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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 2024**

FINANCIAL HIGHLIGHTS

- The revenue of the Group for the six months ended 30 September 2024 and 2023 amounted to approximately HK\$150.4 million and approximately HK\$156.4 million respectively.
- The gross profit of the Group remained stable and amounted to approximately HK\$58.4 million and approximately HK\$58.2 million respectively for the six months ended 30 September 2024 and 2023. The gross profit margin increased from approximately 37.2% for the six months ended 30 September 2023 to approximately 38.8% for the six months ended 30 September 2024. The increase in gross profit margin was mainly attributable to the improvement of gross profit margin of paper printing segment resulted from gradual transformation and enhancement in digital printing and the gross profits contributed from the new segment of yacht financing.
- The loss for the period attributable to equity holders of the Company was approximately HK\$6.9 million for the six months ended 30 September 2024, representing a decrease in loss of approximately HK\$2.2 million as compared with that for the six months ended 30 September 2023. The drop in loss was mainly attributable to (i) the decrease in the loss in disposal of property, plant and equipment and (ii) decrease in the impairment loss on financial assets at amortised cost.

- The cash and cash equivalents of the Group decreased to approximately HK\$89.4 million as at 30 September 2024, representing a decrease of approximately HK\$10.6 million as compared to that as at 31 March 2024 and the Group's current ratio decreased from approximately 1.2 times as at 31 March 2024 to approximately 1.1 times as at 30 September 2024. The decrease in current ratio was mainly due to the increase in bank borrowings as a result of the purchase of properties during the six months ended 30 September 2024.
- The Board did not declare the payment of interim dividend for the six months ended 30 September 2024.

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 2024, together with the comparative figures for the corresponding period in 2023.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2024

		Six months ended 30 September	
		2024	2023
	Note	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Revenue	4	150,425	156,406
Cost of sales		(92,047)	(98,201)
Gross profit		58,378	58,205
Other income		2,157	2,455
Other gains/(losses) – net		678	(8,640)
Selling and distribution expenses		(16,378)	(15,687)
Administrative expenses		(47,380)	(45,248)
Operating loss	5	(2,545)	(8,915)
Finance income		1,020	2,461
Finance costs		(1,931)	(1,620)
Finance (costs)/income – net	6	(911)	841
Share of loss of an associate		(68)	(81)
Share of profits of joint ventures		457	138
Loss before income tax		(3,067)	(8,017)
Income tax expense	7	(3,020)	(592)
Loss for the period		(6,087)	(8,609)
Other comprehensive income/(loss):			
<i>Item that may be subsequently reclassified to profit or loss:</i>			
Currency translation differences		2,275	(819)
Total comprehensive loss for the period		(3,812)	(9,428)

		Six months ended	
		30 September	
		2024	2023
Note		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
(Loss)/profit for the period attributable to:			
– Equity holders of the Company		(6,875)	(9,064)
– Non-controlling interest		788	455
		<u> </u>	<u> </u>
Loss for the period		<u>(6,087)</u>	<u>(8,609)</u>
Loss per share for loss attributable to equity holders of the Company during the period:			
– Basic and diluted (<i>HK cents per share</i>)	8	<u>(1.25)</u>	<u>(1.65)</u>
Total comprehensive (loss)/income for the period attributable to:			
– Equity holders of the Company		(4,704)	(9,834)
– Non-controlling interest		892	406
		<u> </u>	<u> </u>
		<u>(3,812)</u>	<u>(9,428)</u>

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

		As at 30 September 2024 <i>HK\$'000</i> (Unaudited)	As at 31 March 2024 <i>HK\$'000</i> (Audited)
	<i>Note</i>		
Assets			
Non-current assets			
Property, plant and equipment		170,513	134,589
Right-of-use assets		44,790	54,669
Intangible assets		775	725
Other financial assets at amortised cost		–	29,576
Loan receivables		11,970	–
Investment in an associate		1,113	1,181
Investments in joint ventures		12,020	11,061
Deferred income tax assets		–	256
Deposits and prepayments		14,017	21,223
		<u>255,198</u>	<u>253,280</u>
Current assets			
Inventories		7,130	5,332
Trade receivables	11	6,273	5,291
Deposits, prepayments and other receivables		5,307	5,310
Other financial assets at amortised cost		–	–
Loan receivables		11,959	–
Financial assets at fair value through profit or loss	10	10,578	8,994
Amounts due from related companies		538	328
Current income tax recoverable		84	84
Cash and cash equivalents		89,421	100,035
		<u>131,290</u>	<u>125,374</u>
Total assets		<u><u>386,488</u></u>	<u><u>378,654</u></u>

