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eprint GROUP LIMITED

eprint 集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1884)

UNAUDITED ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2022

	For the year ended		Change
	31 March		
	2022	2021	
	HK\$'million	HK\$'million	
	(Unaudited)	(Audited)	
Operating Results			
Revenue	306.02	266.90	14.7%
– e-print segment	229.52	210.44	9.1%
– e-banner segment	70.79	56.46	25.4%
– property agency services segment*	5.71	N/A	N/A
Operating profit before other (losses)/gains including impairment losses on financial assets – net	11.94	19.55	–38.9%
– e-print segment	7.26	19.27	–62.3%
– e-banner segment	4.66	0.28	1,564.3%
– property agency services segment*	0.02	N/A	N/A
Other (losses)/gains including impairment losses on financial assets – net	(1.07)	0.73	–246.6%
– e-print segment	(1.08)	0.82	–231.7%
– e-banner segment	0.01	(0.09)	–111.1%
– property agency services segment*	0.00	N/A	N/A

	For the year ended		
	31 March		
	2022	2021	Change
<i>HK\$'million</i> (Unaudited)	<i>HK\$'million</i> (Audited)		
Operating profit/(loss)	10.87	20.27	–46.4%
– e-print segment	6.18	20.31	–69.6%
– e-banner segment	4.67	(0.04)	11,775.0%
– property agency services segment*	0.02	N/A	N/A
Profit for the year attributable to			
– equity holders of the Company	7.67	19.01	–59.7%
– non-controlling interests	1.67	0.33	406.1%
Net profit margin % (Attributable to equity holders of the Company)	2.5%	7.1%	
Gross profit margin %	37.8%	38.7%	
Basic earnings per share (<i>HK Cents</i>)	1.39	3.46	–59.8%
	As at 31 March		
	2022	2021	Change
	<i>HK\$'million</i> (Unaudited)	<i>HK\$'million</i> (Audited)	
Financial Position			
Total assets	335.08	331.15	1.2%
Total equity	255.60	250.66	2.0%
Cash and cash equivalents	113.91	106.57	6.9%
*: Property agency services segment generated revenue for the period from the date of acquisition to 31 March 2022 while no revenue was generated for the year ended 31 March 2021.			

The board (the “**Board**”) of directors (the “**Directors**”) of eprint Group Limited (the “**Company**”) announces the unaudited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 March 2022, together with the audited comparative figures for the year ended 31 March 2021, are as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	<i>Note</i>	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)
Revenue	2	306,020	266,902
Cost of sales	5	(190,341)	(163,649)
Gross profit		115,679	103,253
Other income	3	3,301	2,665
Other (losses)/gains – net	4	(882)	1,414
Selling and distribution expenses	5	(28,484)	(25,570)
Administrative expenses	5	(77,460)	(60,802)
Impairment loss on goodwill		(1,104)	–
Impairment losses on financial assets		(185)	(685)
Operating profit		10,865	20,275
Finance income	6	3,180	3,333
Finance costs	6	(1,080)	(1,553)
Finance income – net	6	2,100	1,780
Share of losses of associates		(660)	(1,441)
Share of (losses)/profits of joint ventures		(708)	375
		(1,368)	(1,066)
Profit before income tax		11,597	20,989
Income tax expense	7	(2,254)	(1,650)
Profit for the year		9,343	19,339
Other comprehensive (loss)/income:			
<i>Item that may be reclassified to profit or loss:</i>			
Release of exchange reserve to profit or loss upon closure of an associate		–	171
Currency translation differences		(50)	1,140
Total other comprehensive (loss)/income, net of tax		(50)	1,311
Total comprehensive income for the year		9,293	20,650

	<i>Note</i>	2022 HK\$'000 (Unaudited)	2021 <i>HK\$'000</i> <i>(Audited)</i>
Profit for the year attributable to:			
– Equity holders of the Company		7,669	19,009
– Non-controlling interests		1,674	330
		9,343	19,339
Earnings per share for profit attributable to equity holders of the Company during the year			
– Basic and diluted (expressed in HK cents per share)	8	1.39	3.46
Total comprehensive income for the year attributable to:			
– Equity holders of the Company		7,622	20,297
– Non-controlling interests		1,671	353
		9,293	20,650

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	<i>Note</i>	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)
Assets			
Non-current assets			
Property, plant and equipment		102,213	101,106
Right-of-use assets		11,910	20,206
Intangible assets		9,220	725
Other financial assets at amortised cost		34,570	33,643
Investments in associates		1,421	681
Investments in joint ventures		12,303	13,078
Deferred income tax assets		2,379	3,059
Deposits and prepayments		1,780	770
		<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
		175,796	173,268
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Current assets			
Inventories		9,562	6,614
Trade receivables	<i>9</i>	4,297	4,982
Deposits, prepayments and other receivables		10,256	8,335
Other financial assets at amortised cost		2,075	11,953
Financial assets at fair value through profit or loss		18,106	19,185
Amounts due from related companies		1,076	250
Cash and cash equivalents		113,911	106,565
		<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
		159,283	157,884
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Total assets		335,079	331,152
		<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
Equity			
Capital and reserves attributable to the equity holders of the Company			
Share capital		5,500	5,500
Share premium		132,921	132,921
Other reserves		108,949	105,727
		<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
		247,370	244,148
Non-controlling interests		8,226	6,507
		<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
Total equity		255,596	250,655
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>

	<i>Note</i>	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Audited)
Liabilities			
Non-current liabilities			
Lease liabilities		3,493	2,053
Other payables		173	470
Deferred income tax liabilities		5,118	6,009
		<u>8,784</u>	<u>8,532</u>
Current liabilities			
Trade payables	<i>10</i>	11,493	7,186
Accruals and other payables		25,869	26,005
Borrowings	<i>11</i>	26,216	19,904
Lease liabilities		6,221	17,513
Amounts due to related parties		200	201
Amounts due to directors		195	165
Current income tax payable		505	991
		<u>70,699</u>	<u>71,965</u>
Total liabilities		<u>79,483</u>	<u>80,497</u>
Total equity and liabilities		<u>335,079</u>	<u>331,152</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 BASIS OF PREPARATION

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”) issued by Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622).

