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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)**

**INTERIM RESULTS ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023**

**FINANCIAL HIGHLIGHTS**

- The revenue of the Group from Continuing operations for the six months ended 30 September 2023 and 2022 amounted to approximately HK\$156.4 million and approximately HK\$156.8 million respectively.
- The gross profit of the Group from Continuing operations for the six months ended 30 September 2023 was approximately HK\$58.2 million, representing a decrease of approximately 5.7% as compared to that for the six months ended 30 September 2022 and the gross profit margin decreased from approximately 39.4% for the six months ended 30 September 2022 to approximately 37.2% for the six months ended 30 September 2023. The decrease in gross profit margin was mainly because of the absence of subsidies under the Employment Support Scheme of the Government of the Hong Kong Special Administrative Region (“**ESS subsidies**”) which resulted in the increase in staff costs and decrease in gross profit during the current period.
- The loss for the period from Continuing operations attributable to equity holders of the Company was approximately HK\$9.1 million for the six months ended 30 September 2023, while the Group recorded a profit for the period from Continuing operations attributable to equity holders of the Company of approximately HK\$1.0 million for the six months ended 30 September 2022. The loss was mainly attributable to (i) the written-off of property, plant and equipment, (ii) impairment loss on financial assets at amortized cost and (iii) fair value loss on financial assets at fair value through profit or loss of approximately HK\$4.4 million, approximately HK\$3.7 million and approximately HK\$1.1 million respectively. If these non-recurring impacts were excluded, a profit of approximately HK\$0.1 million would be recorded for the six months ended 30 September 2023.

- The cash and cash equivalents of the Group decreased to approximately HK\$116.4 million as at 30 September 2023, representing a decrease of approximately HK\$8.7 million as compared to that as at 31 March 2023 and the Group's current ratio decreased from approximately 1.9 times as at 31 March 2023 to approximately 1.3 times as at 30 September 2023. The decrease in current ratio was mainly due to the increase in lease liabilities and bank borrowings as a result of the purchase of properties and machineries.
- The Board did not declare the payment of interim dividend for the six months ended 30 September 2023.

The board (the “**Board**”) of directors (the “**Directors**”) of eprint Group Limited (the “**Company**”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 September 2023, together with the comparative figures for the corresponding period in 2022.

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2023

		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2023</b>	<b>2022</b>
	<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Continuing operations</b>			
Revenue	4	<b>156,406</b>	156,814
Cost of sales		<b>(98,201)</b>	(95,068)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>58,205</b>	61,746
Other income		<b>2,455</b>	2,149
Other losses – net		<b>(8,640)</b>	(5,406)
Selling and distribution expenses		<b>(15,687)</b>	(14,405)
Administrative expenses		<b>(45,248)</b>	(39,585)
		<hr/>	<hr/>
<b>Operating (loss)/profit</b>	5	<b>(8,915)</b>	4,499
		<hr/>	<hr/>
Finance income		<b>2,461</b>	1,405
Finance costs		<b>(1,620)</b>	(676)
		<hr/>	<hr/>
Finance income – net	6	<b>841</b>	729
		<hr/>	<hr/>
Share of (loss)/profit of an associate		<b>(81)</b>	3
Share of profits of joint ventures		<b>138</b>	549
		<hr/>	<hr/>
<b>(Loss)/profit before income tax from continuing operations</b>		<b>(8,017)</b>	5,780
Income tax expense	7	<b>(592)</b>	(1,840)
		<hr/>	<hr/>
<b>(Loss)/profit for the period from continuing operations</b>		<b>(8,609)</b>	3,940
		<hr/>	<hr/>
<b>Discontinued operation</b>			
Profit after tax for the period from discontinued operation			
– Equity holders of the Company		–	29
– Non-controlling interests		–	17
		<hr/>	<hr/>
<b>(Loss)/profit for the period</b>		<b>(8,609)</b>	3,986
		<hr/> <hr/>	<hr/> <hr/>