		As at 30 September 2024 <i>HK\$'000</i> (Unaudited)	As at 31 March 2024 <i>HK\$'000</i> (Audited)
	<i>Note</i>		
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		86,724	91,428
		<u>225,145</u>	<u>229,849</u>
Non-controlling interests		19,611	14,219
		<u>244,756</u>	<u>244,068</u>
Total equity			
Liabilities			
Non-current liabilities			
Lease liabilities		13,379	23,764
Other payables		877	877
Deferred income tax liabilities		5,869	3,836
		<u>20,125</u>	<u>28,477</u>
Current liabilities			
Trade payables	12	10,557	10,734
Accruals and other payables		32,276	30,454
Borrowings		54,417	40,951
Lease liabilities		22,270	23,408
Amount due to a related party		1,000	–
Amounts due to directors		175	148
Current income tax payable		912	414
		<u>121,607</u>	<u>106,109</u>
Total liabilities		<u>141,732</u>	<u>134,586</u>
Total equity and liabilities		<u>386,488</u>	<u>378,654</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 books and stationeries, 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 (“**HK\$**”), unless otherwise stated.

2 BASIS OF PREPARATION

This condensed interim consolidated financial information for the six months ended 30 September 2024 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 on the Stock Exchange (the “**Listing Rules**”).

This condensed interim consolidated financial information should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 March 2024, which are prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”).

3 PRINCIPAL ACCOUNTING POLICIES

The accounting policies applied are consistent with those used in preparing the Group’s consolidated financial statements for the year ended 31 March 2024, except as stated below.

(a) Amended standards and interpretation adopted by the Group

The Group has applied the following amendments to standards and interpretation for the financial year beginning 1 April 2024 and are relevant to its operations:

Amendments to HKAS 1	Classification of Liabilities as Current and Non-Current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease liability in a Sale and Leaseback
Revised Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

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

Certain new and amendments to standards and interpretation have been published that are not mandatory for the accounting period beginning 1 April 2024 and have not been early adopted by the Group.

		Effective for accounting periods beginning on or after
Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to 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 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Note

Note: To be announced by HKICPA

The Group will adopt the new and amended standards and interpretation when they become effective. The management is in the process of assessing the potential impacts of these new standards, amendments and interpretation 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) Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

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 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 reportable segments of the Group are classified as follows:

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

The subsidiary incorporated in the People’s Republic of China (the “**PRC**”) provides information technology (“**I.T.**”) 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 2024 consists of the revenue from paper printing, banner printing and yacht financing. Paper printing and banner printing derive all revenue from the sale of goods at a point in time and yacht financing derives all revenue of time proportion basis with effective interest method.

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.

During the six months ended 30 September 2024 and 2023, 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 2024 and 2023 respectively.

	For the six months ended 30 September 2024				
	Paper printing <i>HK\$'000</i> (Unaudited)	Banner printing <i>HK\$'000</i> (Unaudited)	Yacht financing <i>HK\$'000</i> (Unaudited)	Eliminations <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
Segment revenue					
Revenue from external customers	100,230	48,385	1,810	–	150,425
Inter-segment revenue	557	156	–	(713)	–
Total	<u>100,787</u>	<u>48,541</u>	<u>1,810</u>	<u>(713)</u>	<u>150,425</u>
Segment results	<u>(6,020)</u>	<u>2,635</u>	<u>840</u>		(2,545)
Unallocated:					
Finance income					1,020
Finance costs					(1,931)
Share of loss of an associate					(68)
Share of profits of joint ventures					457
Loss before income tax					(3,067)
Income tax expense					(3,020)
Loss for the period					<u>(6,087)</u>
Other information:					
Depreciation of property, plant and equipment	(4,100)	(1,736)	(107)		(5,943)
Depreciation of right-of-use assets	(7,032)	(2,865)	–		(9,897)
Capital expenditures	(34,868)	(3,014)	–		(37,882)
Acquisition of subsidiaries					
– property, plant and equipment	–	–	(4,145)		(4,145)

