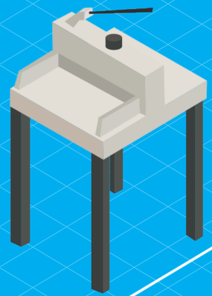
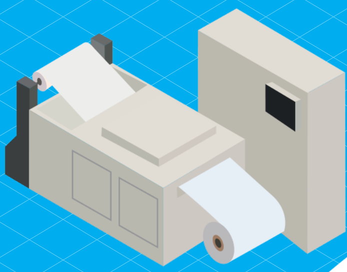
環球印館控股有限公司

Universe Printshop Holdings Limited

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 8448

ANNUAL REPORT 2018





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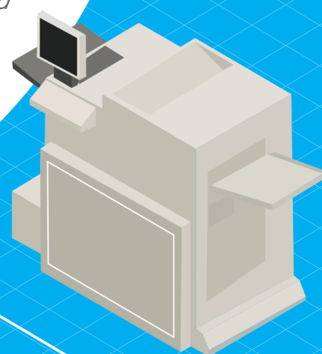
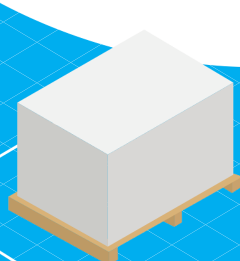
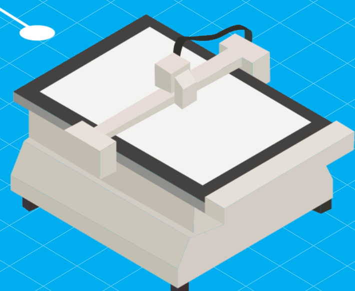
This report, for which the directors (the "Directors") of UNIVERSE PRINTSHOP HOLDINGS LIMITED (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM (the "GEM Listing Rules") for the purpose of giving information with regard to the Company and its subsidiaries (together, the "Group"). The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this report is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.







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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Chau Man Keung *(Chairman)*
Mr. Hsu Ching Loi *(Chief Executive Officer)*
Mr. Leung Yuet Cheong
Mr. Wong Man Hin Joe

Independent Non-Executive Directors

Mr. Wan Aaron Chi Keung, *BBS, JP*
Mr. Chan Chun Kit
Dr. Sun Yongjing

AUDIT COMMITTEE

Mr. Chan Chun Kit *(Chairman)*
Dr. Sun Yongjing
Mr. Wan Aaron Chi Keung, *BBS, JP*

REMUNERATION COMMITTEE

Mr. Wan Aaron Chi Keung, *BBS, JP (Chairman)*
Mr. Chan Chun Kit
Dr. Sun Yongjing
Mr. Chau Man Keung

NOMINATION COMMITTEE

Dr. Sun Yongjing *(Chairlady)*
Mr. Wan Aaron Chi Keung, *BBS, JP*
Mr. Chan Chun Kit
Mr. Chau Man Keung

RISK MANAGEMENT COMMITTEE

Mr. Chau Man Keung *(Chairman)*
Mr. Wan Aaron Chi Keung, *BBS, JP*
Mr. Chan Chun Kit
Dr. Sun Yongjing
Mr. Hsu Ching Loi

AUTHORISED REPRESENTATIVES (FOR THE PURPOSE OF THE GEM LISTING RULES)

Mr. Chau Man Keung
Mr. Yu Chim Shun

AUTHORISED REPRESENTATIVE (FOR THE PURPOSE OF THE COMPANIES ORDINANCE)

Mr. Chau Man Keung

COMPANY SECRETARY

Mr. Chan Sun Kwong

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTERS OF OUR GROUP AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Office F, 12/F
Legend Tower
No. 7 Shing Yip Street
Kwun Tong
Kowloon, Hong Kong

PRINCIPAL BANKER

Bank of China (Hong Kong) Limited

AUDITOR

KPMG
Certified Public Accountants

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22
Hopewell Centre
183 Queen's Road East
Hong Kong

COMPLIANCE ADVISER

Ballas Capital Limited

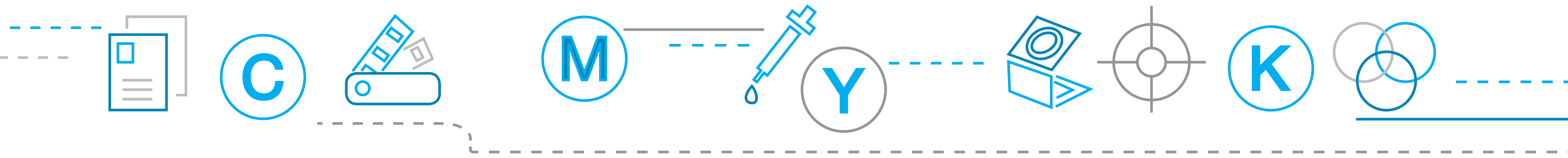
COMPANY'S WEBSITE

http://www.uprintshop.hk/

STOCK CODE

8448

CHAIRMAN'S STATEMENT



Dear Shareholders,

On behalf of the board of Directors (the "Board"), I am pleased to present the annual report of the Company for the year ended 31 March 2018 ("FY2018") after the successful listing (the "Listing") of the Company's shares on GEM of the Stock Exchange on 28 March 2018 (the "Listing Date") by way of share offer (the "Share Offer"). The Listing has marked a milestone for the Company and its subsidiaries (the "Group"). The Group is principally engaged in providing printing services to our customers in Hong Kong. The Group, including its predecessors, has an operating history of over 16 years.

We believe that the Listing will assist the implementation of the Group's business strategies as stated in the prospectus of the Company dated 13 March 2018 (the "Prospectus"). The net proceeds from the Share Offer will provide financial resources to the Group to meet and achieve its business strategies which will further strengthen its market position. Moreover, a public listing status will also enhance the Group's corporate profile and assist in reinforcing its brand awareness and market reputation.

BUSINESS REVIEW

The Group is principally engaged in providing printing services to the customers in Hong Kong. The printing services of the Group included offset printing, ink-jet printing and toner-based digital printing. Other than printing services, the Group also provided other services to the customers, which included production of other printing-related products such as pre-ink stamps, plastic name-cards, printed eco-bags and printed plastic folders.

For FY2018, the Group's revenue amounted to HK$142.6 million, which represented an increase of 6.5% as compared to that for the year ended 31 March 2017 ("FY2017"). The gross profit margin of the Group was increased by 1.3% to 24.7% as compared to that of FY2017. The Group recorded a net loss amounting to HK$9.2 million for FY2018 (FY2017: profits after taxation of HK$3.4 million), which was mainly due to the listing expenses of HK$12.3 million recognised for FY2018. Before deducting the listing expenses recognised, the profit after tax of the Group would have been HK$3.1 million (FY2017: HK$5.5 million).

OUTLOOK

Looking forward, the business printing industry will remain fragmented and competitive in the coming financial year. The market size generated by companies with retail channel as a proportion that of the business printing market in Hong Kong is expected to grow in the coming few years. To maintain our market share amid strong competition, the management will continue to build our competitiveness by enhancing our production capability through the purchase of printing machinery and expanding the geographical coverage of our store network.

APPRECIATION

I would like to express my sincere gratitude to the Board, management and staffs for their strenuous contribution towards the Group. In addition, I would also like to take this opportunity to sincerely thank our business partners and Shareholders for their continuous support and trust. I believe all members of the Group will dedicate their best efforts to drive business growth and to deliver enhanced returns to Shareholders.

Mr. CHAU Man Keung
Chairman
Hong Kong, 21 June 2018

FINANCIAL REVIEW

Revenue

The total revenue of the Group for FY2018 was increased by HK$8.7 million or 6.5% to HK$142.6 million as compared to that of FY2017. The increase in total revenue was mainly contributed by revenue from offset printing and ink-jet printing. The revenue from offset printing and ink-jet printing increased by HK$3.7 million and HK$4.3 million respectively which were mainly attributable to the increase in average revenue per order for offset printing and the increase in overall demand of ink-jet printing.

Costs of sales

The cost of sales primarily consists of raw material cost, sub-contracting fee, manufacturing overhead and staff costs. The total cost of sales increased from HK$102.5 million for FY2017 to HK$107.4 million for FY2018, which is consistent with the growth of business and increase in revenue of the Group. Raw material cost and sub-contracting fee together accounted for 74.2% and 72.9% of our total cost of sales for FY2018 and FY2017, respectively.

Gross profit and gross profit margin

The gross profit of the Group was HK$35.2 million and HK$31.4 million for FY2018 and FY2017, respectively. The gross profit margin was increased from 23.4% to 24.7%. The increase was primarily due to the decrease in depreciation expenses amounting to HK$1.2 million as one of the offset printers was fully depreciated in FY2017.

Other revenue

The other revenue of the Group was HK$1.1 million and HK$1.8 million for FY2018 and FY2017, respectively. The decrease was primarily due to the lack of commission income for FY2018 as compared to FY2017.

Selling and administrative expenses

Selling and administrative expenses primarily comprise staff costs (including directors' remuneration), rents and rates, depreciation, repair and maintenance, telecommunication expenses, utilities expenses, bank charges and other miscellaneous administrative expenses.

The selling and administrative expenses amounted to HK$44.3 million for FY2018, which represented an increase of HK$16.0 million as compared to that of HK$28.3 million for FY2017. The increase in selling and administrative expenses was mainly attributable to the listing expenses recognised in the consolidated income statement of HK$12.3 million and the increase in staff cost of HK$3.0 million.

Finance costs

Finance costs represents the finance charges on obligations under finance lease. The finance costs of the Group slightly decreased from HK$346,613 for FY2017 to HK$320,965 for FY2018.

Loss for the year and attributable to owners of the Company

The Group recorded a loss for the year and attributable to equity shareholders of the Company amounting to HK$9.2 million for FY2018, while the Group generated a profit amounted to HK$3.4 million for FY2017. The loss was mainly affected by the listing expenses of HK$12.3 million recognised for FY2018.

Inventories

The inventory balance of the Group consisted of (i) raw materials, such as paper, zinc printing plates and ink, (ii) work-in-progress, (iii) finished goods and (iv) consumables stores, which mainly represented parts for the repair and maintenance of offset printing press. The inventory balance of the Group increased to HK$5.5 million as at 31 March 2018 from HK$3.3 million as at 31 March 2017. This is mainly due to the fact that while most of the retail stores of the Group were closed, the production site of the Group was still in operation during the Easter holidays, which took place from 30 March to 2 April 2018, leading to an increase in work in progress and finished goods that was kept by the Group as at 31 March 2018.

Trade and other receivables

The trade and other receivables of the Group increased from HK$11.5 million as at 31 March 2017 to HK$14.1 million as at 31 March 2018 which was primarily due to the increase in trade receivables. The trade receivables (net of allowance for doubtful debts) of the Group increased from HK$9.0 million as at 31 March 2017 to HK$12.4 million as at 31 March 2018. The increase was mainly due to an increase in sales and the fact that certain of our credit customers took a longer time to settle their balances due to the Group.