		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2023</b>	2022
	<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>(Loss)/profit for the period attributable to:</b>			
– Equity holders of the Company		<b>(9,064)</b>	1,003
– Non-controlling interests		<b>455</b>	2,983
		<u>          </u>	<u>          </u>
(Loss)/profit for the period		<b><u>(8,609)</u></b>	<b><u>3,986</u></b>
<b>Other comprehensive loss arising from continuing operations:</b>			
<i>Item that may be subsequently reclassified to profit or loss:</i>			
Currency translation differences		<b>(819)</b>	(1,051)
		<u>          </u>	<u>          </u>
Total comprehensive (loss)/income for the period		<b><u>(9,428)</u></b>	<b><u>2,935</u></b>
<b>Total comprehensive (loss)/income for the period attributable to:</b>			
– Equity holders of the Company		<b>(9,834)</b>	10
– Non-controlling interests		<b>406</b>	2,925
		<u>          </u>	<u>          </u>
		<b><u>(9,428)</u></b>	<b><u>2,935</u></b>
<b>Total comprehensive (loss)/income attributable to equity holders of the Company arises from:</b>			
– Continuing operations		<b>(9,834)</b>	(19)
– Discontinued operation		<b>–</b>	29
		<u>          </u>	<u>          </u>
		<b><u>(9,834)</u></b>	<b><u>10</u></b>
<b>(Loss)/earnings per share for (loss)/profit from continuing operations attributable to equity holders of the Company:</b>			
– Basic and diluted ( <i>HK cents per share</i> )	8	<b><u>(1.65)</u></b>	<b><u>0.17</u></b>
<b>Earnings per share for profit from discontinued operation attributable to equity holders of the Company:</b>			
– Basic and diluted ( <i>HK cents per share</i> )	8	<b><u>–</u></b>	<b><u>0.01</u></b>
<b>(Loss)/earnings per share for (loss)/profit attributable to equity holders of the Company during the period:</b>			
– Basic and diluted ( <i>HK cents per share</i> )	8	<b><u>(1.65)</u></b>	<b><u>0.18</u></b>

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

		As at 30 September 2023 <i>HK\$'000</i> (Unaudited)	As at 31 March 2023 <i>HK\$'000</i> (Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		138,610	95,372
Right-of-use assets		57,512	48,208
Intangible assets		725	725
Other financial assets at amortised cost		27,831	28,751
Investment in an associate		1,299	1,380
Investments in joint ventures		10,081	10,654
Deferred income tax assets		–	707
Deposits and prepayments		4,467	20,184
		<u>240,525</u>	<u>205,981</u>
<b>Current assets</b>			
Inventories		6,198	7,794
Trade receivables	11	6,273	4,424
Deposits, prepayments and other receivables		5,132	8,756
Other financial assets at amortised cost		–	2,390
Financial assets at fair value through profit or loss	10	15,523	16,653
Amounts due from related companies		367	377
Current income tax recoverable		1,602	1,209
Cash and cash equivalents		116,359	125,024
		<u>151,454</u>	<u>166,627</u>
<b>Total assets</b>		<u><u>391,979</u></u>	<u><u>372,608</u></u>

		As at 30 September 2023 <i>HK\$'000</i> (Unaudited)	As at 31 March 2023 <i>HK\$'000</i> (Audited)
<b>Equity</b>			
<b>Capital and reserves attributable to the equity holders of the Company</b>			
Share capital		5,500	5,500
Share premium		132,921	132,921
Other reserves		90,791	100,626
		<u>229,212</u>	<u>239,047</u>
Non-controlling interests		13,149	12,743
		<u>242,361</u>	<u>251,790</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities		30,291	28,719
Deferred income tax liabilities		3,523	4,167
		<u>33,814</u>	<u>32,886</u>
<b>Current liabilities</b>			
Trade payables	12	15,125	12,211
Accruals and other payables		36,180	35,136
Borrowings		42,789	22,682
Lease liabilities		21,209	17,680
Amounts due to directors		148	132
Current income tax payable		353	91
		<u>115,804</u>	<u>87,932</u>
<b>Total liabilities</b>		<u>149,618</u>	<u>120,818</u>
<b>Total equity and liabilities</b>		<u>391,979</u>	<u>372,608</u>

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

## 1 GENERAL

eprint Group Limited (the “**Company**”) was incorporated in the Cayman Islands on 10 January 2013 as an exempted company with limited liability under the Companies Act (Revised) of the Cayman Islands. The Company’s registered office is situated at P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (the “**Group**”) are principally engaged in the provision of printing services and solutions on advertisement, bound book and stationery, to a diversified customer base in Hong Kong.

The Company has its shares listing on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

This condensed interim consolidated financial information is presented in Hong Kong dollars, unless otherwise stated.

## 2 BASIS OF PREPARATION

This condensed interim consolidated financial information for the six months ended 30 September 2023 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the requirements of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange.

This condensed interim consolidated financial information should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 March 2023, which are prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”).

## 3 PRINCIPAL ACCOUNTING POLICIES

3.1 The accounting policies applied are consistent with those used in preparing the Group’s consolidated financial statements for the year ended 31 March 2023, except as stated below.

### (a) *New and amended standards adopted by the Group*

The Group has applied the following new and amendments to standards for the financial year beginning 1 April 2023 and are relevant to its operations:

Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
HKFRS 17	Insurance Contracts
HKFRS 17	Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information
Amendments to HKFRS 17	Amendment to HKFRS 17
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

The new and amendments to standards does not have any significant change to the accounting policies or any significant effect on the results and financial position of the Group.