	For the six months ended 30 September 2023			
	Paper printing <i>HK\$'000</i> (Unaudited)	Banner printing <i>HK\$'000</i> (Unaudited)	Eliminations <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
Segment revenue				
Revenue from external customers	110,261	46,145	–	156,406
Inter-segment revenue	553	145	(698)	–
	<hr/>	<hr/>	<hr/>	<hr/>
Total	110,814	46,290	(698)	156,406
	<hr/>	<hr/>	<hr/>	<hr/>
Segment results	(12,139)	3,224		(8,915)
	<hr/>	<hr/>		
Unallocated:				
Finance income				2,461
Finance costs				(1,620)
Share of loss of an associate				(81)
Share of profits of joint ventures				138
				<hr/>
Loss before income tax				(8,017)
Income tax expense				(592)
				<hr/>
Loss for the period				(8,609)
				<hr/>
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 costs	(3,674)	–		(3,674)
Capital expenditures	(22,689)	(946)		(23,635)
Acquisition of a subsidiary – property, plant and equipment	–	(30,000)		(30,000)

The following tables present segment assets as at 30 September 2024 and 31 March 2024 respectively.

	As at 30 September 2024			
	Paper printing <i>HK\$'000</i> (Unaudited)	Banner printing <i>HK\$'000</i> (Unaudited)	Yacht financing <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
Segment assets	174,210	81,694	28,030	283,934

	As at 31 March 2024		
	Paper printing <i>HK\$'000</i> (Audited)	Banner printing <i>HK\$'000</i> (Audited)	Total <i>HK\$'000</i> (Audited)
Segment assets	<u>182,873</u>	<u>83,504</u>	<u>266,377</u>

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

	As at 30 September 2024 <i>HK\$'000</i> (Unaudited)	As at 31 March 2024 <i>HK\$'000</i> (Audited)
Segment assets	283,934	266,377
Investment in an associate	1,113	1,181
Investments in joint ventures	12,020	11,061
Cash and cash equivalents	<u>89,421</u>	<u>100,035</u>
Total assets	<u>386,488</u>	<u>378,654</u>

5 OPERATING LOSS

Operating loss is stated after charging the following:

	Six months ended 30 September	
	2024 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Unaudited)
Cost of materials	28,124	33,611
Depreciation of property, plant and equipment	5,943	5,071
Depreciation of right-of-use assets	9,897	10,556
Losses of disposal of property, plant and equipment	133	4,415
Net exchange losses	687	463
Subcontracting fee	19,147	20,048
Operating lease for short-term and low value lease	<u>1,216</u>	<u>839</u>

6 FINANCE (COSTS)/INCOME – NET

	Six months ended 30 September	
	2024	2023
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Finance income		
– Interest income from loan receivables	119	928
– Interest income from bank deposits	892	1,526
– Interest income from securities accounts	9	7
	<u>1,020</u>	<u>2,461</u>
Finance costs		
– Interest expenses on lease liabilities	(886)	(1,133)
– Interest expenses on borrowings	(1,045)	(487)
	<u>(1,931)</u>	<u>(1,620)</u>
Finance (costs)/income – net	<u>(911)</u>	<u>841</u>

7 INCOME TAX EXPENSE

	Six months ended 30 September	
	2024	2023
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Current income tax		
– Hong Kong profits tax	499	529
Deferred income tax	2,521	63
	<u>3,020</u>	<u>592</u>
Income tax expense	<u>3,020</u>	<u>592</u>

Taxation on profits has been calculated on the estimated assessable profits for the six months ended 30 September 2024 and 2023 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 PER SHARE

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue for the six months ended 30 September 2024 and 2023.