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, which are carried at fair value.

The preparation of 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.

1.1 Changes in accounting policy and disclosures

(a) *Amended standards and revised conceptual framework adopted by the Group*

The Group has applied the following amendments and revised conceptual framework for the financial year beginning 1 April 2021 and are relevant to its operations:

Amendments to HKFRS 16	COVID-19 Related Rent Concession beyond 30 June 2021
Amendments to HKAS 39, HKFRS 7, HKFRS 9, HKFRS 4 and HKFRS 16	Interest rate benchmark reform – Phase 2

The amendments and conceptual framework listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

- (b) *New standard, amendments, annual improvement, interpretation and revised guideline which are not yet effective for this financial period and have not been early adopted by the Group*

Certain new accounting standards, amendments to existing standards and annual improvements have been published that are not mandatory for 31 March 2022 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions:

		Effective for annual periods beginning on or after
Amendments to annual improvements project	Annual improvements 2018-2020 cycle	1 January 2022
Amendments to HKAS 1	Presentation of financial statements on classification of liabilities	1 January 2023
Amendments to HKAS 1 and Practice Statement 2	Disclosure of accounting policies	1 January 2023
Amendments to HKAS 8	Definition of accounting estimates	1 January 2023
Amendments to HKAS 16	Property, plant and equipment: Proceeds before intended use	1 January 2022
Amendments to HKAS 37	Onerous contracts: Costs of fulfilling a contract	1 January 2022
Amendments to HKFRS 3	Reference to the conceptual framework	1 January 2022
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	<i>Note</i>
HKFRS 3, HKAS 16 and HKAS 37 (Amendments)	Narrow-scope Amendments	1 January 2022
HKFRS 17	Insurance contracts	1 January 2023
Hong Kong Interpretation 5 (2020)	Presentation of financial statements	1 January 2023
Revised Accounting Guideline 5	Merger accounting for common control combination	1 January 2022

Note: To be announced by HKICPA

2 SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Executive Directors of the Company. The chief operating decision-maker has determined the operating segments based on the reports reviewed by the Executive Directors of the Company, that are used to make strategic decisions and assess performance.

The chief operating decision-maker has determined the operating segments based on these reports. The Group is organised into three business segments:

- (a) paper printing segment (mainly derived from the brand “**e-print**”); and
- (b) banner printing segment (mainly derived from the brand “**e-banner**”); and
- (c) property agency services segment.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

Management assesses the performance of the operating segments based on a measure of gross profit less selling and distribution expenses and administrative expenses that are allocated to each segment. Other information provided is measured in a manner consistent with that in the consolidated financial statements.

Sales between segments are carried out at arm’s length basis.

The subsidiary incorporated in the People’s Republic of China (the “**PRC**”) provides I.T. support services within the Group. The subsidiary incorporated in Malaysia generated immaterial external revenue during the year. Since the Group mainly operates in Hong Kong and the Group’s assets are mainly located in Hong Kong, no geographical segment information is presented.

Information relating to segment liabilities is not disclosed as such information is not regularly reported to the chief operating decision-maker.

Revenue for the year ended 31 March 2022 consists of the revenue from paper printing, banner printing and property agency services. The Group derives revenue from the sale of goods at a point in time and revenue from property agency services when the services are rendered.

Revenue for the year ended 31 March 2021 consists of the revenue from paper printing and banner printing. The Group derives all revenue from the sale of goods at a point in time.

During the years ended 31 March 2022 and 2021, no external customers contributed over 10% of the Group’s revenue.

(a) **Segment revenue and results**

The following tables present revenue and segment results regarding the Group's reportable segments for the years ended 31 March 2022 and 2021 respectively.

For the year ended 31 March 2022:

	Paper printing HK\$'000 (Unaudited)	Banner printing HK\$'000 (Unaudited)	Property agency services* HK\$'000 (Unaudited)	Eliminations HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Segment revenue					
Revenue from external customers ¹	229,518	70,793	5,709	-	306,020
Inter-segment revenue	617	108	-	(725)	-
Total	230,135	70,901	5,709	(725)	306,020
Segment results	6,179	4,668	18		10,865
Unallocated:					
Finance income					3,180
Finance costs					(1,080)
Share of losses of associates					(660)
Share of losses of joint ventures					(708)
Profit before income tax					11,597
Income tax expense					(2,254)
Profit for the year					9,343
Other information:					
Impairment losses on financial assets	22	163	-		185
Depreciation of property, plant and equipment	9,771	1,123	50		10,944
Depreciation of right-of-use assets	12,628	5,434	539		18,601
Capital expenditures	3,467	17,971	103		21,541

For the year ended 31 March 2021:

	Paper printing <i>HK\$'000</i> (Audited)	Banner printing <i>HK\$'000</i> (Audited)	Property agency services* <i>HK\$'000</i> (Audited)	Eliminations <i>HK\$'000</i> (Audited)	Total <i>HK\$'000</i> (Audited)
Segment revenue					
Revenue from external customers ¹	210,438	56,464	N/A	–	266,902
Inter-segment revenue	610	34	N/A	(644)	–
Total	<u>211,048</u>	<u>56,498</u>	<u>N/A</u>	<u>(644)</u>	<u>266,902</u>
Segment results	<u>20,311</u>	<u>(36)</u>	<u>N/A</u>		20,275
Unallocated:					
Finance income					3,333
Finance costs					(1,553)
Share of losses of associates					(1,441)
Share of profits of joint ventures					375
Profit before income tax					20,989
Income tax expense					(1,650)
Profit for the year					<u>19,339</u>
Other information:					
Impairment losses on financial assets	156	529	N/A		685
Depreciation of property, plant and equipment	10,237	1,148	N/A		11,385
Depreciation of right-of-use assets	12,944	7,495	N/A		20,439
Capital expenditures	<u>5,187</u>	<u>2,109</u>	<u>N/A</u>		<u>7,296</u>

¹ Included revenue of approximately HK\$12,156,000 (2021: HK\$8,542,000) derived from shipping service.