Amounts due from/(to) shareholders/directors/related parties

All amounts due from/(to) shareholders/directors/related parties brought forward had been fully settled prior to the Listing.

Cash and cash equivalents

The cash and cash equivalents of the Group significantly increased from HK$21.0 million as at 31 March 2017 to HK$68.2 million as at 31 March 2018. The increase is mainly due to the proceeds raised from the Listing and the net cash generated from operating activity during the year.

Trade and other payables

The trade and other payables of the Group increased from HK$22.3 million as at 31 March 2017 to HK$36.2 million as at 31 March 2018. The increase is mainly due to the listing expenses payable as at 31 March 2018 amounting to HK$10.2 million.

Tax payables

The tax payables of the Group increased from HK$0.9 million as at 31 March 2017 to HK$1.9 million as at 31 March 2018. As at 31 March 2018, the notice of assessment from the Hong Kong Inland Revenue Department ("HKIRD") in respect of the year of assessment 2015/2016 and 2016/17 for two subsidiaries of the Group, namely Print Shop Limited and Universe Printing Holdings Limited, had yet to be received by the Group. The total profits tax payables in respect of the year of assessment 2015/16 and 2016/17 accounted for HK$0.8 million of the total tax payables balance. Subject to assessment process of HKIRD, the tax payable in respect of the year of assessment 2015/2016 and 2016/17 is expected to be settled in the coming financial year.

Liquidity, financial resources and capital structure

As at 31 March 2018, the Group had net current assets of HK$48.4 million (2017: HK$15.8 million), of which the cash and cash equivalents were approximately HK$68.2 million (FY2017:HK$21.0 million). The Group's current ratio is 2.23 (FY2017: 1.59).

Total obligations under finance lease for the Group amounted to HK$3.5 million as at 31 March 2018 (FY2017: HK$3.8 million). The gearing ratio as at 31 March 2018 was 0.06 (FY2017: 0.13) which is calculated on the basis of the Group's total obligations under finance lease over the total equity. As at 31 March 2018, obligations under finance lease in the amounts of HK$1.1 million are due within one year while the amounts of HK$2.4 million are due after one year.

The Group's shares were successfully listed on GEM on 28 March 2018. There has been no change in the capital structure of the Group since the Listing Date and up to the date of this report.

DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 March 2018 (FY2017: nil).

CAPITAL COMMITMENTS

As at 31 March 2018, the Group had capital commitments of HK$0.1 million for acquisition of accounting software. As at 31 March 2017, the Group had capital commitments representing acquisition of motor vehicle contracted but not provided for of HK$0.7 million.

SIGNIFICANT INVESTMENTS HELD

The Group did not hold any significant investment in equity interest in any other company during FY2018.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have any material acquisition or disposal of associates, joint ventures or subsidiaries during FY2018.

FOREIGN CURRENCY EXPOSURE

Since the Group's business activities are solely operated in Hong Kong and mainly denominated in Hong Kong dollars, the Directors consider that the Group's risk in foreign exchange is insignificant.

KEY RISKS AND UNCERTAINTIES

The Directors are aware that the Group is exposed to various types of risks, including operational risks, market risks, liquidity risks, credit risks and regulatory risks. The following highlights some of the risks which are considered material by our Directors:

The business is subject to fluctuation of purchase costs for raw materials and staff costs

The profitability of the Group depends on the control of cost of production and ability to anticipate and respond to fluctuations in purchase costs of raw materials. The availability and costs of our principal raw materials may change due to factors beyond our control such as policies of the government, economic conditions and market competition. In addition, as the labour costs in Hong Kong continue to increase in recent years, the salary level of employees has generally increased as well. The operation and financial performances may be adversely affected if there is any significant increase in staff costs.

Rely on sub-contractors who are printing service providers and their failure to meet our requirements may materially and adversely affect our business and reputation

The Group sub-contract certain production procedures and printing services to sub-contractors who are printing service providers. It cannot be assured that the management can monitor the performance of the sub-contractors as directly and effectively as monitoring the staff members of the Group. In case the sub-contractors fail to meet the deadlines or required standards, the business and reputation of the Group may be adversely affected.

In addition, if the sub-contractors are in breach of any laws, rules or regulations in matters such as health and safety, environment and employment, they may be subject to prosecution and unable to perform the work of the Group. The Group may then have to locate and appoint another sub-contractor for replacement at additional cost, which lowers the profit margin of the Group.

We may face shortage in supply of our raw materials

To deliver printing services with fast turnaround time and meet the expectation of customers, the Group has to be able to procure raw materials in a timely manner. The Group did not enter into any long-term contract with the suppliers. There is no assurance that the Group will continue to be able to secure a stable supply of raw materials at competitive prices in a timely manner or at all. Failure to do so will cause disruption in production or delayed delivery, thereby adversely affecting the Group's business, results of operation and reputation.

CHARGE ON ASSETS

As at 31 March 2018 and 2017, certain property, plant and equipment of the Group with a carrying value of HK$3.1 million and HK$2.0 million respectively, were held under finance leases.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 March 2018.

USE OF PROCEEDS

On 28 March 2018, the Company's shares were listed on GEM and 225,000,000 new shares of HK$0.01 each were issued at HK$0.23. The net proceeds from the IPO was HK$24.2 million after payment of transaction cost and listing expenses. As at 31 March 2018, the net proceeds from the Listing had not been utilised given short duration in between the Listing Date and the financial year end. The Company will utilize the net proceeds in such manners and proportions as disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus. As disclosed in the Prospectus, the net proceeds will be applied for (i) the purchase of a five–colour offset press; (ii) the purchase of a hybrid printer; (iii) the expansion of geographical coverage of our store network; and (iv) the upgrade of our information technology systems. Currently, the Group held the unutilised net proceeds as deposit with licensed institutions in Hong Kong.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 March 2018, save for as disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus, the Group did not have any plans for material investments and capital assets.

EXECUTIVE DIRECTORS

Mr. CHAU Man Keung (周文强), aged 57, is an executive Director and the chairman of our Board. Mr. Chau was a co-founder of our Group and is primarily responsible for the overall management, strategic planning and development of our Group. Mr. Chau was appointed as a Director on 27 April 2017 and was re-designated as an executive Director and appointed as the chairman of the Board on 2 June 2017. He is the compliance officer on the Company, the chairman of the risk management committee and a member of both the remuneration committee and the nomination committee of our Board. He is also a director of each of the subsidiaries of our Company, namely, Universe Printshop Limited, All In 1 Printing (Group) Limited, Universe Printing Holdings Limited, Print Shop Limited, Startec Colour Separation Printing Limited and Net Printshop Limited.

Mr. Chau has 30 years of experience in the printing industry in Hong Kong. He co-founded our Group in 2001. Prior to joining our Group, Mr. Chau had accumulated more than 14 years' industry experience through setting up a partnership business with his other business partners to provide printing services in Hong Kong from June 1987 to 2001 prior to co-founding our Group. Mr. Chau attended secondary education in Hong Kong. He completed the Assessor Training course "Printing industry — Electronic Commerce Business" (competency level 4) in May 2017 under the Recognition of Prior Learning (RPL) scheme, aiming to enable practitioners with various backgrounds to receive formal recognition of the knowledge, skills and experience already acquired.

Mr. HSU Ching Loi (許清耐), aged 46, is an executive Director and chief executive officer of our Company. Mr. Hsu was a co-founder of our Group and is principally responsible for overall management of our Group's business operation and development, formulating production procedure, pricing strategy, sourcing of raw materials, and overseeing our Group's human resources department. Mr. Hsu was appointed as a Director on 27 April 2017 and was re-designated as an executive Director and appointed as the chief executive officer of our Company on 2 June 2017. He is a member of the risk management committee of the Board. He is also a director of All In 1 Printing (Group) Limited and Universe Printing Holdings Limited,

Mr. Hsu has 30 years of experience in the printing industry in Hong Kong. He co-founded our Group in 2001. Prior to joining our Group, Mr. Hsu worked in several private printing companies in Hong Kong from 1987 to 2001 prior to co-founding our Group with Mr. Chau. Mr. Hsu is currently the Vice Chairman of The Hong Kong Printers Investment Association (香港印刷業投資協會). Mr. Hsu attended secondary education in the People's Republic of China.

Mr. WONG Man Hin Joe (黃文軒), aged 48, is an executive Director and is principally responsible for overall management of our Group's business and overseeing daily operation, in particular overseeing the inkjet printing operation. Mr. Wong was appointed as a Director on 27 April 2017 and was re-designated as our executive Director on 2 June 2017. He is also a director of Startec Colour Separation Printing Limited.

Mr. Wong has over 25 years of experience in the printing industry in Hong Kong. He joined our Group in March 2002. Prior to joining our Group, Mr. Wong had worked with Mr. Chau's business providing printing services in Hong Kong from 1991 to 2002 as a printing technician. Mr. Wong attended secondary school education in Hong Kong.

Mr. LEUNG Yuet Cheong (梁悦昌), aged 56, is an executive Director. He is principally responsible for overall management of our Group's business and overseeing daily operation, in particular sales and marketing of our Group. Mr. Leung was appointed as a Director on 27 April 2017 and was re-designated as our executive Director on 2 June 2017. He is also a director of Print Shop Limited.

Mr. Leung has over 18 years of experience in the printing industry in Hong Kong. He joined our Group in April 2005 and was appointed as a director of Print Shop Limited in September 2005. Mr. Leung also had 20 years of marketing experience prior to joining our Group. Mr. Leung attended secondary education in Hong Kong.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. WAN Aaron Chi Keung, ***BBS, JP*** **(尹志強)**, aged 68, was appointed as an independent non-executive Director on 26 February 2018 and the chairman of the remuneration committee and a member of the audit committee, nomination committee and risk management committee of the Board. Mr. Wan obtained a degree of master of Business Administration from The Chinese University of Hong Kong in 2008 and a degree of master of Buddhist studies from The University of Hong Kong in 2010. Mr. Wan was appointed as a Justice of the Peace (JP) in 1997 and was awarded the Bronze Bauhinia Star (BBS) in the Hong Kong Special Administrative Region 2004 Honours List. Mr. Wan is engaged in the business of property and chattel valuation and auction. Mr. Wan is a fellow of The Royal Institution of Chartered Surveyors, an associate of The Institution of Business Agents, a member of The Land Institute (London), an associate of The Chartered Institute of Arbitrators and a fellow of The Institute of Administrative Accounting. Mr. Wan is currently an independent non-executive director of Lee & Man Chemical Company Limited (stock code: 746) and CNC Holdings Limited (stock code: 8356), both listed on the Stock Exchange of Hong Kong Limited (Stock Exchange).

