of approximately HK\$17.6 million which was incurred for the year ended 31 March 2014 in connection with the Company's listing, offset by the increase in director fees and staff costs by approximately HK\$6.7 million.

Finance income

Finance income primarily consists of interest income from bank deposits and finance lease to a Group's joint venture.

Finance costs

Finance costs primarily consist of interest expenses on bank borrowings and finance charges on obligations under finance leases.

Share of profits of joint ventures – net

Share of profits of joint ventures – net represents the share of losses or profits of the Group's joint ventures for the year using equity method of accounting. During the year ended 31 March 2015, the Company had two entities jointly controlled in Hong Kong and one in Malaysia, respectively, and one of them was disposed of during the year. The profits were primarily due to the share of profit of E-Print Solutions Sdn. Bhd. of approximately HK\$2,746,000 for the year ended 31 March 2015 which offsets the share of loss of e-banner of approximately HK\$2,637,000 for the year ended 31 March 2015.

Profit and total income

Profit increased by approximately HK\$10.9 million or 50.9%, from approximately HK\$21.4 million for the year ended 31 March 2014 to approximately HK\$32.3 million for the year ended 31 March 2015. Net profit margin also increased from approximately 7.0% for the year ended 31 March 2014 to approximately 10.2% for the year ended 31 March 2015. The increases in net profit and net profit margin were primarily due to the absence of the professional expenses of approximately HK\$17.6 million in connection with the Company's listing incurred during the year ended 31 March 2014.

Liquidity and Financial Information

As at 31 March 2015, the total amount of bank deposit, bank balances and cash of the Group was approximately HK\$118.2 million, a decrease of approximately HK\$15.8 million compared with that as at 31 March 2014. The decrease was mainly arising from the repayment of obligations under finance leases. As at 31 March 2015, the financial ratios of the Group were as follows:

	As at 31 March 2015	As at 31 March 2014
Current ratio ⁽¹⁾	2.3	2.3
Gearing ratio ⁽²⁾	<u>12.9%</u>	<u>21.8%</u>

Notes:

- (1) Current ratio is calculated based on total current assets divided by total current liabilities.
- (2) Gearing ratio is calculated based on total borrowings and obligations under finance leases divided by total equity and multiplied by 100%.

Borrowings

The Group had bank borrowings as at 31 March 2015 and 31 March 2014 in the sum of approximately HK\$3.8 million and HK\$9.7 million, respectively. All bank borrowings were made from banks in Hong Kong and were repayable within one year. No financial instruments were used for hedging purposes, nor were there any foreign currency net investments hedged by current borrowings and/or other hedging instruments. The weighted average interest rates (per annum) were 2.4% and 5.0% for the year ended 31 March 2015 and 31 March 2014, respectively.

Treasury Policies

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the year. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time. Surplus cash will be invested to meet the Group's cash need in support of the Group's strategy direction from time to time.

Capital Structure

The shares of the Company were listed on the Main Board of the Stock Exchange on 3 December 2013. There has been no change in the capital structure of the Company since that date. The capital of the Company comprises ordinary shares and other reserves.

Capital Commitments

As at 31 March 2015 and 2014, the Group has capital commitments of HK\$1.6 million for investment in a joint venture and purchase of computer equipment, and HK\$0.9 million for purchase of machineries, respectively.

Significant Investments Held

Except for the investments in joint ventures, the Group did not hold any significant investment in equity interest in any other company during the year.

Future Plans for Material Investments and Capital Assets

Except for the aforesaid investment, the Group did not have other plans for material investments and capital assets.

Material Acquisitions

Except for the acquisition of the remaining 30% of the issued shares of Invoice in the sum of HK\$2.0 million on 29 September 2014, the Group did not have any material acquisition or disposal of subsidiaries or joint ventures during the year ended 31 March 2015.

Exposure to Foreign Exchange Risk

The Group operates principally in Hong Kong and its business is supported by an information technology support services centre located in the PRC. The Group is exposed to foreign exchange risk arising from the exposure of Renminbi against Hong Kong dollars. The Group does not hedge its foreign exchange risk as its exposure to foreign exchange risk is low as the Group's cash flows mainly denominated in Hong Kong dollars.

Charge of Assets

At 31 March 2015 and 2014, the Group pledged the plant and machinery with a carrying value of approximately HK\$40.7 million and HK\$44.1 million respectively, as collaterals to secure the Group's obligations under finance leases.

Use of Proceeds from the Share Offer

The Company's shares were listed on the Stock Exchange on 3 December 2013 and raised a net proceed from initial public offering of approximately HK\$66.5 million. During the year ended 31 March 2015 and the period between the listing date and 31 March 2014, approximately HK\$17.8 million and HK\$4.8 million, respectively, of the net proceed from the listing were utilised in accordance with the proposed applications set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus. The unused proceeds were deposited in licensed banks in Hong Kong.

Capital Expenditure

During the year, the Group invested approximately HK\$7.7 million in property, plant and equipment, represented a reduction of about 41.2% from capital expenditure of last year.

