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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)**

**DISCLOSEABLE TRANSACTION  
IN RELATION TO THE DISPOSAL OF 40% SHAREHOLDING  
IN AN ASSOCIATE**

On 7 November 2022 (after trading hours of the Stock Exchange), the Vendor, an indirect wholly owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase the Sale Shares, representing in aggregate 40% of the total number of shares in the Target, at an aggregate consideration of HK\$1.00.

Completion took place immediately after the signing of the Sale and Purchase Agreement. Immediately prior to Completion, the Target was an indirect non-wholly owned associate of the Company and held as to 40% by the Vendor, 30% by the Purchaser and 30% by an Independent Third Party. Upon Completion, the Group ceases to hold any shares in the Target and the Target ceases to be an associate of the Company.

**IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios in respect of the Disposal exceed 5% but are less than 25% as determined in accordance with Rule 14.07 of the Listing Rules, the Disposal constitutes a discloseable transaction for the purpose of Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but is exempt from the circular and shareholders' approval requirement under Chapter 14 of the Listing Rules.

On 7 November 2022 (after trading hours of the Stock Exchange), the Vendor, an indirect wholly owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase the Sale Shares, representing in aggregate 40% of the total number of shares in the Target, at an aggregate consideration of HK\$1.00.

## **THE SALE AND PURCHASE AGREEMENT**

The principal terms of the Sale and Purchase Agreement are summarised as follows:

**Date:** 7 November 2022

**Parties:** (1) E-Boss Co. Limited, as the vendor; and  
(2) Fui Yuen Lam, as the purchaser

**Asset to be disposed:** The Sale Shares, being 100 shares of the Target, representing 40% of the total number of shares in the Target and the entire shareholding of the Vendor in the Target

**Consideration:** HK\$1.00, to be settled by cash in full upon Completion

The consideration for the sale and purchase of the Sale Shares was arrived at after arm's length negotiations between the Vendor and the Purchaser after taking into account (i) the unaudited net liabilities of the Target Group in the amount of approximately HK\$8.6 million as at 30 September 2022; (ii) the net losses recorded by the Target Group; and (iii) the valuation in connection with the Target Group conducted by an independent professional valuer.

**Completion:** Completion took place immediately after the signing of the Sale and Purchase Agreement.

Immediately prior to Completion, the Target was an indirect non-wholly owned associate of the Company and held as to 40% by the Vendor, 30% by the Purchaser and 30% by an Independent Third Party and the shareholding of the Group in the Target was classified as an investment in an associate in the consolidated financial statement of the Company. Upon Completion, the loan owed by the Target as the borrower to the Vendor as the lender pursuant to the loan agreement dated 22 April 2020 (as supplemented and amended by a supplemental agreement dated 1 August 2021) will continue to be owed by the Target to the Vendor and shall continue to be repaid by the Target to the Vendor. Upon Completion, the Group ceases to hold any shares in the Target and the Target ceases to be an associate of the Company.

## INFORMATION ON THE PARTIES

### The Vendor

The Vendor is a company incorporated in Hong Kong and an indirect wholly owned subsidiary of the Company. Immediately prior to Completion, the Vendor held 40% of the total number of shares in the Target. The Vendor is principally engaged in investment holding in Hong Kong.

### The Purchaser

The Purchaser is an individual and an ordinary resident in Hong Kong and a shareholder as to 30% of the total number of shares in the Target immediately prior to Completion. Upon Completion, the Purchaser holds 70% of the total number of shares in the Target.

To the best of the Directors' knowledge, information and belief having made all reasonably enquiry, the Purchaser is an Independent Third Party.

### The Target

The Target is a company incorporated in Hong Kong. Immediately prior to Completion, the Target was owned as to 40% by the Vendor, as to 30% by the Purchaser and as to 30% by an Independent Third Party. The Target is an investment holding company and the Target Group is principally engaged in the food and beverage business in Hong Kong.