Mr. CHAN Chun Kit (陳俊傑), aged 35, was appointed as an independent non-executive Director on 26 February 2018, and the chairman of the audit committee and a member of the remuneration committee, the nomination committee and the risk management committee of our Board. Mr. Chan has been the chief financial officer and company secretary at China Flexible Packaging Holdings Limited ("**China Flexible**"), a company which was listed on the Mainboard of the Singapore Stock Exchange (Stock Code: CFLX). Mr. Chan is also the financial consultant of Hong Kong Carbon Assets Management Limited since December 2012. Prior to joining China Flexible, Mr. Chan worked in an international audit firm from September 2007 to May 2011. Mr. Chan is a member of the Hong Kong Institute of Certified Public Accountants since May 2011. He is also a Member of the Hong Kong Institute of Chartered Secretaries since March 2015 and the Institute of Chartered Secretaries and Administrators since March 2015. Mr. Chan graduated from the Hong Kong Polytechnic University with a Master's Degree in Corporate Governance in October 2014 and a Bachelor Degree in Accountancy in December 2007. Mr. Chan is currently an independent non-executive director of Hua Han Health Industry Holdings Limited, which is listed on the Stock Exchange (Stock Code: 587).

Dr. SUN Yongjing (孫咏菁), aged 46, was appointed as an independent non-executive Director on 26 February 2018. Being the chairlady of the nomination committee and a member of the audit committee, the remuneration committee and the risk management committee of the Board, she is responsible for providing independent judgment to the Group. She has been an assistant professor in the School of Accounting and Finance under the Faculty of Business at The Hong Kong Polytechnic University since 2004, after she completed her Doctor of Philosophy at the City University of Hong Kong. Dr. Sun worked as an assistant lecturer at the Shanghai University of Finance & Economics during the period from September 1993 to August 1997. During the period from September 1997 to August 1999 and July 2002 to October 2004, Dr. Sun served various positions including demonstrator II, senior research assistant and lecturer at the City University of Hong Kong.

SENIOR MANAGEMENT

Mr. WANG Hsiung Yu (王雄育), aged 44, joined our Group as a technician in September 2006 and has been the Production Manager of our Group since 2009. Mr. Wang is primarily responsible for overseeing and supervising workers in printing and further processing stage in production and a technical consultant of our Group. Mr. Wang has over 20 years' experience in the printing industry.

Ms. LAU Chau King (劉秋琼), aged 47, joined our Group as customer service officer in April 2003 and has been the Sales & Marketing Manager of our Group since 2006. Ms. Lau is primarily responsible for supervising the sales team.

Ms. Lau has over 20 years' experience in printing industry. Prior to joining the Group, Ms. Lau worked in several printing companies in Hong Kong.

Mr. LAM Tsz Ping (林子平), aged 32, joined our Group as technician in June 2004 and has been the information technology and pre-press manager of our Group since 2010. Mr. Lam is primarily responsible for the Group's information system management, colour management and supervising printing production procedure.

Mr. Lam has over 13 years' experience in printing industry. He has also satisfactorily completed a full-time One Year Basic Craft course in the Digital Print Media Publishing Techniques on 8 July 2004 by Vocational Training Council (VTC).

Mr. YU Chim Shun (于霑遜), aged 31, is the financial controller of our Group since March 2017. He is primarily responsible for financial reporting, financial control matters, and assisting in corporate secretarial matters of our Group. Mr. Yu has more than six years of experience in accounting and auditing fields in Hong Kong since June 2010. Prior to joining our Group, he worked in a managerial grade position in the assurance department of an international accounting firm.

Mr. Yu obtained a Bachelor's Degree in Commerce (major in accounting) from Macquarie University, Australia, in September 2009. He is a member of CPA Australia (Certified Practising Accountants) since December 2013.

The Board is pleased to submit this report together with the audited consolidated financial statements of the Group for the year ended 31 March 2018.

PRINCIPAL ACTIVITIES

The Group is principally engaged in providing printing services to the customers in Hong Kong. The printing services of the Group included offset printing, ink-jet printing and toner-based digital printing. Other than printing services, the Group also provided other services to the customers, which included production of other printing-related products such as pre-ink stamps, plastic name-cards, printed eco-bags and printed plastic folders.

An analysis of the Group's performance for the year ended 31 March 2018 is set out in the "Management Discussion and Analysis" section of the annual report.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2018 are set out in the consolidated statements of comprehensive income on page 37.

The Directors do not recommend the payment of a dividend for the year ended 31 March 2018.

DONATIONS

Charitable and other donations made by the Group during the year ended 31 March 2018 amounted to HK$650,000.

SHARES CAPITAL

Details of movement in the Company's Share capital during the year ended 31 March 2018 are set out in Note 22(b) to the consolidated financial statements.

EQUITY LINKED AGREEMENTS

Save as disclosed in the section headed "Share Option Scheme", no equity-linked agreements were entered into by the Company at any time during the year ended 31 March 2018 or subsisted at the end of the year.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31 March 2018 amounted to HK$16,898,829.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

THREE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last three financial years is set out on page 84 of the annual report. Such summary does not form part of the audited consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the period from the Listing Date up to the date of this report.

SHARE OPTION SCHEME

The Company adopted a share option scheme by written resolutions of shareholders passed on 26 February 2018. The purpose of the share option scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners and service providers of the Group and to promote the success of the business of the Group.

The Board may, at its absolute discretion and on such terms as it may think fit, grant any employee (full-time or part-time), director, consultant or adviser of the Group, or any substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of the Group, options to subscribe for such number of shares as it may determine in accordance with the terms of the share option scheme.

The subscription price of a share in respect of any particular option granted under the share option scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the higher of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a business day; (ii) the average closing prices of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option; or (iii) the nominal value of a Share on the date of grant of the option.

The total number of shares issued and to be issued upon the exercise of options granted to any participant (including both exercised and outstanding options) under the share option scheme, in any 12-month period up to the date of grant shall not exceed 1% of the shares in issue. Any further grant of options in excess of such limit must be separately approved by shareholders in general meeting with such grantee and his close associates (or his associates if such grantee is a connected person) abstaining from voting. An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to the Company on acceptance of an offer for the grant of option(s) is HK$1.0.

An option may be exercised in accordance with the terms of the share option scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof. The share option scheme will remain in force for a period of ten years commencing on the date of its adoption on 26 February 2018 and will expire at the close of business on 25 February 2028. Under the said scheme, the maximum number of shares of the Company that may be issued upon the exercise of options that may be granted is 90,000,000 shares, representing approximately 10% of the issued share capital of the Company as at the date of this report. No share options were granted under the share option scheme since its adoption.

DEED OF NON-COMPETITION

For the period from the Listing Date to 31 March 2018, Mr. Chau Man Keung (the "Controlling Shareholder"), have confirmed to the Company of his compliance with the non-competition undertakings provided to the Company under a deed of non-competition entered into between the Controlling Shareholder and the Company dated 26 February 2018.

The independent non-executive Directors have reviewed the status of compliance and confirmed that all the undertakings under the deed of non-competition have been complied with by the Controlling Shareholder for the period from the Listing Date to 31 March 2018.

DIRECTORS

The Directors of the Company during the year ended 31 March 2018 and up to the date of this report were:

Executive Directors

Mr. Chau Man Keung (*Chairman*)	(appointed on 27 April 2017)
Mr. Hsu Ching Loi (*Chief Executive Officer*)	(appointed on 27 April 2017)
Mr. Leung Yuet Cheong	(appointed on 27 April 2017)
Mr. Wong Man Hin Joe	(appointed on 27 April 2017)

Independent Non-Executive Directors

Mr. Wan Aaron Chi Keung, *BBS, JP*	(appointed on 26 February 2018)
Mr. Chan Chun Kit	(appointed on 26 February 2018)
Dr. Sun Yongjing	(appointed on 26 February 2018)

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company effective from the Listing Date which has no fixed terms and is subject to retirement by rotation. Each of the independent non-executive Directors has entered into a letter of appointment with the Company for a fixed term of three years commencing from the Listing Date and is subject to retirement by rotation.

In accordance with the provisions of the Company's articles of association, Mr. Hsu Ching Loi, Mr Leung Yuet Cheong and Mr. Wong Man Hin Joe will retire and ,being eligible, offer themselves for re-election at the Company's forthcoming annual general meeting.

None of the Directors being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE COMPANY'S BUSINESS

Other than the related party transaction disclosed in Note 25 to the consolidated financial statements, no transactions, arrangements and contracts of significance in relation to the Group's business to which the Group was a party and in which a Director of the Company and the Director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at anytime during the year.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time for the year ended 31 March 2018 was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of the Directors, their spouses or children under the age of eighteen, had any rights to subscribe for securities of the Company, or had exercised any such rights during the year.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of directors and senior management are set out on page 10 to 12 of this report.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATE CORPORATIONS

As at 31 March 2018, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange: (a) pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein (the "Register"); or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange were as follows:

Long position in Shares as at 31 March 2018

Name of Director	Capacity	Number of shares held/ interested	Percentage of the issued share capital of the Company (approximate)
Mr. Chau Man Keung	Beneficial Owner	280,400,000	31.16%
Mr. Hsu Ching Loi	Beneficial Owner	110,500,000	12.28%
Mr. Leung Yuet Cheong	Beneficial Owner	66,460,000	7.38%
Mr. Wong Man Hin Joe	Beneficial Owner	30,380,000	3.38%

Save as disclosed above and so far as is known to the Directors, immediate following the Listing, none of the Directors nor chief executive of the Company had or was deemed to have any other interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standards of dealing by directors as referred to in Rules 5.46 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OF THE COMPANY

So far as the Directors are aware of, as at 31 March 2018, the following persons/entities other than a Director or the chief executive of the Company had interests or short positions in the shares and underlying shares, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the issued voting shares of the Company:

Long position in Shares as at 31 March 2018

Name of Shareholders	Capacity	Number of shares held/ interested	Percentage of the issued share capital of the Company (approximate)
Ms. Siu Man Yam (Note 1)	Interest of spouse	280,400,000	31.16%
Mr. Chia Kar Hin Eric John (Note 2)	Beneficial Owner	114,760,000	12.75%
Ms. Wan Wai Ching Lilian (Note 2)	Interest of spouse	114,760,000	12.75%
Ms. Ng Lai Nga (Note 3)	Interest of spouse	110,500,000	12.28%
Ms. Mok Chun Ngor (Note 4)	Interest of spouse	66,460,000	7.38%

Notes:

1. Ms. Siu is the spouse of Mr. Chau Man Keung, an executive Director. By virtue of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time ("SFO") , Ms. Siu is deemed to be interested in all the Shares in which Mr. Chau is interested or deemed to be interested under the SFO.

2. Ms. Wan Wai Ching Lilian is the spouse of Mr. Chia Kar Hin Eric John. By virtue of the SFO, Ms. Wan Wai Ching Lilian is deemed to be interested in all the Shares in which Mr. Chia is interested or deemed to be interested under the SFO.

3. Ms. Ng Lai Nga is the spouse of Mr. Hsu Ching Loi, an executive Director. By virtue of the SFO, Ms. Ng Lai Nga is deemed to be interested in all the Shares in which Mr. Hsu is interested or deemed to be interested under the SFO.