	Six months ended 30 September	
	2024	2023
	(Unaudited)	(Unaudited)
Loss attributable to the equity holder of the Company (<i>HK\$'000</i>)	<u>(6,875)</u>	<u>(9,064)</u>
Weighted average number of ordinary shares in issue (<i>thousands</i>)	<u>550,000</u>	<u>550,000</u>
Basic loss per share attributable to the equity holder of the Company (<i>HK cents per share</i>)	<u>(1.25)</u>	<u>(1.65)</u>

(b) Diluted loss per share

Diluted loss 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 2024 and 2023, the diluted loss per share is the same as the basic loss per share as the share options outstanding were anti-dilutive.

9 DIVIDENDS

The Board resolved not to declare an interim dividend for the six months ended 30 September 2024 (2023: Nil).

10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 September 2024 <i>HK\$'000</i> (Unaudited)	As at 31 March 2024 <i>HK\$'000</i> (Audited)
Debentures and equity investments	<u>10,578</u>	<u>8,994</u>

Notes:

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

11 TRADE RECEIVABLES

	As at 30 September 2024 <i>HK\$'000</i> (Unaudited)	As at 31 March 2024 <i>HK\$'000</i> (Audited)
Trade receivables	6,734	5,752
Less: loss allowance	<u>(461)</u>	<u>(461)</u>
Trade receivables – net	<u>6,273</u>	<u>5,291</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:

	As at 30 September 2024 <i>HK\$'000</i> (Unaudited)	As at 31 March 2024 <i>HK\$'000</i> (Audited)
0 – 30 days	2,953	2,747
31 – 60 days	1,925	1,150
Over 60 days	<u>1,856</u>	<u>1,855</u>
	<u>6,734</u>	<u>5,752</u>

12 TRADE PAYABLES

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

	As at 30 September 2024 <i>HK\$'000</i> (Unaudited)	As at 31 March 2024 <i>HK\$'000</i> (Audited)
0 – 30 days	9,793	5,769
31 – 60 days	66	4,604
61 – 90 days	417	–
Over 90 days	281	361
	<u>10,557</u>	<u>10,734</u>

13 BUSINESS COMBINATION

- (a) On 17 May 2024, E-Boss Co., Limited (“**E-Boss**”), an indirect wholly-owned subsidiary of the Company, entered into a shareholder agreement with other two shareholders of Top Success Investment Group Limited (“**Top Success BVI**”), pursuant to which the Group and other two shareholders agreed to subscribe for 290,000 and 70,000 new shares in Top Success BVI at the consideration of HK\$14,500,000 and HK\$3,500,000, respectively. Upon completion of the share subscription, Top Success BVI is held as to 77.5% by the Group and Top Success BVI becomes a non-wholly owned subsidiary of the Company (the “**Step Acquisition**”).

As at the completion date of the Step Acquisition, the Group remeasured its previously held equity interest in Top Success BVI to its fair value and recognised a resulting loss of approximately HK\$563,000, which has been recognised to the profit or loss under “Other gains/(losses) – net” in the condensed interim consolidated statement of comprehensive income.

Details of the carrying value and fair value of the Group’s previously held equity interest in Top Success BVI at the completion date of the Step Acquisition were summarised as follows:

	<i>HK\$'000</i>
Fair value of previously held equity interest in Top Success BVI	1,000
Carrying value of previously held equity interest in Top Success BVI before the Step Acquisition	<u>(1,563)</u>
Loss on Step Acquisition	<u>(563)</u>

The fair value of identifiable assets and liabilities of Top Success BVI as at the date of the Step Acquisition were as follows:

	<i>HK\$'000</i>
Property, plant and equipment	4,145
Lease and other receivables	26,305
Deferred tax assets	232
Cash and cash equivalents	19,880
Accruals and other payables	(1,870)
Bank borrowings	(4,140)
Other loans	(24,500)
Tax payables	(102)
	<hr/>
Total identifiable net assets at fair value	19,950
Less: Non-controlling interest initially recognised as at acquisition date	(4,500)
	<hr/>
Total identifiable net assets at fair value attributable to the Group	15,450
Goodwill	50
	<hr/>
	15,500
Satisfied by:	
Cash consideration	14,500
Fair value of previously held equity interest in Top Success BVI	1,000
	<hr/>
	15,500
	<hr/> <hr/>

An analysis of the cash flows in respect of the acquisition was as follows:

	<i>HK\$</i>
Cash consideration	14,500
Cash and cash equivalents acquired	(19,880)
	<hr/>
Net inflow of cash and cash equivalents included in cash flows from investing activities	(5,380)
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- (b) 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.