**(b) Amended standards and interpretation which are not yet effective for this financial period and have not been early adopted by the Group**

Certain amendments to standards and interpretation have been published that are not mandatory for the accounting period beginning 1 April 2023 and have not been early adopted by the Group.

		<b>Effective for accounting periods beginning on or after</b>
Amendments to HKAS 1	Classification of Liabilities as Current and Non-Current	1 January 2024
Amendments to HKAS 1	Non-current Liabilities with Covenant	1 January 2024
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to HKAS 21	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Note
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Revised Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2024

*Note:* To be announced by HKICPA

The Group will adopt the amendments to standards and interpretation when they become effective. The Group is in the course of assessing the potential impacts of these new standards or amendments and certain of which may give rise to changes in our Group's accounting policies, changes in disclosures or remeasurement of items in the financial statements.

**(c)** The HKICPA has also issued a new HKICPA guidance on the accounting implications of abolition of the Mandatory Provident Fund – Long Service Payment offsetting mechanism in July 2023. As the Group is in the progress of making an assessment, further impacts may be identified in due course.

**(d)** Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

### **3.2 Comparative figures**

Certain comparative figures for the six months ended 30 September 2022 have been re-presented in order to disclose the discontinued operation separately from the continuing operations.



#### 4 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 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 reportable segments of the Group are classified as follows:

Continuing operations:

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

Discontinued operation:

- (a) 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 condensed interim consolidated financial information.

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

On 31 March 2023, the Group ceased the business of property agency services as a result of the disposal of subsidiaries. The Group re-presented the relevant business as discontinued operation for the six months ended 30 September 2022.

The subsidiary incorporated in the People’s Republic of China (the “**PRC**”) provides information technology support services within the Group. The subsidiaries incorporated in Malaysia generated immaterial external revenue during the period. 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 six months ended 30 September 2023 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.

Revenue for the six months ended 30 September 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 at a point in time.

During the six months ended 30 September 2023 and 2022, no external customers contributed over 10% of the Group’s revenue.

The following tables present revenue and segment results regarding the Group's reportable segments for the six months ended 30 September 2023 and 2022 respectively.

	<b>For the six months ended 30 September 2023</b>			
	<b>Continuing operations</b>			
	<b>Paper printing HK\$'000 (Unaudited)</b>	<b>Banner printing HK\$'000 (Unaudited)</b>	<b>Eliminations HK\$'000 (Unaudited)</b>	<b>Total HK\$'000 (Unaudited)</b>
<b>Segment revenue</b>				
Revenue from external customers	110,261	46,145	–	156,406
Inter-segment revenue	553	145	(698)	–
<b>Total</b>	<b>110,814</b>	<b>46,290</b>	<b>(698)</b>	<b>156,406</b>
<b>Segment results</b>	<b>(12,139)</b>	<b>3,224</b>		<b>(8,915)</b>
Unallocated:				
Finance income				2,461
Finance costs				(1,620)
Share of loss of an associate				(81)
Share of profits of joint ventures				138
Loss before income tax				(8,017)
Income tax expense				(592)
Loss for the period				<b>(8,609)</b>
Other information:				
Bad debt written off	–	(650)		(650)
Depreciation of property, plant and equipment	(3,973)	(1,098)		(5,071)
Depreciation of right-of-use assets	(7,389)	(3,167)		(10,556)
Provision of impairment losses on financial assets at amortised cost	(3,674)	–		(3,674)
Capital expenditures	(22,689)	(30,946)		(53,635)

For the six months ended 30 September 2022

	Continuing operations			Discontinued operation		Total <i>HK\$'000</i> (Unaudited)
	Paper Printing <i>HK\$'000</i> (Unaudited)	Banner printing <i>HK\$'000</i> (Unaudited)	Eliminations <i>HK\$'000</i> (Unaudited)	Sub-total <i>HK\$'000</i> (Unaudited)	Property agency services <i>HK\$'000</i> (Unaudited)	
<b>Segment revenue</b>						
Revenue from external customers	110,534	46,280	–	156,814	6,269	163,083
Inter-segment revenue	337	75	(412)	–	–	–
<b>Total</b>	<b>110,871</b>	<b>46,355</b>	<b>(412)</b>	<b>156,814</b>	<b>6,269</b>	<b>163,083</b>
<b>Segment results</b>	<b>(3,993)</b>	<b>8,493</b>		<b>4,500</b>	<b>47</b>	<b>4,547</b>
Unallocated:						
Finance income						1,405
Finance costs						(678)
Share of profit of an associate						3
Share of profits of joint ventures						549
Profit before income tax						5,826
Income tax expense						(1,840)
Profit for the period						3,986
Other information:						
Amortisation of intangible assets	–	–		–	(141)	(141)
Depreciation of property, plant and equipment	(4,339)	(723)		(5,062)	(73)	(5,135)
Depreciation of right-of-use assets	(6,113)	(3,135)		(9,248)	(280)	(9,528)
Capital expenditures	(1,337)	(739)		(2,076)	–	(2,076)

The following tables present segment assets as at 30 September 2023 and 31 March 2023 respectively.