4. Ms. Mok is the spouse of Mr. Leung Yuet Cheong, an executive Director. By virtue of the SFO, Ms. Mok is deemed to be interested in all the Shares in which Mr. Leung is interested or deemed to be interested under the SFO.

Save as disclosed above and so far as is known to the Directors, immediate following the Listing, the Directors were not aware of any other persons who had or deemed or taken to have any interests or short positions in the shares or underlying shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register of the Company required to be kept under section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the issued voting shares of the Company.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

MAJOR SUPPLIERS AND CUSTOMERS

The purchases to the five largest suppliers of the Group accounted for approximately 68% of the total purchases for the year and the purchases to the largest supplier included therein accounted for approximately 37%.

During the year, the percentage of sales attributable to the five largest customers in aggregate is less than 30% of the Group's total revenue.

None of the Directors, their close associates or any shareholder (which to the knowledge of the Directors, who owns more than 5% of the Company's share capital) had an interest in these major suppliers or customers.

KEY RELATIONSHIPS WITH EMPLOYEES AND CUSTOMERS

The Group recognises that the success in the printing industry is dependent on our employees. The principal policies concerning remuneration of employees are determined based on their duties, responsibilities, experience and skills. The Group regularly reviews and determines the remuneration and compensation packages of the employees. The Group is also committed to providing a safe and healthy environment for its employees. The Directors believe that, the management policies, working environment, development opportunities and employee benefits have contributed to employees' satisfaction levels and retention level. The Group organises bonding activities, such as listing dinner and annual staff dinners, to allow employees to strengthen their bonding. During the Financial Year, the Group did not experience any strike or labour dispute with our staff which had caused significant disruption to the Group's business operations.

The Group built stable and maintains good relationship with customers. The Group has dedicated sales and marketing department which carries out sales calls to potential customers and customer service department which handles customer general enquiries, complaints and feedback. If there is any complaint from customers, it will be reported to the management and immediate remedial action will be taken and feedback from the customers will be followed till settlement of the complaint. Thereafter, the cause of such compliant will be studied, analysed and evaluated and recommendations will be in place for improvement.

KEY RELATIONSHIPS WITH SUPPLIERS

The Group values sustainable supply of quality products at a high place for long-term business development.

Therefore, the Group's supplier management policy targets supplying quality and sustainable products. The assessment criteria of selecting the suppliers includes meeting the Group's standards for the quality of raw materials, reputation, environmental friendliness, production capacity, financial capability and experience. The Group views suppliers as partners who contribute to our business success.

RELATED PARTY TRANSACTIONS

A summary of the significant related party transactions which were conducted in the ordinary course of business are set out in Note 25 to the consolidated financial statements.

The rental expenses paid to related companies as mentioned in Note 25 were continuing connected transactions which were exempt from reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

CONNECTED TRANSACTIONS

The Group had not entered into any connected transaction during the year ended 31 March 2018, which is required to be disclosed under Chapter 20 of the GEM Listing Rules.

EMOLUMENT POLICY FOR DIRECTORS AND SENIOR MANAGEMENT

The emoluments of the Directors and senior management of the Company are reviewed by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

EMPLOYEES AND EMOLUMENT POLICIES

As of 31 March 2018, the Group employed 133 (FY2017: 135) full time employees in Hong Kong. The staff costs of the Group, including directors' emoluments, employees' salaries, retirement benefits schemes contributions and other benefits amounted to HK$30.0 million (FY2017: HK$27.1 million).

Employees are remunerated in accordance with individual's responsibility and performance, also taking into account the prevailing market rates to ensure competitiveness. Other fringe benefits such as retirement benefits and discretionary bonus are offered to all employees.

COMPETING BUSINESS

For the year ended 31 March 2018, none of the Directors, controlling shareholder or their respective close associates (as defined in the GEM Listing Rules) has any interests in a business that competes or is likely to compete either directly or indirectly with the business of the Group.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company has maintained the prescribed public float of not less than 25% of the Company's issue shares as required under the GEM Listing Rules for the period from the Listing Date up to the date of this report.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision (as defined in section 469 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) for the benefit of the existing directors of the Company is currently in force and was in force throughout this year.

The Company has taken out directors' liability insurance that provides appropriate cover for the Directors.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to the long-term sustainability of the environment and communities in which it operates. Green initiatives and measures including recycling of resources, energy saving and eco-friendly management practice, have been adopted in the daily operation of the Group. As a responsible corporation, to the best knowledge of the Directors, the Group has complied with all relevant laws and regulations regarding environmental protection for the year ended 31 March 2018.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group recognises the importance of compliance with legal and regulatory requirements and the risk of non-compliance with such requirements. The Group conducts on-going reviews of newly enacted/revised laws and regulations affecting its operations. The Company is not aware of any non-compliance in any material respect with the relevant laws and regulations that have a significant impact on the business and operation of the Group for the year ended 31 March 2018.

RELATIONSHIP WITH EMPLOYEES, SUPPLIERS, CUSTOMERS AND OTHER STAKEHOLDERS

The Group understands that the success of the Group's business depends on the support from its key stakeholders, including employees, customers, suppliers, banks, regulators and shareholders. The Group will continue to ensure effective communication and maintain good relationship with each of its key stakeholders.

INTERESTS OF THE COMPLIANCE ADVISER

As at 31 March 2018, as notified by the Company's compliance adviser, Ballas Capital Limited (the "Compliance Adviser"), except for the compliance adviser agreement dated 8 June 2017 entered into between the Company and the Compliance Adviser, neither the Compliance Adviser nor its directors, employees or close associates (as defined under the GEM Listing Rules) had any interests in relation to the Company, which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 17 August 2018 to 22 August 2018, both days inclusive, during which period no transfer of Shares will be registered. For determining the entitlement of members of the Company to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on 16 August 2018 for registration.

EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any events after the reporting period that requires disclosure.

AUDITOR

The consolidated financial statements for the year ended 31 March 2018 have been audited by KPMG who retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditor of the Company will be proposed at the forthcoming annual general meeting.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year are set out in Note 11 to the consolidated financial statements.

TAX RELIEF AND EXEMPTION OF HOLDERS OF LISTED SECURITIES

The Company is not aware of any tax relief or exemption available to the Shareholders by reason of their holding of the Company's securities.

On behalf of the Board
Universe Printshop Holdings Limited
Mr. Chau Man Keung
Chairman and Executive Director

Hong Kong, 21 June 2018

CORPORATE GOVERNANCE PRACTICE

The Directors recognise the importance of good corporate governance in management and internal procedures so as to achieve effective accountability. The Company's corporate governance practices are based on the principles of good corporate governance as set out in the Corporate Governance Code and Corporate Governance Report in Appendix 15 to the GEM Listing Rules (the "CG Code").

The Company has complied with all applicable code provisions as set out in the CG Code during the period from the Listing Date up to the date of this report.

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

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms o less exacting than the required standard of dealings concerning securities transactions by the Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "Model Code") as its own code governing securities transactions of the Directors. Having made specific enquiry of all the Directors, all of them confirmed that they had fully complied with the required standard of dealings as set out in the Model Code during the Period and up to the date of this report.

Pursuant to Rule 5.66 of the Model Code, the Directors have also requested any employee of the Company or director or employee of a subsidiary of the Company who, because of his office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company, not to deal in securities of the Company when he would be prohibited from dealing by the Model Code as if he were a Director.

BOARD OF DIRECTORS

The Board is responsible for the overall leadership of the Group, overseeing the Group's strategic decisions and monitoring of the business and performance of the Group. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operations and management of the Company are delegated to the management.

As of the date of this report, the Board comprises 7 Directors including 4 executive Directors, 3 independent non-executive Directors, whose names, roles and functions are listed below:

Executive Directors

Mr. Chau Man Keung *(Chairman of the Board)*
Mr. Hsu Ching Loi *(Chief Executive Officer)*
Mr. Leung Yuet Cheong
Mr. Wong Man Hin Joe

Independent Non-executive Directors

Mr. Wan Aaron Chi Keung, *BBS, JP*
Mr. Chan Chun Kit
Dr. Sun Yongjing

BOARD MEETINGS

Since the Listing Date, one Board meeting was held to consider the final results of the Group for the year ended 31 March 2018 and Directors attended the Board meeting in person or by proxies.

All Directors were given an opportunity to include any matters in the agenda for regular Board meetings and were also given sufficient time to review documents and information relating to matters to be discussed in Board meetings in advance.

Board minutes are kept by the Company Secretary and are open for inspection by the Directors. Every Board member is entitled to have access to Board papers and related materials and has unrestricted access to the advice and services of the Company Secretary and has the liberty to seek external professional advice if so required.

General Meeting

The first annual general meeting of the Company is scheduled to be held on 22 August 2018.

The Board is responsible for maintaining an on-going dialogue with shareholders and in particular, uses annual general meetings or other general meetings to communicate with them and encourage their participation. The Chairman of the Board and the chairmen and members of the audit committee ("Audit Committee"), nomination committee ("Nomination Committee") and remuneration committee ("Remuneration Committee") of the Company shall endeavour to attend the annual general meeting to answer questions and collect views of shareholders.

DIRECTORS' TRAINING

According to code provision A.6.5 of the CG Code, all directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the board remains informed and relevant.

All Directors have participated in continuous professional development by way of attending seminars organised by the Company on topics relating to their role as a Director of the Company during the year ended 31 March 2018.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

According to the Code Provision A.2.1 of the CG Code, the roles of the chairman and the chief executive should be separate and performed by different individuals to ensure a balance of power and authority so that power is not concentrated in any one individual. Mr. Chau Man Keung, the executive Director, is the chairman of the Company and is responsible for the leadership of the Board while Mr. Hsu Ching Loi, the executive Director, is the chief executive officer and is responsible for managing the Group's business and overall operations.

INDEPENDENT NON-EXECUTIVE DIRECTORS

In compliance with the GEM Listing Rules, the Company has appointed three independent non-executive Directors representing not less than one-third of the Board and at least one of whom has appropriate professional qualifications, or accounting or related financial management expertise.

The three independent non-executive Directors are persons of high calibre, with working experience, academic and professional qualifications in the fields of accounting, company secretaryship or management. With their experience gained from various sectors, they provide strong support towards the effective discharge of the duties and responsibilities of the Board.

The Company has received from each of the independent non-executive Directors an annual confirmation of independence and considers each of them to be independent by reference to Rule 5.09 of the GEM Listing Rules.

BOARD COMMITTEES

The Board has established four Board committees to oversee specific aspects of the Group's affairs and help it in the execution of its responsibilities. The Board committees each have specific written terms of reference which clearly outline the committees' authority and duties, and require the Board committees to report back on their decisions or recommendations to the Board. All Board committees are provided with sufficient resources to discharge their duties, including access to management or professional advice if considered necessary.

AUDIT COMMITTEE

The Company established the Audit Committee with written terms of reference on 26 February 2018. The terms of reference of the Audit Committee is currently made available on the Stock Exchange's website and the Company's website.