(b) Segment assets

	Paper printing HK\$'000	Banner printing HK\$'000	Property agency services HK\$'000	Total HK\$'000
As at 31 March 2022 (Unaudited)	151,911	46,145	9,388	207,444
As at 31 March 2021 (Audited)	<u>175,751</u>	<u>35,077</u>	<u>N/A</u>	<u>210,828</u>

*: *Property agency services segment generated revenue for the period from the date of acquisition to 31 March 2022 while no revenue was generated for the year ended 31 March 2021*

A reconciliation of segment assets to total assets is provided as follows:

	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Audited)
Segment assets	207,444	210,828
Investment in associates	1,421	681
Investment in joint ventures	12,303	13,078
Cash and cash equivalents	113,911	106,565
	<u>335,079</u>	<u>331,152</u>

3 OTHER INCOME

	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Audited)
Scrap sales	1,560	1,438
Government grant	–	544
Sales of software	297	297
Others	1,444	386
	<u>3,301</u>	<u>2,665</u>

4 OTHER (LOSSES)/GAINS – NET

	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)
Losses on disposals of property, plant and equipment	(62)	(528)
Exchange losses – net	(64)	(58)
Losses on closure of an associate	–	(171)
Fair value (losses)/gains on financial assets at fair value through profit or loss	(4,094)	1,938
Gain on step acquisition of subsidiaries	3,182	–
Others	156	233
	<u>(882)</u>	<u>1,414</u>

5 EXPENSES BY NATURE

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

	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)
Cost of materials	61,709	49,366
Employee benefits expense	86,993	59,728
Depreciation of property, plant and equipment	10,944	11,385
Depreciation of right-of-use assets	18,601	20,439
Outsourced customer support expenses	17,883	16,738
Subcontracting fee	57,376	58,004
Operating lease for short-term and low value lease	4,375	2,762
Repairs and maintenance	3,731	2,686
Distribution costs	12,980	11,931
Utility expenses	3,616	2,327
Others	18,077	14,655
	<u>296,285</u>	<u>250,021</u>
Total cost of sales, selling and distribution expenses and administrative expenses	<u>296,285</u>	<u>250,021</u>

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

6 FINANCE INCOME – NET

	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)
Finance income		
– Interest income from loan receivables	2,816	2,700
– Interest income from bank deposits	145	401
– Unwinding of interests on refundable rental deposits	219	232
	<u>3,180</u>	<u>3,333</u>
Finance costs		
– Interest expenses on lease liabilities	(645)	(1,103)
– Interest expenses on borrowings	(435)	(450)
	<u>(1,080)</u>	<u>(1,553)</u>
Finance income – net	<u>2,100</u>	<u>1,780</u>

7 INCOME TAX EXPENSE

	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)
Current income tax		
– Hong Kong profits tax	2,631	2,882
– PRC corporate income tax	–	–
(Over)/under-provision in prior years	(166)	32
	<u>2,465</u>	<u>2,914</u>
Deferred income tax	(211)	(1,264)
Income tax expense	<u>2,254</u>	<u>1,650</u>

Subsidiaries incorporated in Hong Kong are subject to Hong Kong profits tax at a rate of 8.25% on the estimated assessable profit up to approximately HK\$2,000,000 and 16.5% on any part of the estimated assessable profit over approximately HK\$2,000,000 for the year (2021: Same).

Subsidiary incorporated in the PRC is subject to PRC corporate income tax based on the statutory income tax rate of 25% for the year (2021: 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 since its incorporation.

8 EARNINGS PER SHARE

(a) Basic earnings per share

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 2022 and 2021.

	2022 (Unaudited)	2021 (Audited)
Profit attributable to equity holders of the Company (<i>HK\$'000</i>)	7,669	19,009
Weighted average number of ordinary shares in issue (<i>thousands</i>)	<u>550,000</u>	<u>550,000</u>
Basic earnings per share (<i>HK cents</i>)	<u>1.39</u>	<u>3.46</u>

(b) Diluted earnings per share

Diluted earnings per share is the same as the basic earnings per share for the years ended 31 March 2022 and 2021 as there were no potential dilutive ordinary shares outstanding during the years.

9 TRADE RECEIVABLES

	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)
Trade receivables	5,527	5,985
Less: loss allowance	<u>(1,230)</u>	<u>(1,003)</u>
Trade receivables – net	<u>4,297</u>	<u>4,982</u>

Notes:

- (i) The directors of the Company apply the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade receivables. To measure the expected credit losses, these receivables have been grouped based on firstly shared credit risk characteristics and then aging from billing.
- (ii) As at 31 March 2022 and 2021, the maximum exposure to credit risk is the carrying amounts of trade receivables and the Group does not hold any collateral as security.
- (iii) As at 31 March 2022 and 2021, due to the short-term nature of trade receivables, the directors of the Company consider that the carrying amounts of trade receivables approximate their fair values.
- (iv) As at 31 March 2022 and 2021, the carrying amounts of trade receivables are mainly denominated in Hong Kong dollars.

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 gross trade receivables based on invoice date is as follows:

	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)
0 – 30 days	2,247	2,641
31 – 60 days	943	753
Over 60 days	2,337	2,591
	<u>5,527</u>	<u>5,985</u>

10 TRADE PAYABLES

	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)
Trade payables	<u>11,493</u>	<u>7,186</u>

Notes:

- (i) Payment terms granted by suppliers are mainly on credit. The credit period ranges from 30 to 90 days.
- (ii) As 31 March 2022 and 2021, all trade payables of the Group were non-interest bearing, and their carrying amounts approximated their fair values due to short maturities.
- (iii) The carrying amounts of the Group's trade payables are mainly denominated in Hong Kong dollars.