	<b>As at 30 September 2023</b>			
	<b>Continuing operations</b>		<b>Discontinued operation</b>	
	<b>Paper printing</b>	<b>Banner printing</b>	<b>Property agency services</b>	<b>Total</b>
	<b><i>HK\$'000</i></b> <b>(Unaudited)</b>	<b><i>HK\$'000</i></b> <b>(Unaudited)</b>	<b><i>HK\$'000</i></b> <b>(Unaudited)</b>	<b><i>HK\$'000</i></b> <b>(Unaudited)</b>
Segment assets	<b>183,000</b>	<b>81,240</b>	<b>–</b>	<b>264,240</b>

	<b>As at 31 March 2023</b>			
	<b>Continuing operations</b>		<b>Discontinued operation</b>	
	<b>Paper printing</b>	<b>Banner printing</b>	<b>Property agency services</b>	<b>Total</b>
	<b><i>HK\$'000</i></b> <b>(Audited)</b>	<b><i>HK\$'000</i></b> <b>(Audited)</b>	<b><i>HK\$'000</i></b> <b>(Audited)</b>	<b><i>HK\$'000</i></b> <b>(Audited)</b>
Segment assets	<b>182,797</b>	<b>52,753</b>	<b>–</b>	<b>235,550</b>

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

	<b>As at 30 September 2023 <i>HK\$'000</i> (Unaudited)</b>	<b>As at 31 March 2023 <i>HK\$'000</i> (Audited)</b>
Segment assets	<b>264,240</b>	235,550
Investment in an associate	<b>1,299</b>	1,380
Investments in joint ventures	<b>10,081</b>	10,654
Cash and cash equivalents	<b>116,359</b>	125,024
Total assets	<b>391,979</b>	372,608

## 5 OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging/(crediting) the following:

	Six months ended 30 September	
	2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)
<b>Continuing operations</b>		
Cost of materials	33,611	37,830
Depreciation of property, plant and equipment	5,071	5,062
Depreciation of right-of-use assets	10,556	9,248
Recovery of trade receivables previously written off	–	(93)
Written off of property, plant and equipment	4,415	–
Net exchange losses	463	2,105
Subcontracting fee	20,048	19,014
Operating lease for short-term and low value lease	839	701
	<u>33,611</u>	<u>37,830</u>

## 6 FINANCE INCOME – NET

	Six months ended 30 September	
	2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)
<b>Continuing operations</b>		
Finance income		
– Interest income from loan receivables	928	1,193
– Interest income from bank deposits	1,526	210
– Interest income from securities accounts	7	–
– Unwinding of interests on refundable rental deposits	–	2
	<u>2,461</u>	<u>1,405</u>
Finance costs		
– Interest expenses on lease liabilities	(1,133)	(410)
– Interest expenses on borrowings	(487)	(266)
	<u>(1,620)</u>	<u>(676)</u>
Finance income – net	<u>841</u>	<u>729</u>

## 7 INCOME TAX EXPENSE

	<b>Six months ended 30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Continuing operations</b>		
Current income tax		
– Hong Kong profits tax	<b>529</b>	809
Deferred income tax	<b>63</b>	1,031
	<u>592</u>	<u>1,840</u>
Income tax expense	<u><b>592</b></u>	<u>1,840</u>

Taxation on profits has been calculated on the estimated assessable profits for the six months ended 30 September 2023 and 2022 at the rates of taxation prevailing in the countries/places in which the Group operates. Income tax expenses is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year.

## 8 (LOSS)/EARNINGS PER SHARE

### (a) Basic (loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue for the six months ended 30 September 2023 and 2022.