Acquisition of Properties

On 21 March 2024, Kimley Technology (HK) Limited, an indirect wholly-owned subsidiary of the Company, as purchaser (the “**Purchaser**”) and Blissful Sky Holdings Company Limited, as vendor (the “**Vendor**”) entered into a purchase agreement, pursuant to which, the Purchaser agreed to purchase and the Vendor agreed to sell a property located at Unit H4, 3rd Floor, Block 4, Kwun Tong Industrial Centre, Nos. 436-446 Kwun Tong Road, Kowloon, Hong Kong (“**Property 1**”) at a consideration of HK\$9,156,000.

In addition, on 2 April 2024, the Purchaser and the Vendor had entered into a provisional agreement, pursuant to which, the Purchaser agreed to purchase and the Vendor agreed to sell a property at Unit J4, 3rd Floor, Block 4, Kwun Tong Industrial Centre, Nos. 436-446 Kwun Tong Road, Kowloon, Hong Kong (“**Property 2**”) at a consideration of HK\$10,404,000.

The acquisition of the Property 1 and Property 2 had already been completed in accordance with the terms and conditions of the respective agreements.

For further details, please refer to the announcement of the Company dated 2 April 2024.

Capital Injection into Top Success BVI

On 17 May 2024, E-Boss Co., Limited (“**E-Boss**”), an indirect wholly-owned subsidiary of the Company, applied for the subscription of 290,000 new shares in Top Success Investment Group Limited (“**Top Success BVI**”), at a consideration of HK\$14,500,000, representing 72.5% of the enlarged issued share capital of Top Success BVI whereas the other two shareholders of Top Success BVI also applied for the subscription of 60,000 new shares and 10,000 new shares in Top Success BVI at the respective consideration of HK\$3,000,000 and HK\$500,000, representing 15.0% and 2.5% of the enlarged issued share capital of Top Success BVI, respectively (the “**Capital Injection**”). Upon completion of the Capital Injection on 30 May 2024, Top Success BVI is held as to 77.5% by E-Boss and becomes a non-wholly owned subsidiary of the Company.

On the same date, E-Boss with the other two shareholders of Top Success BVI entered into a shareholders agreement to set out the rights and obligations of the shareholders of Top Success BVI which became effective upon the completion of the Capital Injection.

The Capital Injection constituted a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules. For further details, please refer to the announcement of the Company dated 17 May 2024.

Extension of Shareholders' Loan

On 12 September 2024, Yacht Easy International Limited, a direct wholly-owned subsidiary of Top Success BVI, on behalf of Top Success Investment (Hong Kong) Limited (“**Top Success HK**”), a direct wholly-owned subsidiary of Top Success BVI has repaid HK\$7,000,000 to E-Boss as the partial early repayment of the shareholder’s loan in the aggregate principal amount of HK\$30,000,000 (the “**Shareholder’s Loan**”) advanced by E-Boss to Top Success HK pursuant to the shareholder loan agreement dated 17 March 2020 (as amended by the supplemental agreement dated 17 May 2024) and entered into between E-Boss and Top Success HK (the “**Early Repayment**”). After the Early Repayment, the outstanding principal amount of the Shareholder’s Loan was HK\$15,000,000, which would be due for repayment between July 2025 to December 2025 based on the actual drawdown date of respective parts of the Shareholder’s Loan.

On 17 September 2024, E-Boss and Top Success HK entered into a supplemental shareholder loan agreement, pursuant to which the parties agreed to, among others, extend the maturity date of the Shareholder’s Loan in the principal amount of HK\$15,000,000 for five years with effect from 17 September 2024.

For further details of the extension of Shareholder’s Loan, please refer to the announcement of the Company dated 17 September 2024.

As at 30 September 2024 and currently, the Group is principally engaged in three business segments, paper printing business, banner printing business and yacht financing business. The Group reported the revenue of approximately HK\$150.4 million and approximately HK\$156.4 million for the six months ended 30 September 2024 and 2023 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, other auxiliary products, etc.