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

	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)
0 – 30 days	3,361	6,222
31 – 60 days	5,654	646
61 – 90 days	2,451	318
Over 90 days	27	–
	<u>11,493</u>	<u>7,186</u>

11 BORROWINGS

	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)
Current		
Bank overdrafts	118	–
Trust receipt loans	2,397	961
Bank loans	23,701	18,943
	<u>26,216</u>	<u>19,904</u>

Notes:

- (i) The borrowings of the Group are subject to financial covenants and the Group is in compliance with the financial covenants as at 31 March 2022 and 2021.
- (ii) As at 31 March 2022, the borrowings of the Group were secured by personal guarantees provided by a related party of the Group. Included in bank loans to the extent of approximately HK\$23,701,000 (2021: HK\$18,943,000) are mortgage loans which are secured by properties of the Group of approximately HK\$65,064,000 (2021: HK\$58,078,000).
- (iii) The carrying amount of bank borrowings approximate their fair value as the interest payable on these borrowings is either close to current market rates or the borrowings are of a short-term nature.
- (iv) The carrying amounts of borrowings are denominated in Hong Kong dollars as at 31 March 2022 and 2021.

The table below analyses the Group's borrowings into relevant maturity groups based on the scheduled repayment dates set out in the loan agreements and ignore the effect of any repayment on demand clause:

	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Audited)
Within 1 year	4,912	1,987
Between 1 and 2 years	1,852	1,049
Between 2 and 5 years	4,455	3,294
Over 5 years	14,997	13,574
	<u>26,216</u>	<u>19,904</u>

Note:

Bank borrowings contained a repayment on demand clause which enables the bank to exercise at its sole discretion. Accordingly, the entire balance was classified under current liabilities.

12 DIVIDENDS

No final dividend in respect of the year ended 31 March 2022 has been declared as of the date of approval of these consolidated financial statements (2021: Same).

An interim dividend in respect of the six months ended 30 September 2021 amounting to HK\$4,400,000 was paid in December 2021 (2020: nil).

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
No final dividend proposed	–	–
Interim dividend of HK0.8 cents per ordinary share (2021: nil)	<u>4,400</u>	<u>–</u>
	<u>4,400</u>	<u>–</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Company is an investment holding company principally engaged in the provision of printing services to a diversified customer base in Hong Kong. The Company is also engaged in the provision of solutions on advertisement, bound books and stationeries.

On 8 September 2021, a legally binding provisional agreement (the “**Provisional Agreement**”) was entered into between, among others, e-banner Limited (the “**Purchaser**” or “**e-banner**”), an indirect non wholly-owned subsidiary of the Company, and Advance Graphic Systems Limited (the “**Vendor**”), pursuant to which the Purchaser agreed to purchase and the Vendor agreed to sell the property at Unit Q1, 2nd Floor, Block 1, Kwun Tong Industrial Centre, Nos. 472-484 Kwun Tong Road, Kowloon, Hong Kong (the “**Property**”) at a consideration of HK\$9,000,000, subject to the terms and conditions of the Provisional Agreement (the “**Acquisition**”). Completion of the Acquisition has taken place on 29 October 2021. The Property is to facilitate the expansion of the banner printing business.

On 5 November 2021, E-BOSS CO. LIMITED (“**E-BOSS**”), an indirect wholly-owned subsidiary of the Company, entered into a share purchase agreement (the “**Share Purchase Agreement**”) with Mr. Yip Hin Lun (“**Mr. Yip**”), pursuant to which Mr. Yip agreed to sell and E-BOSS agreed to purchase 3,150,000 issued ordinary shares in the share capital of Sakura Japan Property (Hong Kong) Limited (“**Sakura Japan**”), a limited liability company incorporated in Hong Kong, presently legally and beneficiary held by Mr. Yip, representing 42% of the existing issued shares of Sakura Japan, at a total consideration of HK\$6,300,000 (the “**Acquisition of Sakura Japan**”). As at the date of entering into the Share Purchase Agreement, the total number of issued shares of Sakura Japan is 7,500,000 shares. Sakura Japan is owned as to 42% by Mr. Yip, 20% by E-BOSS and 38% by Ms. Cheung Ming Chu. Upon completion the Acquisition of Sakura Japan, Sakura Japan becomes a 62% owned subsidiary of E-BOSS. Accordingly, the financial results of Sakura Japan has consolidated into the consolidated financial statements of the Group. The remaining 38% continues to be owned by Ms. Cheung Ming Chu.

As at 31 March 2022 and up to the date of this announcement, the Group is principally engaged in three business segments, (i) paper printing business, (ii) banner printing business, and (iii) property agency services. The Board presents to its shareholders the result of the Group for the year ended 31 March 2022. The Group reported the revenue of approximately HK\$306.0 million for the current financial year, representing an increase of approximately HK\$39.1 million or approximately 14.7% as compared to approximately HK\$266.9 million for the corresponding period last year.

The Group's unaudited profit attributable to equity holders for the year ended 31 March 2022 was approximately HK\$7.7 million, representing a decrease of approximately 59.7% when compared with same period of last year. The decrease in unaudited profit attributable to equity holders was mainly attributed to (i) material decrease in fair value from investments held by the Group measured at fair value through profit or loss and (ii) lack of receipt of subsidies under the Employment Support Scheme of the Government of the Hong Kong Special Administrative Region which resulted in the increase in employee benefits expenses.

Paper printing business

For the years ended 31 March 2022 and 2021, the revenue of the Group's paper printing segment were approximately HK\$229.5 million and approximately HK\$210.4 million respectively, representing an increase of approximately HK\$19.1 million or approximately 9.1%. With the gradually recovery of the customer sentiment, the revenue from paper printing business was slightly increased as compared with same period of last year. The advertising printing was still the major contributor of the segment's revenue and recorded the amount of approximately HK\$90.3 million, representing approximately 29.5% of the Group's revenue for the year.