The Audit Committee comprises three independent non-executive Directors, they are:

Mr. Chan Chun Kit *(Chairman)*
Dr. Sun Yongjing
Mr. Wan Aaron Chi Keung, *BBS, JP*

The Audit Committee is chaired by Mr. Chan Chun Kit, who has the appropriate professional qualifications as required under Rules 5.05(2) and 5.28 of the GEM Listing Rules. The primary duties of the audit committee are to assist the Board in providing an independent view of the effectiveness of Group's financial reporting process, internal control and risk management systems, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board.

The Audit Committee is also responsible for making recommendation to the Board on the appointment, reappointment and removal of the external auditors, and to approve the remuneration and terms of engagement of the external auditors, and any questions of resignation or dismissal of such auditors; review with the Group's management, external auditors and internal auditor, where an internal audit function exists in the Company, the adequacy of the Group's policies and procedures regarding internal controls (including financial, operational and compliance controls), risk management system and any statement by the directors of the Company to be included in the annual accounts prior to endorsement by the Board.

The Audit Committee had held one meeting since the Listing Day and up to the date of this report, which was attended by all the committee members, to review the audited financial statements, results announcement and annual report of the Company for the year ended 31 March 2018 and met with the Company's independent auditor without the presence of management to discuss any potential issues identified by the auditor.

REMUNERATION COMMITTEE

The Company established the Remuneration Committee with written terms of reference on 26 February 2018. The terms of reference of the Remuneration Committee is currently made available on the Stock Exchange's website and the Company's website.

The primary duties of the Remuneration Committee include: (i) making recommendations to the Directors on the policy and structure for the remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration; (ii) making recommendations to the Board on the terms of the individual remuneration package of executive Directors and senior management; (iii) making recommendations to the Board on the remuneration of independent non-executive Directors; and (iv) reviewing and approving performance-based remuneration with reference to corporate goals and objectives resolved by our Board from time to time.

Details of the Directors emoluments for the year ended 31 March 2018 are set out in Note 8 to the consolidated financial statements.

The Remuneration Committee comprises three independent non-executive Directors and one executive Director, they are:

Mr. Wan Aaron Chi Keung, *BBS, JP* *(Chairman)*
Mr. Chan Chun Kit
Dr. Sun Yongjing
Mr. Chau Man Keung

The Remuneration Committee had held one meeting since the Listing Date and up to the date of this report, which was attended by all the committee members, to review the remuneration structure for the executive Directors and senior management and make recommending on the remuneration of the Directors and senior management.

NOMINATION COMMITTEE

The Company established the Nomination Committee with written terms of reference on 26 February 2018. The terms of reference of the Nomination Committee is currently made available on the Stock Exchange's website and the Company's website.

The key responsibilities of the Nomination Committee include reviewing the structure, size and composition of the Board at least annually and make recommendations on any proposed changes to the Board, assessing the independence of independent non-executive directors of the Company and making recommendations to the Board on the appointment or re-appointment of directors of the Company.

The Nomination Committee comprises three independent non-executive Directors and one executive Director, they are:

Dr. Sun Yongjing *(Chairlady)*
Mr. Wan Aaron Chi Keung, *BBS, JP*
Mr. Chan Chun Kit
Mr. Chau Man Keung

The Nomination Committee had held one meeting since the Listing Day and up to the date of this report, which was attended by all the committee members, to review the independence of independent non-executive directors and consider the retirement and proposed re-appointment of Directors at the forthcoming annual general meeting of the Company.

RISK MANAGEMENT COMMITTEE

The Company established the Risk Management Committee with written terms of reference on 26 February 2018. The terms of reference of the Risk Management Committee is currently made available on the Stock Exchange's website and the Company's website.

The primary duties of the risk management committee are to (i) advise the Board on risk-related issues; (ii) oversee the risk management framework to identify and deal with the risks faced by the Group such as business, financial, legal and regulatory risks; (iii) review reports on risks and breaches of risk policies; and (iv) review the effectiveness of the Company's risk control and/or mitigation plans.

The Risk Management Committee comprises three independent non-executive Directors and two executive Director, they are:

Mr. Chau Man Keung *(Chairman)*
Mr. Wan Aaron Chi Keung, *BBS, JP*
Mr. Chan Chun Kit
Dr. Sun Yongjing
Mr. Hsu Ching Loi

The Risk Management Committee has held one meeting since the Listing Date and up to the date of this report to consider appointing an independent external consultant to independently perform internal control review and assess effectiveness of the Group's risk management and internal control systems.

CORPORATE GOVERNANCE FUNCTIONS

The Company's corporate governance functions are carried out by the Board pursuant to the code provisions as set out in the CG code.

The Board, as a whole, will perform the corporate governance functions in accordance with provision D.3 of the Corporate Governance Code and has adopted written terms of reference in accordance with provision D.2 of the Corporate Governance Code which provide for, among others,

(i) developing and reviewing our Group's policies and practices on corporate governance;

(ii) reviewing and monitoring the training and continuous professional development of our Directors and senior management;

(iii) reviewing and monitoring our Group's policies and practices on compliance with legal and regulatory requirements;

(iv) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and our Directors; and

(v) reviewing our Company's compliance with the Corporate Governance Code and disclosure in the corporate governance reports of our Company.

During the year ended 31 March 2018, the Board held one meeting for reviewing the training and continuous professional development of Directors and senior management, reviewing the Company's compliance with the CG Code and reviewing the Company's disclosure in the Corporate Governance Report.

AUDITORS' REMUNERATION

For the year ended 31 March 2018, KPMG was engaged as the Group's independent auditors. Apart from the provision of annual audit services, KPMG also provided the non-audit services to the Company. The remuneration paid/payable to KPMG, the auditors, is set out below:

	HK$
Audit services — Annual Audit	840,000
Non-audit services (Note)	2,525,250

Note: The non-audit services provided by KPMG include initial public offering, internal control advisory work and tax compliance services.

COMPANY SECRETARY

Mr. Chan Sun Kwong (陳晨光), aged 51,was appointed as the company secretary on 2 June 2017. He is responsible for corporate secretarial matters of our Group. Mr. Chan obtained his diploma of business administration from the Hong Kong Shue Yan College (now known as Hong Kong Shue Yan University) in July 1990. He is a fellow of the Hong Kong Institute of Chartered Secretaries, the Institute of Chartered Secretaries and Administrators in the United Kingdom, the Institute of Chartered Accountants in England and Wales, the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Mr. Chan is also a mediator of both Hong Kong Mediation Accreditation Association Limited and the Hong Kong Mediation Centre. Mr. Chan has over 25 years of experience in the accounting, auditing and company secretarial fields in Hong Kong.

Mr. Chan is an external service provider and Mr. Yu Chim Shun, the Company's financial controller, is the primary contact person with Mr. Chan.

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting.

Convening an extraordinary general meeting

According to the Articles 58 of the articles of association of the Company, the Board may whenever it thinks fit call extraordinary general meetings. Any one or more Members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Putting enquiries to the Board

Shareholders should direct their questions about their shareholdings to the Company's branch share registrar. Shareholders and the investment community may at any time make a request for the Company's information to the extent such information is publicly available. Any such questions shall be first directed to the company secretary at the Company's principal place of business in Hong Kong at Office F, 12/F, Legend Tower, No. 7 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong.

Putting forward proposals at general meeting

Shareholders should follow the procedures set out in the sub-section headed "Convening an extraordinary general meeting" above for putting forward proposals for discussion at general meetings.

Voting by Poll

A resolution put to the vote of a meeting shall be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every Member present in person (or being a corporation, is present by a duly authorised representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands.

INVESTOR RELATIONS

The Company believes that maintaining a high level of transparency is a key to enhancing investor relations. It is committed to a policy of open and timely disclosure of corporate information to its shareholders and investment public. The Company updates its shareholders on its latest business developments and financial performance through its annual, interim and quarterly reports. The corporate website of the Company has provided an effective communication platform to the public and the shareholders.

DIRECTORS' AND AUDITORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board is responsible for presenting a balanced, clear and understandable assessment of annual, half-yearly and quarterly reports, other inside information announcements and other financial disclosures required under the GEM Listing Rules and other statutory requirements.

The Directors acknowledge their responsibility in preparing the consolidated financial statements of the Company for the year ended 31 March 2018 which give a true and fair view of the state of affairs of the Company. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern and accordingly continue to adopt the going concern approach in preparing the consolidated financial statements.

The responsibilities of the Company's auditor on the consolidated financial statements are set out in the independent auditors' report on pages 32 to 36 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for the design, implementation, monitor and review of the Group's internal control system including the internal control and risk management for the Company to ensure their effectiveness and efficiency. The objective of internal control is to safeguard the Company's assets and ensure its accounting records are properly maintained, so that all the financial information is accurate and reliable. The Group has adopted a series of internal control policies and procedures designed to provide reasonable assurance for achieving the objectives including effective and efficient operations, reliable financial reporting and compliance with applicable laws and regulations. All employees are committed to continually enhancing the risk management measures to ensure that these measures work in line with the growth of our business strategies and integrated into day-to-day operation of the business. The Board shall at least annually review its risk management and internal control system.

The objective of the risk management and internal control of the Group include:

- establishing and constantly improving the risks management and internal control system;
- ensuring the Group's risk management and internal control in compliance with the GEM Listing Rules requirements;
- implementing the top-down approach and bottom-up approach that covers every aspect of the business; and
- managing rather than eliminating the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has a particular focus on determining the nature and extent of significant risks it is willing to take in achieving the business strategies of the Group. Each department of the Group is responsible for identifying its own risks and designing, implementing and monitoring the relevant risk management and internal control systems.

The Company's internal audit department monitors the internal control procedures and systems of the Group and reports its findings and recommendations to management of the Company and the Audit Committee. The internal audit department also assesses risk exposure, formulates audit plan and ensures the audit programs cover key internal control areas of operating subsidiaries on a rotational basis for the review by the Audit Committee.

The Audit Committee reviews the process by which the Group evaluates its control environment and risk assessment process, and the way in which business and control risks are managed through the assistance of the Company's internal audit department. Special review may also be performed on areas of concern identified by management or the Audit Committee from time to time.

The Board considers that the Group has implemented a series of internal control policies and appropriate procedures to provide reasonable assurance for achieving the objectives including effective and efficient operations, safeguarding the Group's assets, provide reliable financial reporting and compliance of the relevant laws and regulations.

HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Company has established and maintained the procedures and internal controls for the handling and dissemination inside information. The Company has adopted a code of conduct for dealing in securities of the Company by the Directors in accordance with Rules 5.46 to 5.67 of the GEM Listing Rules. Other employees of the Group who are likely to be in possession of inside information of the Company are also subject to dealing restrictions. The Group has strictly prohibited unauthorised use of confidential or inside information or any use of such information for the advantage of himself or others. Any inside information and any information which may potentially constitute inside information is promptly identified, assessed and escalated to the Board and for the Board to decide on the need for disclosure. Inside information and other information which is required to be disclosed pursuant to the GEM Listing Rules will be announced on the respective websites of GEM and the Company in due course.