The revenue of the Group’s paper printing segment amounted to approximately HK\$100.2 million and approximately HK\$110.3 million for the six months ended 30 September 2024 and 2023.

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.

Banner printing business's segment revenue was increased from approximately HK\$46.1 million for the six months ended 30 September 2023 to approximately HK\$48.4 million for the six months ended 30 September 2024.

Yacht financing business

For the segment of yacht financing, the Group generated revenue from the provision of financing of yacht to commercial and personal customers.

The revenue from yacht financing segment for the six months ended 30 September 2024 amounted to approximately HK\$1.8 million.

OUTLOOK

During the six months ended 30 September 2024, the Group has further acquired permanent properties and advanced printing machines to develop and expand the paper printing and digital printing business. These improvements in printing facilities and production premises can further enhance the Group's competitiveness and differentiate against its competitors in the market.

The Group always devoted efforts and resources in developing and expanding its printing businesses, as well as enhancing its printing production facilities and technology to capture the customers' needs and market requirements.

In the future, the Group will continuously and actively monitor the complex and dynamic business environment to react and allocate the resources, including but not limited to investing in digital printing in order to meet the customers' need, enhance our competitiveness and maintain the profitability.

FINANCIAL REVIEW

Revenue

For the six months ended 30 September 2024 and 2023, the Group reported the revenue of approximately HK\$150.4 million and approximately HK\$156.4 million respectively. The revenue was mainly generated from provision of printing services from paper printing business, provision of printing services from banner printing business and provision of financing of yacht from yacht financing business.

Gross profit and gross profit margin

The gross profit of the Group remained stable during the six months ended 30 September 2024 and 2023 and amounted to approximately HK\$58.4 million and approximately HK\$58.2 million respectively. The gross profit margin increased from approximately 37.2% for the six months ended 30 September 2023 to approximately 38.8% for the six months ended 30 September 2024. The increase in gross profit margin was mainly attributable to the improvement of gross profit margin of paper printing segment resulted from gradual transformation and enhancement in digital printing and the gross profits contributed from the new segment of yacht financing.

Other income

Other income of the Group mainly consisted of sales of scrap materials. The Group's other income decreased from approximately HK\$2.5 million for the six months ended 30 September 2023 to approximately HK\$2.2 million for the six months ended 30 September 2024.

Other gains/(losses) – net

For the six months ended 30 September 2024, the Group reported a net other gains of approximately HK\$0.7 million while it recorded a net other losses of approximately HK\$8.6 million for the six months ended 30 September 2023, representing a significant decrease in loss of approximately HK\$9.3 million, which was mainly attributable to (i) the decrease in loss of disposal in property, plant and equipment of approximately HK\$4.3 million and (ii) the decrease in the impairment loss on financial assets at amortised cost of approximately HK\$3.7 million.

Selling and distribution expenses

Selling and distribution expenses mainly consisted of employee benefits expenses, handling charges for electronic payments and depreciation of right-of-use assets. Selling and distribution expenses represented approximately 10.9% and approximately 10.0% of the revenue for the six months ended 30 September 2024 and 2023 respectively. The increase in expenses by approximately HK\$0.7 million was mainly the result of the increased employee benefits expenses.

Administrative expenses

Administrative expenses mainly included employee benefits expenses and outsourced customer support expenses. For the six months ended 30 September 2024 and 2023, administrative expenses amounted to approximately HK\$47.4 million and approximately HK\$45.2 million respectively. The increase in administrative expenses by approximately HK\$2.2 million was mainly attributable to the increase in outsourced customer support expenses.

Finance income

Finance income mainly represented the interest income generated from the bank deposits and loan receivables. Finance income decreased by approximately HK\$1.4 million or approximately 58.6% as compared to the same period of last year was mainly caused by the decrease in interest income from loan receivables.

Finance costs

Finance costs primarily consisted of interest expenses on bank borrowings and interest expenses on lease liabilities. The increase in finance costs by approximately HK\$0.3 million as compared to the same period of last year was mainly due to the increase in interest expenses on bank borrowings.