Banner printing business

For the Group's banner printing segment, the revenue mainly derived from e-banner. e-banner provides a large number of digital printing products, roll-up banners, mountings (foamboard, PVC board and hollow board, etc.), stickers, posters, flags, promotional tables, outdoor banners etc. For the year ended 31 March 2022, the Group recorded the revenue from banner printing business of approximately HK\$70.8 million, representing an increase of approximately HK\$14.3 million or approximately 25.4%. Banner printing contributed approximately HK\$59.9 million, representing approximately 19.6% of the Group's revenue for the year ended 31 March 2022.

Property agency services

For the Group's property agency services segment, the revenue mainly derived from Sakura Japan and Sakura Global Property Limited ("Sakura Global"). Sakura Japan and Sakura Global mainly provides a variety of property agency services including property selling and purchasing and property management. During the period from the date of acquisition to 31 March 2022, property agency services segment contributed approximately HK\$5.7 million of revenue to the Group.

OUTLOOK

With the gradually recovery of the customer sentiment, the business environment and operation of the Group has also improved during the year ended 31 March 2022 as compared with the corresponding year. Nevertheless, because of resurgence of the COVID-19 pandemic, it is still uncertain about the development of Coronavirus Outbreak as well as the economy in the coming year. The management of the Group expected that COVID-19 pandemic will affect the economic activities for some time, and therefore the operating environment is still challenging in the future. With the uncertainty condition, the management of the Group will actively and closely monitor the situation to react promptly in order to maintain the profitability and maximise the shareholder's value.

During the year ended 31 March 2022, the Group has acquired the subsidiaries which are principally engaged in property agency services over the world. Apart from this, the Group will continuously and proactively explore different business opportunities for business development through diversifying the business portfolio into new businesses.

During the year ended 31 March 2022, the Group has acquired a property for the sake of expanding the banner printing business and hence to reduce ongoing rental expenses. The Group will continuously assess the operating cost and risk to maintain the operating efficiency and effectiveness.

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 its market share by adopting the following approaches:

- Strengthening the cost control to maintain the competitive pricing strategy.
- Developing the new business line and customized products and services to meet the market demand.
- Continuous effort to improve the value added services, including but not limited to the e-print app, self – service Platform, phone ordering system, self checkout and collecting counters and the storage and delivery system.

EVENTS AFTER THE REPORTING PERIOD

On 22 April 2022 two sales contracts, which are legal binding agreements, were entered into between, among others, Promise Network Printing Limited (“**Promise Network**” or the “**Purchaser**”), an indirect wholly-owned subsidiary of the Company, and Komori Hong Kong Limited (the “**Vendor**”), (the “**Sales Contracts**”), pursuant to which the Purchaser agreed to purchase and the Vendor agreed to sell two Komori Lithrone G40A Sheet Fed Offset Press at the consideration of JPY217,600,000 (equivalent to approximately HK\$13,324,000), subject to the terms and conditions of the Sales Contracts.

On 10 June 2022, Lucky Gainer Limited (“**Lucky Gainer**”), an indirect wholly-owned subsidiary of the Company and e-banner Limited (“**e-banner**”), an indirect non wholly-owned subsidiary of the Company as tenants and CTP Limited (“**CTP**”) as landlord entered into the tenancy agreements in respect of the tenancy of Unit W6 on 3rd Floor of Block 1; Units K2, L2, W1 and W2 on 2nd Floor of Block 2; Unit A3 on 1st Floor of Block 3; Units W1 to W5 on 2nd Floor of Block 3; Unit B3 on 3rd Floor of Block 3; Unit B3 on 4th Floor of Block 3; Unit R4 on 2nd Floor of Block 4; Unit A4 on 5th Floor of Block 4; and Units M4, N4, P4 and R4 on 6th Floor of Block 4, Kwun Tong Industrial Centre, Nos. 436-484 Kwun Tong Road, Kowloon, Hong Kong for lease terms from 1 April 2022 to 31 March 2023 with a monthly rent of HK\$407,200 for industrial use (the “**CTP (Full Year) Tenancy Agreements**”).

On the same date, Promise Network as tenant and CTP as landlord entered into a tenancy agreement in respect of the tenancy of Car Parking Space No. 142 on Basement, Kwun Tong Industrial Centre, Nos. 436-484 Kwun Tong Road, Kowloon, Hong Kong for a lease term from 1 August 2022 to 31 March 2023 with a monthly rent of HK\$3,300 for carparking use (the “**CTP (Partial Year) Tenancy Agreement**”).

On 10 June 2022, Lucky Gainer and Promise Network as tenants and King Profit International Limited (“**King Profit**”) as landlord entered into the tenancy agreements in respect of the tenancy of Unit A3 (including Flat Roof appurtenant thereto) on 4th Floor of Block 3, Unit L4 on 3rd Floor of Block 4 and Car Parking Space No. 36 on Basement, Kwun Tong Industrial Centre, Nos. 436-484 Kwun Tong Road, Kowloon, Hong Kong for lease terms from 1 April 2022 to 31 March 2023 with a monthly rent of HK\$63,300 for industrial and carparking use (the “**King Profit Tenancy Agreements**”).

On 10 June 2022, Lucky Gainer as tenant and Profit More Rich Limited (“**Profit More**”) as landlord entered into a tenancy agreement in respect of the tenancy of Workshop Nos. M201, M202 and M210 on 3rd Floor of Block 2, Kwun Tong Industrial Centre, Nos. 436-484 Kwun Tong Road, Kowloon, Hong Kong for a lease term from 1 April 2022 to 31 March 2023 with a monthly rent of HK\$50,700 for industrial use (the “**Profit More Tenancy Agreement**”).

On 10 June 2022, Lucky Gainer as tenant and Promise Properties Limited (“**Promise Properties**”) as landlord entered into the tenancy agreements in respect of the tenancy of Unit W3 on 2nd Floor of Block 2; Unit K3 on 3rd Floor of Block 3; Unit H3 on 4th Floor of Block 3; and Unit A4 on 6th Floor of Block 4, Kwun Tong Industrial Centre, Nos. 436-484 Kwun Tong Road, Kowloon, Hong Kong for lease terms from 1 April 2022 to 31 March 2023 with a monthly rent of HK\$125,600 for industrial use (the “**Promise Properties Tenancy Agreement**”).