CONSTITUTIONAL DOCUMENTS

The Company adopted a new set of Articles of Association effective on the Listing Date. An up-to-date version of the Articles of Association is available on the respective website of GEM and the Company.

KPMG

Independent auditor's report
to the members of Universe Printshop Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Universe Printshop Holdings Limited ("the Company") and its subsidiaries ("the Group") set out on pages 37 to 83, which comprise the consolidated statement of financial position as at 31 March 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2018 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Hong Kong Financial Statement Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountant ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of trade receivables

Refer to note 15 to the consolidated financial statements and the accounting policy in notes 2(i)(i) and 2(j).

The Key Audit Matter	How the matter was addressed in our audit
As at 31 March 2018, the Group's gross trade receivables totalled HK$12.6 million, of which HK$6.4 million was past due but not impaired. Management's assessment of the recoverability of the Group's trade receivable balances is made by taking into account the ageing of the past due balances, credit history of the Group's customers and other customer-specific conditions. This assessment involves a significant degree of judgement. We identified assessing the recoverability of trade receivables as a key audit matter because this involves the exercise of a significant degree of management judgement.	Our procedures to assess the recoverability of trade receivables included the following: • obtaining an understanding of and assessing the design, implementation and operating effectiveness of management's key internal controls relating to credit control, debt collection and management's assessment of the allowances for doubtful debts; • assessing the classification of individual balances in the trade receivables ageing report by comparing the details in the trade receivables ageing report with underlying invoices on a sample basis; • obtaining an understanding of the basis of management's judgements about the recoverability of individual overdue balances and evaluating the allowance for doubtful debts made by management for these individual balances with reference to the debtors' financial condition based on management's recent correspondence with the relevant debtors, evidence of defaults or disputes, the ageing of overdue balances and historical and post year end payment records; • assessing the historical accuracy of the estimates made by the management for the allowance for doubtful debts by comparing the level of provision made by the management as at 31 March 2017 with any new provision, write offs and recoveries in respect of trade receivables as at 31 March 2017 during the current year; and • comparing cash receipts from debtors subsequent to the financial year end relating to trade receivable balances at 31 March 2018 with bank statements and relevant underlying documentation on a sample basis.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Sylvene Fong.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

21 June 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in Hong Kong dollars unless otherwise indicated)

	Note	2018 HK$	2017 HK$
Revenue	4	**142,583,126**	133,868,991
Cost of sales		**(107,425,947)**	(102,518,928)
Gross profit		**35,157,179**	31,350,063
Other revenue	5	**1,083,028**	1,804,228
Other net income	5	**678**	6,476
Selling and administrative expenses		**(44,315,484)**	(28,298,609)
(Loss)/profit from operations		**(8,074,599)**	4,862,158
Finance costs	6(a)	**(320,965)**	(346,613)
(Loss)/profit before taxation	6	**(8,395,564)**	4,515,545
Income tax	7(a)	**(758,312)**	(1,124,974)
(Loss)/profit and total comprehensive income for the year attributable to equity shareholders of the Company		**(9,153,876)**	3,390,571
(Loss)/earnings per share	10		
Basic and diluted (HK cents)		**(0.14)**	0.05

The notes on pages 42 to 83 form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in Hong Kong dollars)

	Note	2018 HK$	2017 HK$
Non-current assets			
Property, plant and equipment	11(a)	12,198,052	16,177,746
Intangible assets	12	337,594	—
Deposits for acquisition of non-current assets		124,500	429,511
		12,660,146	16,607,257
Current assets			
Inventories	14	5,477,619	3,262,729
Trade and other receivables	15	14,137,858	11,504,262
Amounts due from other related parties	16	—	5,106,576
Amounts due from directors	16	—	1,732,618
Amounts due from shareholders	16	—	78,000
Cash and cash equivalents	17(a)	68,202,560	20,993,052
		87,818,037	42,677,237
Current liabilities			
Trade and other payables	18	36,189,667	22,257,609
Amounts due to related companies	16	—	798,700
Amount due to a director	16	—	1,754,960
Obligations under finance leases	19	1,090,581	887,254
Provision for reinstatement cost	21	240,000	220,000
Current taxation	20(a)	1,929,859	983,050
		39,450,107	26,901,573

(Expressed in Hong Kong dollars)

	Note	2018 HK$	2017 HK$
Net current assets		**48,367,930**	15,775,664
Total assets less current liabilities		**61,028,076**	32,382,921
Non-current liabilities			
Obligations under finance leases	19	**2,413,253**	2,896,634
Deferred tax liabilities	20(b)	**963,305**	1,325,139
		3,376,558	4,221,773
NET ASSETS		**57,651,518**	28,161,148
CAPITAL AND RESERVES	22		
Share capital		**9,000,000**	104,005
Reserves		**48,651,518**	28,057,143
TOTAL EQUITY		**57,651,518**	28,161,148

Approved and authorised for issue by the board of directors on 21 June 2018.

CHAU Man Keung
Director

HSU Ching Loi
Director

The notes on pages 42 to 83 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Expressed in Hong Kong dollars unless otherwise indicated)

	Share capital (Note 22(b)) HK$	Share premium (Note 22(c)(i)) HK$	Capital reserve (Note 22(c)(ii)) HK$	Retained profits/ (Accumulated losses) HK$	Total HK$
Balance at 31 March and 1 April 2016	78,000	—	—	4,692,577	4,770,577
Changes in equity for 2017:					
Shares issued during the year	26,005	19,973,995	—	—	20,000,000
Profit and total comprehensive income for the year	—	—	—	3,390,571	3,390,571
Balance at 31 March and 1 April 2017	104,005	19,973,995	—	8,083,148	28,161,148
Changes in equity for 2018:					
Shares issued for share swap between the Company and Universe Printshop Limited	133	—	20,077,867	—	20,078,000
Elimination pursuant to the Reorganisation	(104,005)	(19,973,995)	—	—	(20,078,000)
Issue of ordinary share under Share Offer, net of issuing expenses	2,250,000	36,394,246	—	—	38,644,246
Capitalisation Issue	6,749,867	(6,749,867)	—	—	—
Loss and total comprehensive income for the year	—	—	—	(9,153,876)	(9,153,876)
Balance at 31 March 2018	9,000,000	29,644,379	20,077,867	(1,070,728)	57,651,518

The notes on pages 42 to 83 form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

(Expressed in Hong Kong dollars unless otherwise indicated)

	Note	2018 HK$	2017 HK$
Operating activities			
Cash generated from operations	17(b)	5,117,739	11,065,458
Tax paid		(173,337)	—
Net cash generated from operating activities		4,944,402	11,065,458
Investing activities			
Payment for the purchase of property, plant and equipment and intangible asset		(426,189)	(1,439,772)
Proceeds from sale of property, plant and equipment		—	40,000
Interest received		370	721
Net cash used in investing activities		(425,819)	(1,399,051)
Financing activities			
Capital element of finance lease rentals paid	17(c)	(931,054)	(568,600)
Interest element of finance lease rentals paid	17(c)	(320,965)	(346,613)
Payments for share issue capitalised		(7,008,356)	(718,135)
Advances from related companies	17(c)	—	3,252,636
Repayment of advances from related companies	17(c)	(798,700)	(16,069,089)
Proceeds from issuance of shares		51,750,000	20,000,000
Net cash generated from financing activities		42,690,925	5,550,199
Net increase in cash and cash equivalents		47,209,508	15,216,606
Cash and cash equivalents at the beginning of the year		20,993,052	5,776,446
Cash and cash equivalents at the end of the year	17(a)	68,202,560	20,993,052

The notes on pages 42 to 83 form part of these financial statements.

1 GENERAL INFORMATION

Universe Printshop Holdings Limited (the "Company") and its subsidiaries (together, "the Group") are principally engaged in the provision of general printing services and trading of printing products. The Company was incorporated in the Cayman Islands on 27 April 2017 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

Pursuant to a Group reorganisation completed on 8 June 2017 (the "Reorganisation"), the Company became the holding company of the companies now comprising the Group. Prior to the incorporation of the Company, the above-mentioned principal activities were carried out by Universe Printshop Limited, which is incorporated in the Cayman Islands, and its subsidiaries. To rationalise the corporate structure in preparation of the listing of the Company's shares on the Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Group underwent the Reorganisation and became the holding company of the companies now comprising the Group. Details of the Reorganisation are set out in the prospectus of the Company dated 13 March 2018.

The Reorganisation only involved inserting the Company, a newly formed entity with no substantive operations, as the new holding company of Universe Printshop Limited and has not resulted in any changes in economic substance of the Group. Accordingly, the Reorganisation has been accounted for using a principle similar to that for a reverse acquisition, with Universe Printshop Limited treated as the acquirer for accounting purposes.

The consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement of the Group include the results of operations of the Company and its subsidiaries for 2016 as if the Reorganisation was completed at 1 April 2016. The consolidated statement of financial position of the Group as at 31 March 2017 has been prepared to present the financial position of the Company and its subsidiaries as if the entities now comprising the Group had been consolidated as at that date.

The shares of the Company were listed on GEM on 28 March 2018. On the same date, 674,986,666 of the Company's new shares were issued through capitalisation of HK$6,749,867 standing to the credit of share premium account of the Company ("Capitalisation Issue"). Further, 225,000,000 shares of the Company were issued at a price of HK$0.23 per share ("Share Offer").

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited. Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 March 2018 comprise the Company and its subsidiaries.

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Major sources of estimation uncertainty are discussed in note 3.

(c) Changes in accounting policies

The HKICPA has issued several amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these impact on the accounting policies of the Group. None of these developments have had a material effect on how the Group's result and financial position for the current or prior periods have been prepared or presented.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(d) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in the former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as fair value on initial recognition of a financial asset.

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses (see note 2(i)(ii)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

—	Furniture and fixtures	5 years
—	Computer equipment	5 years
—	Leasehold improvements	Shorter of lease term and 5 years
—	Plant and machinery	4–10 years
—	Motor vehicle	3 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(f) Intangible assets

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see note 2(i)(ii)).

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives as follows:

—	Software	3–5 years

Both period and method of amortisation are reviewed annually.

(g) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

(ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are recognised as property, plant and equipment and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost or valuation of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in note 2(e). Impairment losses are accounted for in accordance with the accounting policy as set out in note 2(i). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

(iii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

(i) Impairment of assets

(i) Impairment of trade and other receivables

Trade and other current and non-current receivables that are stated at cost or amortised cost are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Impairment of assets (Continued)

(i) Impairment of trade and other receivables (Continued)

- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and

- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

If any such evidence exists, impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that property, plant and equipment and intangible assets may be impaired or, an impairment loss previously recognised no longer exists or may have decreased.

If any such indication exists, the asset's recoverable amount is estimated.