	<b>Six months ended 30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
(Loss)/profit from continuing operations attributable to the equity holder of the Company ( <i>HK\$'000</i> )	<b>(9,064)</b>	974
Profit from discontinued operation attributable to the equity holder of the Company ( <i>HK\$'000</i> )	–	29
	<u><b>(9,064)</b></u>	<u>1,003</u>
Weighted average number of ordinary shares in issue ( <i>thousands</i> )	<u><b>550,000</b></u>	<u>550,000</u>
Basic (loss)/earnings per share attributable to the equity holder of the Company		
From continuing operations ( <i>HK cents</i> )	<b>(1.65)</b>	0.17
From discontinued operation ( <i>HK cents</i> )	–	0.01
	<u><b>(1.65)</b></u>	<u>0.18</u>
Total ( <i>HK cents</i> )	<u><b>(1.65)</b></u>	<u>0.18</u>

**(b) Diluted (loss)/earnings per share**

Diluted (loss)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the six months ended 30 September 2023, the diluted loss per share is the same as the basic loss per share as the share options outstanding were anti-dilutive. For the six months ended 30 September 2022, the diluted earnings per share is the same as the basic earnings per share as there were no potential dilutive ordinary shares outstanding.

**9 DIVIDENDS**

The Board resolved not to declare an interim dividend for the six months ended 30 September 2023 (2022: Nil).

**10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>As at 30 September 2023 HK\$'000 (Unaudited)</b>	<b>As at 31 March 2023 HK\$'000 (Audited)</b>
Debentures	141	300
Listed equity investments	<u>15,382</u>	<u>16,353</u>
	<u><b>15,523</b></u>	<u><b>16,653</b></u>

*Notes:*

- (i) The listed equity investments represent shares listed on the Stock Exchange.
- (ii) The fair values of the listed equity investments and debentures are based on quoted prices in active markets and are classified within level 1 of the fair value hierarchy.
- (iii) Financial assets at fair value through profit or loss is presented within investing activities in the condensed interim consolidated statement of cash flows.
- (iv) Changes in fair value of financial assets at fair value through profit or loss are recorded in 'other losses – net' in the condensed interim consolidated statement of comprehensive income.

**11 TRADE RECEIVABLES**

	<b>As at 30 September 2023 HK\$'000 (Unaudited)</b>	<b>As at 31 March 2023 HK\$'000 (Audited)</b>
Trade receivables	7,439	5,590
Less: loss allowance	<u>(1,166)</u>	<u>(1,166)</u>
Trade receivables – net	<u><b>6,273</b></u>	<u><b>4,424</b></u>

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 the invoice date is as follows:

	<b>As at 30 September 2023 <i>HK\$'000</i> (Unaudited)</b>	<b>As at 31 March 2023 <i>HK\$'000</i> (Audited)</b>
0 – 30 days	3,293	2,862
31 – 60 days	1,998	793
Over 60 days	2,148	1,935
	<u>7,439</u>	<u>5,590</u>

## 12 TRADE PAYABLES

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

	<b>As at 30 September 2023 <i>HK\$'000</i> (Unaudited)</b>	<b>As at 31 March 2023 <i>HK\$'000</i> (Audited)</b>
0 – 30 days	11,690	7,677
31 – 60 days	–	3,567
61 – 90 days	2,905	915
Over 90 days	530	52
	<u>15,125</u>	<u>12,211</u>

## 13 BUSINESS COMBINATION

On 1 June 2023, e-banner Limited (“**e-banner**”), an indirect non wholly-owned subsidiary of the Company entered into the sale and purchase agreement with the vendors, pursuant to which e-banner conditionally agreed to acquire from the vendors the 10,000 shares in the capital of WAB2 Group (HK) Limited (“**WAB2**”), representing the entire issued share capital of WAB2 and from one of the vendors the outstanding shareholder’s loan being owed by WAB2 to that vendor at the completion of the acquisition at the consideration of HK\$28,861,000. The completion of the acquisition took place on 13 July 2023. Upon completion, the financial results of WAB2 are consolidated into the financial statements of the Group.



Set forth below is the preliminary calculation of gain on bargain purchase arising from the business combinations:

	<i>HK\$'000</i> (Unaudited)
Purchase consideration	648
Less: fair value of identifiable net assets acquired	<u>(1,761)</u>
Gain on bargain purchase	<u><u>(1,113)</u></u>

The fair value of identifiable assets and liabilities of WAB2 as at the date of acquisition were as follows:

	<i>HK\$'000</i> (Unaudited)
Land and building	30,000
Cash and cash equivalents	30
Other payables	(56)
Amount due to director	<u>(28,213)</u>
Total identifiable net assets at fair value	<u><u>1,761</u></u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

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

During the six months ended 30 September 2023 and currently, the Group is principally engaged in two business segments, being paper printing business and banner printing business (collectively named “**Continuing operations**”). On 31 March 2023, the Group had disposed all its 62% equity interests in Sakura Japan Property (Hong Kong) Limited and its subsidiary (“**Sakura Group**”) which engaged in provision of property agency services. Upon the completion of the disposal, the Group ceased to hold any shares in Sakura Group and Sakura Group ceased to be the subsidiaries of the Group. Hence, the property agency services business was discontinued (“**Discontinued operation**”). The disposal did not constitute any notifiable transaction or connected transaction of the Company under Chapter 14 or Chapter 14A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) respectively.