On 10 June 2022, Lucky Gainer and Promise Network as tenants and VVV Limited (“**VVV**”) as landlord entered into the tenancy agreements in respect of the tenancy of (1) Unit H2, on 2nd Floor of Block 2; Unit K4 on 3rd Floor of Block 4; Car Parking Space No. 78 on Ground Floor, Kwun Tong Industrial Centre, Nos. 436-484 Kwun Tong Road, Kowloon, Hong Kong; and (2) Workshop No. 1 on Ground Floor, Trend Centre, No. 29 Cheung Lee Street, Hong Kong for lease terms from 1 April 2022 to 31 March 2023 with a monthly rent of HK\$166,700 for industrial and carparking use (the “**VVV (Full Year) Tenancy Agreements 1**”).

On the same date, Lucky Gainer as tenant and VVV as landlord entered into (i) a tenancy agreement in respect of the tenancy of Unit J2 on 2nd Floor of Block 2, Kwun Tong Industrial Centre, Nos. 460-470 Kwun Tong Road, Kowloon, Hong Kong for a lease term from 1 November 2022 to 31 March 2023 with a monthly rent of HK\$32,100 for industrial use (the “**VVV (Partial Year) Tenancy Agreement 1**”) and a tenancy agreement in respect of the tenancy of Unit G2 on 2nd Floor of Block 2, Kwun Tong Industrial Centre, Nos. 460-470 Kwun Tong Road, Kowloon, Hong Kong for a lease term from 11 March 2023 to 31 March 2023 with a monthly rent of HK\$23,800 for industrial use (the “**VVV (Full Year) Tenancy Agreements 2**”, together with the CTP (Full Year) Tenancy Agreements, the CTP (Partial Year) Tenancy Agreement, the King Profit Tenancy Agreements, the Profit More Tenancy Agreement, the Promise Properties Tenancy Agreement, VVV (Full Year) Tenancy Agreements and VVV (Partial Year) Tenancy Agreement 1, collectively referred to as the “**Tenancy Agreements**”).

The rental payment to be made by Lucky Gainer, Promise Network and e-banner under the Tenancy Agreements will be recognised as right-of-use assets and will be regarded as an acquisition of assets by the Group for the purpose of the Listing Rules.

Save as disclosed above, no significant events have taken place after the year ended 31 March 2022 to the date of this announcement.

FINANCIAL REVIEW

Revenue

For the year ended 31 March 2022, the Group generated the revenue from (i) provision of printing services from paper printing business, (ii) provision of printing services from banner printing business and (iii) provision of property agency services.

Revenue from the provision of printing and other services increased by approximately HK\$33.4 million or approximately 12.5% from approximately HK\$266.9 million to approximately HK\$300.3 million. The overall market demand was slightly recovered from the impact by the Coronavirus Outbreak.

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.

	2022		2021	
	HK\$'000		HK\$'000	
	(Unaudited)		(Audited)	
Advertising printing	90,296	29.5%	82,829	31.0%
Bound book printing	54,945	18.0%	53,831	20.2%
Stationery printing	64,443	21.1%	60,228	22.6%
Banner printing	59,889	19.6%	50,183	18.8%
Other services	30,738	9.9%	19,831	7.4%
	<hr/>		<hr/>	
Total revenue from printing and other services	300,311	98.1%	266,902	100.0%
Property agency services	5,709*	1.9%*	N/A*	N/A*
	<hr/>		<hr/>	
Total revenue	306,020	100.0%	266,902	100.0%
	<hr/> <hr/>		<hr/> <hr/>	

*: Property agency services generated revenue for the period from the date of acquisition to 31 March 2022 while no revenue was generated for the year ended 31 March 2021.

The advertising printing was still the major contributor of the revenue, which accounted for approximately 29.5% and approximately 31.0% of the total revenue for the years ended 31 March 2022 and 2021 respectively. If excluding the revenue from property agency services, advertising printing contributed approximately 30.1% of the total revenue for the current year. In conclusion, the contribution to the sales mix remained stable in both the years ended 31 March 2022 and 2021.

Sales Channels	2022		2021	
	HK\$'000 (Unaudited)		HK\$'000 (Audited)	
Stores	41,766	13.9%	46,094	17.3%
Websites	175,107	58.3%	147,606	55.3%
Others (<i>Note</i>)	83,438	27.8%	73,202	27.4%
Total revenue from printing and other services	<u>300,311</u>	<u>100.0%</u>	<u>266,902</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 remained the major sales channel and it contributed approximately 58.3% of total revenue from printing and other services for the year ended 31 March 2022, represented an increase of approximately 3.0% when compared with same period of last year. The sales contributed by stores decreased from approximately 17.3% for the year ended 31 March 2021 to approximately 13.9% for the year ended 31 March 2022.

Other income

Other income of the Group mainly consisted of sales of scrap materials. The Group’s other income slightly increased from approximately HK\$2.7 million for the year ended 31 March 2021 to approximately HK\$3.3 million for the year ended 31 March 2022, representing an increase of approximately HK\$0.6 million.

Other (losses)/gains – net

For the year ended 31 March 2022, the Group reported a net loss of approximately HK\$0.9 million representing a decrease of approximately HK\$2.3 million as compared to a net gain of approximately HK\$1.4 million for the year ended 31 March 2021.

The net loss in current year was mainly arising from the fair value loss of approximately HK\$4.1 million from the investments held by the Group and netting against the gain on step acquisition of subsidiaries of approximately HK\$3.2 million while the net gain recognized last year was principally attributable to the fair value gain of approximately HK\$1.9 million on the mutual fund investments held by the Group.

Selling and distribution expenses

Selling and distribution expenses mainly consisted of employee benefits expenses, handling charges for electronic payments, and rental charges. Selling and distribution expenses represented approximately 9.3% and approximately 9.6% of the revenue for the years ended 31 March 2022 and 2021 respectively. The increase in expenses by approximately HK\$2.9 million was mainly the result of the increased staff cost of approximately HK\$1.9 million.