EMPLOYEES AND EMOLUMENT POLICIES

At 31 March 2015, the Group had 367 full time employees. There is no significant change in the Group's emolument policies. On top of basic salaries, bonuses may be paid by reference to the Group's performance as well as individual's performance. Other staff benefits include contributions to Mandatory Provident Fund retirement benefits scheme in Hong Kong and the provision of pension funds, medical insurance, unemployment insurance and other relevant insurance for employees who are employed by the Group pursuant to the PRC rules and regulations and the prevailing regulatory requirements of the PRC. On 9 May 2014, the Board resolved the cancellation of 12,500,000 pre-IPO share options granted on 13 November 2013 pursuant to the pre-IPO share option scheme adopted on 13 November 2013. For further details regarding the cancellation, please refer to the announcement of the Company dated 9 May 2014.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor its subsidiary purchased, redeemed or sold any of the Company's listed securities during the year ended 31 March 2015.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange (the “**Listing Rules**”) as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that all Directors had complied with the required standard set out in the Model Code throughout the year.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Corporate Governance Code (“**CG Code**”) in Appendix 14 to the Listing Rules as its own code of corporate governance.

During the year ended 31 March 2015, the Company was in compliance with the code provisions set out in the CG Code except for the deviation as explained below.

Code provision A.2.1 of the CG Code provides that the roles of the chairman and chief executive officer should be separated and should not be performed by the same individual. The Company does not at present separate the roles of the chairman and chief executive officer. Mr. She Siu Kee William is the chairman and chief executive officer of the Company. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board further believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by the current Board which comprises experienced and high calibre individuals with sufficient number thereof being non-executive Directors and independent non-executive Directors.

Save as the aforesaid and in the opinion of the Directors, the Company had met all code provisions set out in the CG Code during the year ended 31 March 2015.

The Board will continue to review and further improve the Company’s corporate governance practices and standards, so as to ensure its business activities and decision-making processes are regulated in a proper and prudent manner.

AUDIT COMMITTEE

The Company established the Audit Committee on 13 November 2013 with written terms of reference in compliance with the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group. The Audit Committee comprises three independent non-executive Directors of the Company, namely, Ms. Luk Mei Yan (chairlady), Dr. Lung Cheuk Wah and Mr. Chi Man Shing Stephen. The Audit Committee has reviewed the audited financial statements of the Group for the year ended 31 March 2015.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2015 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

FINAL DIVIDEND

The Board resolved to recommend to the shareholders of the Company at the forthcoming annual general meeting of the Company to be held on Monday, 3 August 2015 (“**2015 AGM**”) of a final dividend of HK3.53 cents per share for the year ended 31 March 2015 (2014: HK4 cents per share) to be paid on Friday, 21 August 2015 to the shareholders whose names appear on the register of members of the Company on Wednesday, 12 August 2015.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the identity of the shareholders entitled to attend and vote at the 2015 AGM, the register of members of the Company will be closed from Friday, 31 July 2015 to Monday, 3 August 2015, both days inclusive, during which period no transfer of shares will be effected. All transfers accompanied by the relevant certificates must be lodged with the Company's transfer office and share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 30 July 2015.

For determining the entitlement of the shareholders to the final dividend, the register of members of the Company will be closed from Tuesday, 11 August 2015 to Wednesday, 12 August 2015, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited for registration not later than 4:30 p.m. on Monday, 10 August 2015.

RETIREMENT OF DIRECTOR AND CHANGE OF MEMBER OF REMUNERATION COMMITTEE

The Board announces that Mr. Chan Chi Yu will retire from office as independent non-executive Director by rotation pursuant to Article 108 of the Articles of Association of the Company.

Mr. Chan confirmed that he will not offer himself for re-election at the 2015 AGM due to the increased commitment on his own business.

Mr. Chan also confirmed that he has no disagreement with the Board and there is no other matter relating to his retirement that needs to be brought to the attention of the shareholders of the Company or the Stock Exchange.

Following the retirement of Mr. Chan as an independent non-executive Director, Mr. Chan will also cease to be a member of the remuneration committee of the Company ("**Remuneration Committee**"). The Board also announces that Mr. Chi Man Shing Stephen will be appointed as a member of the Remuneration Committee with effect from 3 August 2015 in place of Mr. Chan.

By Order of the Board
eprint Group Limited
Fung Hong Keung
Executive Director and Company Secretary

Hong Kong, 19 June 2015

As at the date of this announcement, the Board comprises Mr. She Siu Kee William and Mr. Fung Hong Keung, as executive Directors, Mr. Lam Shing Kai, Mr. Leung Wai Ming, Mr. Chong Cheuk Ki and Mr. Deng Xiaen, as non-executive Directors, and Dr. Lung Cheuk Wah, Mr. Chan Chi Yu, Mr. Chi Man Shing Stephen and Ms. Luk Mei Yan, as independent non-executive Directors.