Set out below is the audited consolidated financial information of the Target for the two years ended 31 March 2021 and 2022, respectively, based on its audited consolidated financial statements prepared in accordance with generally accepted accounting principles in Hong Kong:

	<b>For the year ended 31 March 2021 (audited) HK\$'000 (approximately)</b>	<b>For the year ended 31 March 2022 (audited) HK\$'000 (approximately)</b>
Revenue	34,923	41,978
Profit (loss) before tax	(8,619)	(1,789)
Profit (loss) after tax	(8,619)	(1,789)

The net liabilities of the Target Group as at 31 March 2021, 31 March 2022 and 30 September 2022 were approximately HK\$4.1 million, HK\$6.8 million and HK\$8.6 million, respectively.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

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.

The Covid-19 pandemic outbreak and the relevant dining restriction measures imposed by the Hong Kong government to combat the pandemic have had an adverse impact on the food and beverage business operated by the Target Group. The Target Group recorded a net loss of approximately HK\$8.6 million and HK\$1.8 million for the two years ended 31 March 2021 and 2022, respectively. As such, the Board considers that the financial performance of the Target Group has not been meeting the Board's expectation.

Taking into account (i) the historical loss-making position of the Target Group, (ii) the expected continued financial underperformance of the Target Group, and (iii) the net liabilities of approximately HK\$8.6 million recorded by the Target Group as at 30 September 2022, the Directors are of the view that the Disposal can enable the Group to focus its resources on the existing principal business of the Group.

Having considered the aforementioned, the Directors consider that the Disposal is beneficial to the Company and the Shareholders as a whole. The Directors also consider that the terms and conditions of the Sale and Purchase Agreement are based on normal commercial terms, which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **EXPECTED FINANCIAL EFFECT OF THE DISPOSAL**

The Group expects to recognise an unaudited gain of approximately HK\$200,000 in relation to the Disposal, having taken into account, among others, the consideration for the Disposal of HK\$1.00 and the unaudited carrying amount of the investment in the Target as at 30 September 2022, which is classified by the Group as investment in an associate accounted for using the equity method. Shareholders should note that the actual results of the gain or loss in relation to the Disposal shall be subject to review and audit by the Company's auditors.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the Disposal exceed 5% but are less than 25% as determined in accordance with Rule 14.07 of the Listing Rules, the Disposal constitutes a discloseable transaction for the purpose of Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but is exempt from the circular and shareholders' approval requirement under Chapter 14 of the Listing Rules.

## DEFINITIONS

Unless otherwise stated or the context requires otherwise, the terms in this announcement have the following meanings:

“Board”	the board of Directors
“Company”	eprint Group Limited, a company incorporated in the Cayman Islands, whose Shares are listed on the Stock Exchange (stock code: 1884)
“Completion”	completion of the transactions contemplated under the Sale and Purchase Agreement
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“Disposal”	the disposal of the Sale Shares to the Purchaser by the Vendor pursuant to the terms and conditions of the Sale and Purchase Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	a third party independent of the Company and the connected persons of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Purchaser”	Fui Yuen Lam, a shareholder as to 30% of the total number of shares in the Target immediately prior to Completion
“Sale and Purchase Agreement”	the sale and purchase agreement dated 7 November 2022 entered into between the Vendor and the Purchaser in relation to the Disposal
“Sale Shares”	100 shares in the Target, representing 40% of the total number of shares in the Target and the entire shareholding of the Vendor in the Target

“Share(s)”	shares of HK\$0.01 each in the share capital of the Company
“Shareholders”	holder of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	E-Post Limited, a company incorporated in Hong Kong and was owned as to 40% by the Vendor, as to 30% by the Purchaser and as to 30% by an Independent Third Party immediately prior to Completion
“Target Group”	the Target and its subsidiaries
“Vendor”	E-Boss Co. Limited (老闆網有限公司), a company incorporated in Hong Kong, an indirect wholly owned subsidiary of the Company and a shareholder as to 40% of the total number of shares in the Target immediately prior to Completion
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By Order of the Board  
**eprint Group Limited**  
**She Siu Kee William**  
*Chairman*

Hong Kong, 7 November 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.*