#### **Continuing operations**

The Board presents to the shareholders the results of the Group for the six months ended 30 September 2023. The Group reported the revenue from Continuing operations of approximately HK\$156.4 million and approximately HK\$156.8 million for the six months ended 30 September 2023 and 2022 respectively.

#### **Paper printing business**

For the paper printing segment, the revenue was mainly derived from the brand “e-print”. e-print provides a wide range of paper printing products including leaflets, booklets, business cards, stationery, etc.

For the six months ended 30 September 2023 and 2022, the revenue of the Group’s paper printing segment were approximately HK\$110.3 million and approximately HK\$110.5 million respectively.

## **Banner printing business**

For the Group's banner printing segment, the revenue was mainly derived from the brand "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.

The Group recorded revenue from banner printing business of approximately HK\$46.1 million and approximately HK\$46.3 million respectively for the six months ended 30 September 2023 and 2022.

## **Discontinued operation**

The Group had disposed the Sakura Group which engaged in provision of property agency services, which had been a minor business segment of the Group, in March 2023.

## **OUTLOOK**

It is expected that the macroeconomic environment will be improved and recovered from the pandemic in the long run, the management of the Group will continuously and actively to monitor the situation and react promptly in order to maintain the profitability. In view of our experienced management team and reputation and long term success in printing sector, the Group's management considered that we are able to overcome the challenges and capture opportunities for business growth in forthcoming years. Being one of the major market players in Hong Kong, our Group will continuously devote resources and efforts in enhancing our operation efficiency and diversifying our product portfolio and value-added services to our customers to maintain our competitiveness and differentiate with our market competitors.

The Group will always provide our customers convenient, speedy and high quality printing services, from the provision of design tools and software for customizing products to an array of printing and finishing services to suit their diversified needs, through our extensive sales channels, integrated information technology infrastructure and production facilities situated in Hong Kong.

In light of (i) the improving and upgrading printing technology and materials emerged in market after the Covid-19 pandemic; (ii) future market trend in printing industry; and (iii) higher quality and service requirement from customers, our Group will, leverage with our strong cash flow and dedicated management team, continue to upgrade our production and printing facilities and invest in latest printing technology and solutions included but not limited to digital printing.

## **FINANCIAL REVIEW**

### **Revenue**

For the six months ended 30 September 2023 and 2022, the Group reported the revenue from Continuing operations of approximately HK\$156.4 million and approximately HK\$156.8 million respectively. The revenue was mainly generated from provision of printing services from paper printing business and provision of printing services from banner printing business. The revenue remained stable during the six months ended 30 September 2023 and 2022 respectively.

### **Gross profit and gross profit margin**

The gross profit of the Group from Continuing operations for the six months ended 30 September 2023 was approximately HK\$58.2 million, representing a decrease of approximately HK\$3.5 million or approximately 5.7% as compared to that for the six months ended 30 September 2022. Despite the stable revenue recorded during the current period and last period, the absence of the ESS subsidies amounting to approximately HK\$2.5 million resulted in a decline in the gross profit and gross profit margin for the six months ended 30 September 2023, as compared with the same period of last year.

### **Other income**

Other income from Continuing operations of the Group mainly consisted of sales of scrap materials. The Group's other income increased from approximately HK\$2.1 million for the six months ended 30 September 2022 to approximately HK\$2.5 million for the six months ended 30 September 2023, representing an increase of approximately HK\$0.4 million which mainly arising from the increase from sales of scrap materials by approximately HK\$0.5 million.

### **Other losses – net**

For the six months ended 30 September 2023, the Group reported a net other loss of approximately HK\$8.6 million, representing an increase of approximately HK\$3.2 million as compared to the other loss of approximately HK\$5.4 million for the six months ended 30 September 2022.

The other loss recognized during the six months ended 30 September 2023 was mainly attributable to the written-off of property, plant and equipment and the impairment loss on financial assets at amortized cost of approximately HK\$4.4 million and approximately HK\$3.7 million respectively.

### **Selling and distribution expenses**

Selling and distribution expenses from Continuing operations mainly consisted of staff costs, handling charges for electronic payments, and depreciation of right-of-use assets.

Selling and distribution expenses amounted to approximately HK\$15.7 million and approximately HK\$14.4 million for the six months ended 30 September 2023 and 2022 respectively. The increase in expenses by approximately HK\$1.3 million was mainly the result of the increase in staff costs and advertising and promotion expenses of approximately HK\$0.9 million and approximately HK\$0.4 million respectively.