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Impairment of assets (Continued)

(ii) Impairment of other assets (Continued)

— *Calculation of recoverable amount*

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

— *Recognition of impairment losses*

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

— *Reversals of impairment losses*

A impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(j) Trade and other receivables

Trade and other receivables, including amounts due from related parties, directors and shareholders, are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts (see note 2(i)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

(k) Trade and other payables

Trade and other payables, including amounts due to related companies and a director, are initially recognised at fair value. Trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(n) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and other not offset.

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(p) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

Sales of goods

Revenue is recognised when the customer has accepted the related risks and rewards of ownership of the products in accordance with the sales orders, and is after deduction of any trade discounts.

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term.

Scrap sale income

Scrap sale income is recognised when the scrap materials are delivered to the customers.

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Related parties

(1) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(2) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (1).

(vii) A person identified in (1)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a Group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

Sources of estimation uncertainty

Key sources of estimation uncertainty are as follows:

(a) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account the estimated residual value. The Group reviews the estimated useful lives of property, plant and equipment regularly in order to determine the amount of depreciation expense to be recorded during any reporting period. The useful lives are based on the Group's historical experience with similar assets taking into account anticipated technological changes. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

(b) Impairment of trade receivables

The Group evaluates whether there is any objective evidence that trade receivables are impaired, and estimates allowances for doubtful debts as a result of the inability of the debtors to make required payments. The Group's estimation bases on the ageing of the trade receivables balance, credit-worthiness of the customer and historical write-off experience. If the financial condition of the debtors were to deteriorate, actual write-offs would be higher than estimated.

(Expressed in Hong Kong dollars unless otherwise indicated)

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are the provision of general printing services and trading of printing products.

The amount of each significant category of revenue is as follows:

	2018 HK$	2017 HK$
Offset printing	**107,751,418**	104,048,405
Toner-based digital printing	**9,722,825**	8,254,847
Ink-jet printing	**18,304,134**	13,988,302
Other services	**6,804,749**	7,577,437
	142,583,126	133,868,991

The Group's customer base is diversified with no customer with whom transactions have exceeded 10% of the Group's revenue. Details of concentration of credit risk are set out in note 23(a).

Further details regarding the Group's principal activities are disclosed below:

(b) Segment reporting

The Group manages its business by business line. In a manner consistent with the way the information is reported internally to the Group's senior executive management for the purposes of resource allocation and performance assessment, the Group has identified the following reporting segments:

Offset printing

The offset printing business is involved in the manufacturing and trading of printing products using the offset printing method. These products are either manufactured in the Group's manufacturing facilities located in Hong Kong or outsourced to external sub-contractors for processing.

Toner-based digital printing

The toner-based digital printing business is involved in the manufacturing and trading of printing products using the toner-based digital printing method. These products are manufactured in the Group's manufacturing facilities located in Hong Kong.

4 REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

Ink-jet printing

The ink-jet printing business is involved in the manufacturing and trading of printing products using the ink-jet printing method. These products are manufactured in the Group's manufacturing facilities located in Hong Kong or outsourced to external sub-contractors for processing.

Other services

Other services comprise miscellaneous services including the production of printing-related products such as pre-ink stamp making, the processes of which require the use of special equipment. Such services were largely sub-contracted to external sub-contractors. The revenue from these services is below the quantitative threshold for determining a reportable segment.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following basis:

Segment assets include all tangible assets and current assets with the exception of other corporate assets. Segment liabilities include trade payables and accruals attributable to the manufacturing sales activities of the individual segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Assistance provided by one segment to another, including sharing of assets, is not measured.

The measure used for reporting segment profit is "adjusted EBITDA" i.e. "adjusted earnings before interest, taxes, depreciation and amortisation", where "interest" is regarded as including investment income and "depreciation and amortisation" is regarded as including impairment losses on non-current assets. To arrive at the adjusted EBITDA, the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as directors' and auditor's remuneration and other head office or corporate administrative costs.

In addition to receiving segment information concerning the adjusted EBITDA, management is provided with segment information concerning revenue, interest income and expense from cash balances, depreciation and additions to non-current segment assets used by the segments in their operations.

(Expressed in Hong Kong dollars unless otherwise indicated)

4 REVENUE AND SEGMENT REPORTING (Continued)

(i) Segment results, assets and liabilities (Continued)

Information regarding the Group's reporting segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 March 2018 and 31 March 2017 is set out below:

	Offset printing		Digital printing		Ink-jet printing		Other services		Total	
	2018 HK$	2017 HK$	2018 HK$	2017 HK$	2018 HK$	2017 HK$	2018 HK$	2017 HK$	2018 HK$	2017 HK$
Revenue from external customers	107,751,418	104,048,405	9,722,825	8,254,847	18,304,134	13,988,302	6,804,749	7,577,437	142,583,126	133,868,991
Inter-segment revenue	–	–	–	–	–	–	–	–	–	–
Reportable segment revenue	107,751,418	104,048,405	9,722,825	8,254,847	18,304,134	13,988,302	6,804,749	7,577,437	142,583,126	133,868,991
Reportable segment profit	10,514,966	6,086,093	2,494,013	1,848,422	1,782,410	2,297,624	869,299	909,312	15,660,688	11,141,451
Finance costs	–	–	289,578	346,613	–	–	–	–	289,578	346,613
Depreciation for the year	3,533,306	4,933,984	947,108	941,887	18,889	4,800	–	–	4,499,303	5,880,671
Reportable segment assets	24,570,647	23,998,426	2,170,752	2,823,443	2,715,300	952,833	677,759	683,648	30,134,458	28,458,350
Additions to non-current segment assets during the year	–	380,776	–	923,000	170,000	–	–	–	170,000	1,303,776
Reportable segment liabilities	17,951,530	16,505,471	4,273,558	4,351,412	2,866,239	1,154,700	842,169	1,195,461	25,933,496	23,207,044

(Expressed in Hong Kong dollars unless otherwise indicated)

4 REVENUE AND SEGMENT REPORTING (Continued)

(ii) Reconciliation of reportable segment revenues, profit or loss, assets and liabilities

	2018 HK$	2017 HK$
Revenue		
Reportable segment revenue	142,583,126	133,868,991
Elimination of inter-segment revenue	—	—
Consolidated revenue	142,583,126	133,868,991
Profit		
Reportable segment profit	15,660,688	11,141,451
Elimination of inter-segment revenue	—	—
Reportable segment profit derived from Group's external customers	15,660,688	11,141,451
Other revenue and net income	31,966	814,909
Finance costs	(31,387)	—
Depreciation and amortisation of corporate assets	(594,997)	(254,135)
Unallocated office and corporate expenses	(23,461,834)	(7,186,680)
Consolidated (loss)/profit before taxation	(8,395,564)	4,515,545

	2018 HK$	2017 HK$
Assets		
Reportable segment assets	30,134,458	28,458,350
Elimination of inter-segment receivables	—	—
	30,134,458	28,458,350
Unallocated head office and corporate assets	70,343,725	30,826,144
Consolidated total assets	100,478,183	59,284,494

(Expressed in Hong Kong dollars unless otherwise indicated)

4 REVENUE AND SEGMENT REPORTING (Continued)

(ii) Reconciliation of reportable segment revenues, profit or loss, assets and liabilities (Continued)

	2018 HK$	2017 HK$
Liabilities		
Reportable segment liabilities	25,933,496	23,207,044
Elimination of inter-segment payables	—	—
	25,933,496	23,207,044
Current taxation	1,929,859	983,050
Deferred tax liabilities	963,305	1,325,139
Unallocated head office and corporate liabilities	14,000,005	5,608,113
Consolidated total liabilities	42,826,665	31,123,346

Geographic information

The Group's revenue is solely derived from external customers based in Hong Kong, which is the location at which the goods were delivered. The Group's non-current assets were located in Hong Kong as at 31 March 2017 and 2018.

5 OTHER REVENUE AND NET INCOME

	2018 HK$	2017 HK$
Other revenue		
Interest income	370	721
Scrap sale income	1,051,740	963,795
Rental income	—	216,000
Commission income	—	500,000
Sundry income	30,918	123,712
	1,083,028	1,804,228
Other net income		
Net exchange gain	678	726
Gain on disposal of property, plant and equipment	—	5,750
	678	6,476

(Expressed in Hong Kong dollars unless otherwise indicated)

6 (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after charging:

		2018 HK$	2017 HK$
(a)	**Finance costs**		
	Finance charges on obligations under finance leases	320,965	346,613
(b)	**Staff costs (including directors' remuneration)**#		
	Contributions to defined contribution retirement plans	1,373,800	1,138,547
	Salaries, wages and other benefits	28,641,651	25,918,775
		30,015,451	27,057,322
(c)	**Other items**		
	Auditors' remuneration	840,000	235,000
	Cost of inventories (note 14(b))#	107,425,947	102,518,928
	Depreciation (note 11(a))#	5,041,003	6,134,806
	Amortisation (note 12)	53,297	—
	Listing expense	12,302,092	2,154,405
	Operating lease charges: minimum leases payments	8,740,806	8,616,678
	Impairment loss recognised on trade receivables (note 15(b))	200,420	—

Cost of inventories includes HK$15,555,277 (2017: HK$16,761,294) relating to staff costs and depreciation expense, which amount is also included in the respective total amounts disclosed separately above or in note 6(b) for each of these types of expenses.

(Expressed in Hong Kong dollars unless otherwise indicated)

7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(a) Taxation in the consolidated statements of profit or loss and other comprehensive income represents:

	2018 HK$	2017 HK$
Current tax		
Provision for Hong Kong Profits Tax for the year	1,150,197	780,310
Over-provision in respect of prior years	(30,051)	—
	1,120,146	780,310
Deferred tax		
Origination and reversal of temporary differences	(361,834)	344,664
	758,312	1,124,974

Notes:

(i) Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.

(ii) The provision for Hong Kong Profits Tax is calculated at 16.5% (2017: 16.5%) of the estimated assessable profits for the year.