Loss for the period attributable to equity holders of the Company

The loss for the period attributable to equity holders of the Company was decreased by approximately HK\$2.2 million, from approximately HK\$9.1 million for the six months ended 30 September 2023 to approximately HK\$6.9 million for the six months ended 30 September 2024. The decrease in loss was mainly due to (i) the decrease in the loss of disposal of property, plant and equipment and (ii) the decrease in impairment loss on financial assets at amortized cost of approximately HK\$4.3 million and approximately HK\$3.7 million respectively.

Liquidity and Financial Information

As at 30 September 2024, the Group's bank balances and cash was approximately HK\$89.4 million, represented a decrease of approximately HK\$10.6 million as compared with that as at 31 March 2024. As at 30 September 2024 and 31 March 2024, the financial ratios of the Group were as follows:

	As at 30 September 2024 (Unaudited)	As at 31 March 2024 (Audited)
Current ratio ⁽¹⁾	1.1	1.2
Gearing ratio ⁽²⁾	36.8%	36.1%

Notes:

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

Borrowings

As at 30 September 2024 and 31 March 2024, the Group's total bank borrowings amounted to approximately HK\$54.4 million and approximately HK\$41.0 million respectively. The increase in bank borrowings of approximately HK\$13.4 million was attributable to the increase in the mortgage loans of the new properties acquired during the six months ended 30 September 2024.

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 2024, the total number of issued ordinary shares of the Company was 550,000,000 shares.

Capital Commitments

As at 30 September 2024, the Group had capital commitments of approximately HK\$2.8 million (31 March 2024: HK\$9.5 million).

Significant Investments Held

In addition to the investments in subsidiaries, joint ventures and an associate, the Group also holds some debentures and equity investments. 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 2024, save as disclosed elsewhere in this announcement, the Group has no plans for any material investments or capital assets.

Material Acquisition and Disposal

Save for the Capital Injection 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 2024.

Exposure to Foreign Exchange Risk

The Group is exposed to foreign exchange risk primarily arising from cash and cash equivalents and deposits and other receivables which are denominated in US dollar (“US\$”) which are held by group companies whose functional currency is not the same as the respective foreign currencies. 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 2024 and 31 March 2024, the Group pledged the plant and machinery with carrying values of approximately HK\$18.1 million and approximately HK\$18.8 million respectively, as collaterals to secure the Group's leases liabilities. As at 30 September 2024 and 31 March 2024, the Group pledged the properties with the total carrying values of approximately HK\$127.1 million and approximately HK\$105.5 million respectively as collaterals to secure the Group's mortgage loans.

Capital Expenditure

During the six months ended 30 September 2024, the Group invested approximately HK\$37.9 million in property, plant and equipment, which represented an increase of approximately HK\$14.3 million in capital expenditure compared with the same period of last year.

EMPLOYEES AND EMOLUMENT POLICIES

At 30 September 2024, the Group had 335 (31 March 2024: 340) 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\$52.5 million for the six months ended 30 September 2024 (for the six months ended 30 September 2023: HK\$51.7 million).

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 Malaysia 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 2024, the Group had no significant contingent liability (31 March 2024: 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 2024 (for the six months ended 30 September 2023: 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 (including sale of treasury shares) during the six months ended 30 September 2024.

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 C3 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 2024.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Corporate Governance Code (“**CG Code**”) as set out in Appendix C1 to the Listing Rules as its own code of corporate governance. For the six months ended 30 September 2024, 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 2024.

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 four independent non-executive Directors, namely, Mr. Ma Siu Kit (as Chairman), Mr. Poon Chun Wai, Mr. Fu Chung and Ms. Yu Mei Hung. The Audit Committee has reviewed the unaudited condensed interim consolidated financial information of the Group for the six months ended 30 September 2024.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the websites of the Company (www.eprintgroup.com.hk) and the Stock Exchange (www.hkexnews.hk). The interim report of the Company for six months ended 30 September 2024 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 2024.

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

Hong Kong, 26 November 2024

As at the date of this announcement, the executive Directors are Mr. She Siu Kee William, Mr. Chong Cheuk Ki and Mr. Leung Yat Pang; 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.