### **Administrative expenses**

Administrative expenses from Continuing operations mainly included staff costs and outsourced customer support expenses. For the six months ended 30 September 2023 and 2022, administrative expenses amounted to approximately HK\$45.2 million and approximately HK\$39.6 million respectively. The increase in administrative expenses by approximately HK\$5.6 million was mainly attributable to the increase in staff costs by approximately HK\$2.4 million as the main result of absence of the ESS subsidies.

### **Finance income**

Finance income from Continuing operations mainly represented the interest income generated from the loan receivables and bank deposits. The amount increased by approximately HK\$1.1 million or approximately 75.2% as compared to the same period of last year was mainly due to the increase in interest income from bank deposits of approximately HK\$1.3 million.

### **Finance costs**

Finance costs from Continuing operations primarily consisted of interest expenses on bank borrowings and interest expenses on lease liabilities. The overall increase in finance costs by approximately HK\$0.9 million as compared to the same period of last year was mainly due to the increase in interest expenses on lease liabilities in the amount of approximately HK\$0.7 million.

### **Share of loss of an associate**

As at 30 September 2023, the Group had one associate in Hong Kong which is Step Wise Limited. For the six months ended 30 September 2023, the Group recorded the share of loss of an associate of approximately HK\$81,000 while the Group recorded the share of profit of an associate of approximately HK\$3,000 for the six months ended 30 September 2022.

## Share of profits of joint ventures

Share of profits of joint ventures represented the share of results of the Group's joint ventures. As at 30 September 2023, 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 six months ended 30 September 2023, the share of profits of joint ventures was decreased as compared with the same period of last year as the operating cost was increased in a higher degree.

## (Loss)/profit for the period from Continuing operations attributable to equity holders of the Company

For the six months ended 30 September 2023, the loss for the period from Continuing operations attributable to equity holders of the Company was approximately HK\$9.1 million, as compared to a profit of approximately HK\$1.0 million for the six months ended 30 September 2022. The loss from Continuing operations attributable to equity holders of the Company was mainly due to (i) the written-off of property, plant and equipment, (ii) impairment loss on financial assets at amortized cost and (iii) fair value loss on financial assets at fair value through profit or loss of approximately HK\$4.4 million, approximately HK\$3.7 million and approximately HK\$1.1 million respectively. If these non-recurring impacts were excluded, a profit of approximately HK\$0.1 million would be recorded for the six months ended 30 September 2023.

## Liquidity and Financial Information

As at 30 September 2023, the Group's bank balances and cash was approximately HK\$116.4 million, represented a decrease of approximately HK\$8.7 million as compared with that as at 31 March 2023. As at 30 September 2023 and 31 March 2023, the financial ratios of the Group were as follows:

	<b>As at 30 September 2023 (Unaudited)</b>	As at 31 March 2023 (Audited)
Current ratio <sup>(1)</sup>	<b>1.3</b>	1.9
Gearing ratio <sup>(2)</sup>	<b>38.9%</b>	27.4%

### 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 30 September 2023 and 31 March 2023, the Group's total bank borrowings amounted to approximately HK\$42.8 million and approximately HK\$22.7 million respectively. The significant increase in bank borrowings of approximately HK\$20.1 million was attributable to the increase in the mortgage loans of the new properties acquired during the six months ended 30 September 2023.

All bank borrowings were made from banks in Hong Kong. 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.

## **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 period. 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 since 3 December 2013. As at 30 September 2023, the total number of issued ordinary shares of the Company was 550,000,000 shares.

## **Capital Commitments**

As at 30 September 2023, the Group had capital commitments of approximately HK\$0.7 million in relation to the purchase of machineries. As at 31 March 2023, the Group did not have any capital commitments.

## **Significant Investments Held**

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

## **Future Plans for Material Investments and Capital Assets**

As at 30 September 2023, the Group has no plans for any material investments or capital assets.

## **Material Acquisition and Disposal**

On 1 June 2023, e-banner Limited (“**e-banner**”), an indirect non wholly-owned subsidiary of the Company and Mr. Li Cham Kuen (“**Mr. Li**”) and Mr. Lee Wut Chuen (together with Mr. Li, the “**Vendors**”) entered into the sale and purchase agreement (the “**Agreement**”), pursuant to which e-banner conditionally agreed to acquire from the Vendors the 10,000 shares in the capital of WAB2 Group (HK) Limited (the “**Target Company**”), representing the entire issued share capital of the Target Company, and from Mr. Li the outstanding shareholder’s loan being owed by the Target Company to Mr. Li at the completion of the Acquisition (as hereinafter defined) at the consideration of HK\$28,861,000 (subject to adjustment) (the “**Acquisition**”).