Administrative expenses

Administrative expenses mainly included employee benefits expenses and outsourced customer support expenses. For the years ended 31 March 2022 and 2021, administrative expenses amounted to approximately HK\$77.5 million and approximately HK\$60.8 million, representing approximately 25.3% and approximately 22.8% of the total revenue respectively.

The material increase in amount by approximately HK\$16.7 million was mainly attributable to the increase in employee benefits expenses and outsourced customer support expenses of approximately HK\$10.7 million and approximately HK\$1.2 million respectively. The substantial increment in employee benefits expenses was mainly because of receipt of subsidies under the Employment Support Scheme of the Government of the Hong Kong Special Administrative Region received last year but none of subsidies received during the year ended 31 March 2022.

Finance income

Finance income mainly represented the interest income generated from the loan receivables and bank interest income. The income slightly decreased by approximately HK\$0.2 million or approximately 4.6% as the loan to a third party with the principal amount of HK\$13.0 million was fully repaid during the year and therefore less interest income was generated during the current year.

Finance costs

Finance costs primarily consisted of interest expenses on bank borrowings and interest expenses on lease liabilities. The overall decrease in finance cost by approximately HK\$0.5 million or approximately 30.5% was mainly due to the drop in interest expenses on lease liabilities in the amount of approximately HK\$0.5 million for the year ended 31 March 2022.

Share of (losses)/profits of joint ventures

Share of (losses)/profits of joint ventures represented the share of results of the Group's joint ventures. As at 31 March 2022 and 2021, the Group had two joint ventures in Malaysia and Hong Kong, namely e-print Solutions Sdn. Bhd and Top Success Investment Group Limited respectively.

During the year ended 31 March 2022, the operation of e-print Solutions Sdn. Bhd was suffered from the Coronavirus Outbreak. The lockdown measures in Malaysia imposed by the Government heavily affected the operation and therefore the sales volume and revenue declined which resulted in the share of losses of joint ventures.

Share of losses of associates

As at 31 March 2021, the amount represented the share of results of the Group's associates in Hong Kong, which are Sakura Japan and E-post Limited.

During the year ended 31 March 2022, the Group acquired additional 42% interest of Sakura Japan and thus Sakura Japan became the subsidiary of the Group since the date of acquisition. In addition, the Group also acquired 15% interest of Step Wise Limited which was incorporated in Hong Kong.

As a result, the Group has two associates in Hong Kong which are E-post Limited and Step Wise Limited as at 31 March 2022.

For the year ended 31 March 2022, the Group recorded the share of losses of associates of approximately HK\$0.7 million (2021: approximately HK\$1.4 million), representing a decrease of approximately HK\$0.7 million.

Profit for the year attributable to equity holders of the Company

For the year ended 31 March 2022, the Group reported the profit for the year attributable to equity holders of the Company of approximately HK\$7.7 million (2021: approximately HK\$19.0 million), representing a decrease of approximately HK\$11.3 million. The material decrease in profit for the year attributable to equity holders of the Company was mainly due to the fair value loss of approximately HK\$4.1 million arising from the financial assets at fair value through profit or loss held by the Group during the year ended 31 March 2022 and the increase in the employee benefits expenses of the Group compared with same period of last year.

Liquidity and Financial Information

As at 31 March 2022, the Group's bank balances and cash was approximately HK\$113.9 million, represented an increase of approximately HK\$7.3 million when compared with that as at 31 March 2021. As at 31 March 2022 and 31 March 2021, the financial ratios of the Group were as follows:

	As at 31 March 2022	As at 31 March 2021
Current ratio ⁽¹⁾	2.3	2.2
Gearing ratio ⁽²⁾	14.1%	15.7%

Notes:

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

Borrowings

As at 31 March 2022 and 2021, the Group's total bank borrowings balance amounted to approximately HK\$26.2 million and approximately HK\$19.9 million respectively. The increase in bank borrowings by HK\$6.3 million or 31.7% was mainly due to the addition of the mortgage loan in relation to the new property acquired during the year.

All bank borrowings were made from banks in Hong Kong and were repayable within one year, except for two mortgage loans. The mortgage loans with the carrying amount of approximately HK\$4.4 million and HK\$17.9 million will be matured in 2033 and 2036 respectively. 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 2.3% for the years ended 31 March 2022 and 2021 respectively.

Treasury Policy

The Group has always pursued a prudent financial management approach towards its treasury policy and thus maintained a healthy liquidity position throughout the year. The Group closely and actively manages its liquidity position with sufficient standby banking facilities to cope with daily operation and any demands for capital for further development.

Capital Structure

The capital of the Company comprises ordinary shares and other reserves. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 3 December 2013. As at 31 March 2022, the total number of issued ordinary shares of the Company was 550,000,000 shares.

Capital Commitments

As at 31 March 2022, the Group had capital commitments of HK\$6.6 million in relation to the purchase of the machineries. As at 31 March 2021, the Group did not have capital commitments.

Significant Investments Held

In addition to the investments in subsidiaries, joint ventures and associates, the Group also holds some investments including equity investment of the companies listed on the Stock Exchange, mutual fund investments, bonds and etc. These investments were classified as financial asset at fair value through profit or loss.

Future Plans for Material Investments and Capital Assets

As at 31 March 2022, the Group has no plans for any material investments or capital assets.

Material Acquisitions

During the year ended 31 March 2022, there was no material acquisition or disposal of subsidiaries, associates and joint ventures by the Group.

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 mainly 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.

Charges on Assets

At 31 March 2022 and 2021, the Group pledged the plant and machinery with carrying values of approximately HK\$2.6 million and approximately HK\$2.7 million respectively, as collaterals to secure the Group's leases liabilities. As at 31 March 2022, the Group pledged three properties with the total carrying values of approximately HK\$65.1 million while the Group pledged two properties with total carrying amount of approximately HK\$58.1 million as at 31 March 2021 as collaterals to secure the Group's mortgage loans.