The Target Company is principally engaged in property investment. The principal asset of the Target Company is the properties located at (i) Unit W1, 1st Floor, Block 2, Kwun Tong Industrial Centre, Nos.460-470 Kwun Tong Road, Kowloon, Hong Kong; (ii) Unit W2, 1st Floor, Block 2, Kwun Tong Industrial Centre, Nos.460-470 Kwun Tong Road, Kowloon, Hong Kong; (iii) Unit W3, 1st Floor, Block 2, Kwun Tong Industrial Centre, Nos.460-470 Kwun Tong Road, Kowloon, Hong Kong; and (iv) Unit K2, 1st Floor, Block 2, Kwun Tong Industrial Centre, Nos.460-470 Kwun Tong Road, Kowloon, Hong Kong.

Completion of the Acquisition took place on 13 July 2023 in accordance with the terms and conditions of the Agreement. Upon completion of the Acquisition, the Target Company becomes an indirect non wholly-owned subsidiary of the Company and the financial results of the Target Company are consolidated into the financial statements of the Group.

For further details, please refer to the announcements of the Company dated 1 June 2023, 5 June 2023 and 13 July 2023.

Save as disclosed above, there was no material acquisition or disposal of subsidiaries, associates and joint ventures by the Group during the six months ended 30 September 2023.

## **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 30 September 2023 and 31 March 2023, the Group pledged the plant and machinery with carrying values of approximately HK\$19.5 million and approximately HK\$2.3 million respectively, as collaterals to secure the Group’s leases liabilities. As at 30 September 2023 and 31 March 2023, the Group mortgaged the properties with the total carrying values of approximately HK\$108.9 million and approximately HK\$62.5 million respectively as collaterals to secure the Group’s mortgage loans.



## **Capital Expenditure**

During the six months ended 30 September 2023, the Group invested approximately HK\$53.6 million in property, plant and equipment, which represented an increase of approximately HK\$51.5 million in capital expenditure compared with the same period of last year.

## **EMPLOYEES AND EMOLUMENT POLICIES**

At 30 September 2023, the Group had 330 (31 March 2023: 329) full time employees. The staff costs of the Group, including Directors' emoluments, employees' salaries and allowances, retirement benefits schemes contributions and other benefits amounted to approximately HK\$51.7 million for the six months ended 30 September 2023 (for the six months ended 30 September 2022: HK\$49.6 million). The increase in amount was mainly due to the absence of the ESS subsidies received during the six months ended 30 September 2023.

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. Share options may be granted under the share option scheme to eligible employees as incentives or rewards for their contribution to the Group; to attract and retain personnel to promote the sustainable development of the Group; and to align the interest with those of the shareholders of the Company to promote the long-term financial and business performance of the Company. In addition, the Group provides training through seminars and forums and encourage the employees to grow with the Group together.

## **CONTINGENT LIABILITIES**

As at 30 September 2023, the Group had no significant contingent liability (31 March 2023: Nil).

## **EVENTS AFTER THE END OF THE REPORTING PERIOD**

There is no significant event occurring after the end of the reporting period and up to the date of this announcement.

## **INTERIM DIVIDEND**

The Board, after considering the liquidity position and operation of the Group, resolved not to declare an interim dividend for the six months ended 30 September 2023 (for the six months ended 30 September 2022: Nil).

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

Neither the Company nor its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 September 2023.

## **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**”) as set out in Appendix 10 to 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 standards as set out in the Model Code for the six months ended 30 September 2023.

## **CORPORATE GOVERNANCE PRACTICES**

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

For the six months ended 30 September 2023, the Company was in compliance with the code provisions set out in the CG Code except for the deviation as explained below.

Code provision C.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 caliber individuals with sufficient number thereof being non-executive Director and independent non-executive Directors.

Save as the aforesaid and in the opinion of the Directors, the Company had met all relevant code provisions set out in the CG Code during the six months ended 30 September 2023.

## **REVIEW OF INTERIM RESULTS BY AUDIT COMMITTEE**

The Company established the audit committee of the Company (the “**Audit Committee**”) on 13 November 2013 with written terms of reference which was revised on 25 February 2019 to comply with the CG Code. 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 (as Chairman), Mr. Poon Chun Wai and Mr. Fu Chung. The Audit Committee has reviewed the unaudited condensed interim consolidated financial information of the Group for the six months ended 30 September 2023.

## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT**

This announcement is published on the websites of the Company ([www.eprintgroup.com.hk](http://www.eprintgroup.com.hk)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The interim report of the Company for six months ended 30 September 2023 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 December 2023.

On behalf of the Board  
**eprint Group Limited**  
**She Siu Kee William**  
*Chairman*

Hong Kong, 24 November 2023

*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, Mr. Ma Siu Kit and Ms. Yu Mei Hung.*