Capital Expenditure

During the year ended 31 March 2022, the Group invested approximately HK\$21.5 million (2021: HK\$7.3 million) in property, plant and equipment and right-of-use assets, which represented an increase of approximately HK\$14.2 million in capital expenditure compared with last year.

EMPLOYEES AND EMOLUMENT POLICIES

At 31 March 2022, the Group had 270 (2021: 302) full time employees. The employee benefits expense of the Group, including directors' emoluments, employees' salaries and allowances, retirement benefits schemes contributions and other benefits amounted to approximately HK\$87.0 million for the year ended 31 March 2022 (2021: HK\$59.7 million). The expenses significantly increased by approximately HK\$27.3 million or approximately 45.6% was mainly because of (i) the fact that the one-off non-recurring subsidies of approximately HK\$12.5 million under the Employment Support Scheme of the Government of the Hong Kong Special Administrative Region was received during the year ended 31 March 2021 while there was no similar subsidy received during the current year and (ii) increase in salaries paid to the employees for the reward of contribution to the Group.

There was 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 included contributions to Mandatory Provident Fund retirement benefits scheme in Hong Kong, 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, and the Employees Provident Fund and contributions to Social Security Organization for employees who are employed by the Group pursuant to the Malaysian rules and regulations and the prevailing regulatory requirements of Malaysia.

FINAL DIVIDEND

The Board does not recommend the payment of final dividend for the year ended 31 March 2022 (2021: nil).

The Board resolved to declare an interim dividend of HK0.8 cents per ordinary share for the six months ended 30 September 2021 amounting to HK\$4,400,000, which was paid in December 2021 (2020: nil).

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

Neither the Company nor its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 March 2022.

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

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 2022, 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 2022.

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 which was revised on 25 February 2019 to comply with the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting system and to review the risk management and internal control systems of the Group. The Audit Committee comprises three independent non-executive Directors, namely, Mr. Ma Siu Kit (chairman), Mr. Poon Chun Wai and Mr. Fu Chung. The Audit Committee has reviewed the unaudited financial statements of the Group for the year ended 31 March 2022.

REVIEW OF UNAUDITED ANNUAL RESULTS

The Company is unable to publish an annual results announcement that has been agreed with the Company's auditors (the "Auditors") in accordance with Rule 13.49 of the Listing Rules due to the outbreak of COVID-19 pandemic in Hong Kong and Mainland China.

Due to the outbreak of COVID-19 pandemic in Hong Kong in 2022, the employees and, in particular, the staff under the accounts department of the Company, were infected with COVID-19 or identified as the close contacts of the confirmed COVID-19 cases between the mid of March 2022 and early April 2022 (the “**Affected Period**”). In this connection, the Company made special working arrangements for all its employees, including working from home, during the Affected Period. Given the Affected Period, the completion of the management account and the arrangement of a stock take in Dongguan, Guangdong Province, the PRC (details stated below) by the employees of the Company have been delayed for approximately three weeks, as compared with prior years, from the end of April 2022 to the mid of May 2022. As such, the preparation of the annual results of the Company for the year ended 31 March 2022 (the “**2022 Annual Results**”) and its audit could not be completed as at the date of this announcement.

In addition, due to the outbreak of COVID-19 pandemic in Dongguan, Guangdong Province, the PRC, in March 2022 and since the above period, Dongguan has promulgated rules that the inbound persons shall comply with the quarantine requirements before the quarantine ends. As most of the new employees of the printing subcontractor of the Company (the “**Printing Subcontractor**”) come from outside Dongguan, they shall comply with the quarantine requirements before they are allowed to work in the Printing Subcontractor. In light of the above, the operation of the Printing Subcontractor has been affected and the stock take of the printing machineries, which are owned by the Group and were physically transferred to the Printing Subcontractor in 2016 to facilitate the Printing Subcontractor to handling the Group’s printing orders, cannot be arranged up to the date of this announcement. The Company is negotiating with the Printing Subcontractor and it is expected that the stock take of the printing machineries will be carried out on or before 8 July 2022.

In view of the above, additional time is required for the preparation of the 2022 Annual Results to carry out (i) the stock take of the printing machineries owned by the Company at the site of the Printing Subcontractor; and (ii) the audit procedures on the key assumptions adopted for the valuation of the goodwill of the Group which derived from the acquisition of 42% equity interests in Sakura Japan. Save as the above, no other key outstanding matters were identified as at the date of this announcement.

The unaudited 2022 Annual Results contained herein have not been agreed by the Auditors. The Audit Committee has reviewed the unaudited 2022 Annual Results.

FURTHER ANNOUNCEMENT(S)

When the auditing process is completed in accordance with Hong Kong Standards on Auditing issued by Hong Kong Institute of Certified Public Accountants, the Company will issue further announcement(s) in relation to (i) the audited 2022 Annual Results and the accounting adjustment or material differences (if any) as compared with the unaudited annual results contained herein; and (ii) the proposed convention date, book closure period and record date of the annual general meeting.

In addition, the Company will issue further announcements as and when necessary if there are other material development during the preparation of the audited annual results. The Company expects that the auditing process will be completed on or before 29 July 2022. The 2022 Annual Results will be published on the websites of the Stock Exchange and the Company on 29 July 2022.

PUBLICATION OF ANNUAL REPORT

The annual report of the Company for the year ended 31 March 2022 containing all the information required by the Listing Rules will be published on the websites of the Stock Exchange and the Company and also be despatched to the shareholders of the Company on or before 31 August 2022.

The financial information contained herein in respect of the annual results of the Group have not been audited and have not been agreed with the Auditors.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
epprint Group Limited
She Siu Kee William
Chairman and Chief Executive Officer

Hong Kong, 29 June 2022

As at the date of this announcement, the executive Directors are Mr. She Siu Kee William and Mr. Chong Cheuk Ki; the non-executive Director is Mr. Leung Wai Ming; and the independent non-executive Directors are Mr. Poon Chun Wai, Mr. Fu Chung and Mr. Ma Siu Kit.