(b) Reconciliation between income tax expense and accounting (loss)/profit at applicable tax rates:

	2018 HK$	2017 HK$
(Loss)/profit before taxation	(8,395,564)	4,515,545
Notional tax on (loss)/profit before taxation, calculated at 16.5% (2017: 16.5%)	(1,385,268)	745,065
Tax effect of non-deductible expenses	2,160,934	374,709
Tax effect of non-taxable income	(61)	(8,619)
Over-provision in prior years	(30,051)	—
Others	12,758	13,819
Actual tax expense	758,312	1,124,974

(Expressed in Hong Kong dollars unless otherwise indicated)

8 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Company (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	Directors' fees HK$	Salaries, allowances and benefits in kind HK$	Discretionary bonuses HK$	Retirement scheme contributions HK$	2018 Total HK$
Executive directors					
Mr. CHAU Man Keung	–	720,000	210,000	18,000	948,000
Mr. HSU Ching Loi	–	660,000	210,000	18,000	888,000
Mr. LEUNG Yuet Cheong	–	600,000	115,000	18,000	733,000
Mr. WONG Man Hin Joe	–	540,000	111,000	18,000	669,000
Independent non-executive directors					
Mr. WAN Aaron Chi Keung (iii)	1,548	–	–	–	1,548
Mr. CHAN Chun Kit (iii)	1,548	–	–	–	1,548
Ms. SUN Yongjing (iii)	1,548	–	–	–	1,548
	4,644	2,520,000	646,000	72,000	3,242,644

	Directors' fees HK$	Salaries, allowances and benefits in kind HK$	Discretionary bonuses HK$	Retirement scheme contributions HK$	2017 Total HK$
Executive directors					
Mr. CHAU Man Keung	–	1,100,000	–	18,000	1,118,000
Mr. HSU Ching Loi	–	860,000	–	18,000	878,000
Mr. LEUNG Yuet Cheong	–	860,000	–	18,000	878,000
Mr. WONG Man Hin Joe	–	838,000	–	18,000	856,000
	–	3,658,000	–	72,000	3,730,000

Notes:

(i) No director received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for loss of office during the years. No director waived or agreed to waive any emoluments during the years.

(ii) The Company did not have any share option scheme for the purchase of ordinary shares in the Company during the years.

(iii) Appointed on 26 February 2018.

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, four (2017: four) are directors whose emoluments are disclosed in note 8. The emoluments in respect of the remaining individual are as follows:

	2018 HK$	2017 HK$
Salaries and other allowances and benefits in kind	478,000	560,175
Discretionary bonuses	40,000	17,000
Retirement scheme contributions	18,000	17,842
	536,000	595,017

The emoluments of the one (2017: one) individual with the highest emoluments is within the following bands:

	2018 Number of Individuals	2017 Number of Individuals
Nil to HK$1,000,000	1	1

10 (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share was based on the loss attributable to ordinary equity shareholders of the Company of HK$9,153,876 (2017: profit attributable to ordinary equity shareholders of the Company of HK$3,390,571) and the weighted average of 677,466,000 ordinary shares (2017: 675,000,000 ordinary shares) in issue during the year.

The weighted average number of ordinary shares in issue during the years ended 31 March 2017 and 2018 is calculated based on the assumption that 675,000,000 shares were in issue throughout the entire years as if the Reorganisation and the Capitalisation Issue (details as disclosed in note 1) had been effective on 1 April 2016.

Weighted average number of ordinary shares

	2018 '000	2017 '000
Reorganisation and Capitalisation Issue	675,000	675,000
Effect of Share Offer on 28 March 2018 (note 22(b)(iv))	2,466	—
Weighted average number of ordinary shares at 31 March	677,466	675,000

(b) Diluted (loss)/earnings per share

The diluted earnings per share is the same as the basic earnings per share as the Group did not have dilutive potential ordinary shares for both years.

(Expressed in Hong Kong dollars unless otherwise indicated)

11 PROPERTY, PLANT AND EQUIPMENT

(a) Reconciliation of carrying amount

	Leasehold improvements HK$	Furniture and equipment HK$	Plant and machinery HK$	Computer equipment HK$	Motor vehicle HK$	Total HK$
Cost:						
At 1 April 2016	306,140	376,202	25,794,962	123,811	—	26,601,115
Additions	243,400	141,211	1,303,776	294,874	—	1,983,261
Disposals	(30,000)	—	(57,000)	—	—	(87,000)
At 31 March 2017	519,540	517,413	27,041,738	418,685	—	28,497,376
At 1 April 2017	519,540	517,413	27,041,738	418,685	—	28,497,376
Additions	179,470	14,644	170,000	46,195	651,000	1,061,309
Disposals	(57,900)	—	—	—	—	(57,900)
At 31 March 2018	641,110	532,057	27,211,738	464,880	651,000	29,500,785
Accumulated depreciation:						
At 1 April 2016	(215,511)	(89,865)	(5,879,093)	(53,105)	—	(6,237,574)
Charge for the year	(96,121)	(100,454)	(5,880,671)	(57,560)	—	(6,134,806)
Written back on disposals	30,000	—	22,750	—	—	52,750
At 31 March 2017	(281,632)	(190,319)	(11,737,014)	(110,665)	—	(12,319,630)
At 1 April 2017	(281,632)	(190,319)	(11,737,014)	(110,665)	—	(12,319,630)
Charge for the year	(139,085)	(100,122)	(4,499,303)	(107,193)	(195,300)	(5,041,003)
Written back on disposals	57,900	—	—	—	—	57,900
At 31 March 2018	(362,817)	(290,441)	(16,236,317)	(217,858)	(195,300)	(17,302,733)
Net book value:						
At 31 March 2018	278,293	241,616	10,975,421	247,022	455,700	12,198,052
At 31 March 2017	237,908	327,094	15,304,724	308,020	—	16,177,746

(Expressed in Hong Kong dollars unless otherwise indicated)

11 PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Property, plant and equipment held under finance leases

Certain plant and machinery and motor vehicle were held under finance leases and their net book value is analysed as follows:

	2018 HK$	2017 HK$
Cost — Capitalised finance leases	**4,413,906**	3,762,906
Accumulated depreciation	**(2,960,717)**	(1,780,281)
Net book value	**1,453,189**	1,982,625

The Group leases production plant and machinery and motor vehicle under finance leases expiring in 3 to 4 years.

During the year ended 31 March 2018, addition to property, plant and equipment financed by finance lease was HK$651,000 (2017: HK$923,001). At the end of the reporting period, the net book value of the property, plant and equipment held under finance leases was HK$1,453,189 (2017: HK$1,982,625).

12 INTANGIBLE ASSETS

	HK$
Cost:	
At 31 March 2017 and 1 April 2017	—
Addition	390,891
At 31 March 2018	390,891
Accumulated amortisation:	
At 31 March 2017 and 1 April 2017	—
Charge for the year	(53,297)
At 31 March 2018	(53,297)
Net book value:	
At 31 March 2018	337,594
At 31 March 2017	—

(Expressed in Hong Kong dollars unless otherwise indicated)

13 INVESTMENTS IN SUBSIDIARIES

The following is a list of subsidiaries of the Group. The class of shares held is ordinary unless otherwise stated.

Name of company	Place of incorporation	Particulars of issued share capital	Proportion of ownership interest: Group's effective interest	Held by the Company	Held by a subsidiary	Principal activities and place of operation
Universe Printshop Limited	Cayman Islands	13,334 shares of HK$0.01 each	100%	100%	—	Investment holding in Hong Kong
All in 1 Printing (Group) Limited	Hong Kong	10,000,000 shares	100%	—	100%	Investment holding in Hong Kong
Universe Printing Holdings Limited	Hong Kong	10,000,000 shares	100%	—	100%	Provision of general printing services and trading of printing products in Hong Kong
Print Shop Limited	Hong Kong	10,000,000 shares	100%	—	100%	Provision of printing services and solutions in Hong Kong
Startec Colour Separation Printing Limited	Hong Kong	10,000,000 shares	100%	—	100%	Provision of printing services and solutions in Hong Kong
Net Printshop Limited	Hong Kong	100,000 shares	100%	—	100%	Provision of printing services and solutions in Hong Kong

(Expressed in Hong Kong dollars unless otherwise indicated)

14 INVENTORIES

(a) Inventories in the consolidated statements of financial position comprise:

	2018 HK$	2017 HK$
Raw materials	2,000,679	1,578,953
Work in progress	1,201,276	545,305
Finished goods	1,690,815	504,997
Consumable stores	584,849	633,474
	5,477,619	3,262,729

(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	2018 HK$	2017 HK$
Carrying amount of inventories sold	107,425,947	102,518,928

15 TRADE AND OTHER RECEIVABLES

	2018 HK$	2017 HK$
Trade receivables	12,580,926	9,059,196
Less: allowance for doubtful debts (note 15(b))	(200,420)	(53,798)
	12,380,506	9,005,398
Deposits, prepayments and other receivables	1,757,352	2,498,864
	14,137,858	11,504,262

All of the trade and other receivables are expected to be recovered or recognised as expense within one year.

(Expressed in Hong Kong dollars unless otherwise indicated)

15 TRADE AND OTHER RECEIVABLES (Continued)

(a) Ageing analysis

At 31 March 2018, the ageing analysis of trade receivables (which are included in trade and other receivables), based on invoice date and net of allowance for doubtful debts, is as follows:

	2018 HK$	2017 HK$
Within 1 month	4,713,061	5,112,335
1 to 2 months	2,477,648	1,628,208
2 to 3 months	1,706,690	838,664
Over 3 months	3,483,107	1,426,191
	12,380,506	9,005,398

Trade receivables are normally due within 30 to 90 days from invoice date. Further details on the Group's credit policy are set out in note 23(a).

(b) Impairment of trade receivables

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors directly (see note 2(i)(i)).

The movement in allowance for doubtful debts during the year, including both specific and collective loss components, is as follows:

	2018 HK$	2017 HK$
At the beginning of the year	53,798	53,798
Reversal of impairment loss	(53,798)	—
Impairment loss recognised	200,420	—
At the end of the year	200,420	53,798

At 31 March 2018, the Group's trade receivables of HK$200,420 (2017: HK$53,798) were individually determined to be impaired. The individually impaired receivables related to customers that were in financial difficulties and management assessed that none (2017: none) of these receivables are expected to be recovered. Consequently, the Group recognised specific allowance for doubtful debts of HK$200,420 (2017: HK$53,798). The Group does not hold any collateral over these balances.

(Expressed in Hong Kong dollars unless otherwise indicated)

15 TRADE AND OTHER RECEIVABLES (Continued)

(c) Trade receivables that are not impaired

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired are as follows:

	2018 HK$	2017 HK$
Neither past due nor impaired	6,017,884	6,394,226
Less than 1 month past due	1,870,944	979,987
1 to 3 months past due	2,245,228	942,043
Over 3 months past due	2,246,450	689,142
	6,362,622	2,611,172
	12,380,506	9,005,398

Trade receivables which were neither past due nor impaired related to a range of customers for which there was no recent history of default.

Trade receivables which were past due but not impaired related to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

16 AMOUNTS DUE FROM/(TO) RELATED COMPANIES, SHAREHOLDERS, DIRECTORS AND OTHER RELATED PARTIES

The amounts due from/(to) related companies, shareholders, directors and other related parties are interest-free, unsecured and recoverable/(repayable) on demand. The related companies and other related parties are companies under the control of common shareholders and are under common directorship of the Group and a partnership under the control of common shareholders of the Group.

(Expressed in Hong Kong dollars unless otherwise indicated)

17 CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents comprise:

	2018 HK$	2017 HK$
Cash at bank and on hand	68,202,560	20,993,052

(b) Reconciliation of (loss)/profit before taxation to cash generated from operations:

	Note	2018 HK$	2017 HK$
(Loss)/profit before taxation		(8,395,564)	4,515,545
Adjustments for:			
Finance costs	6(a)	320,965	346,613
Depreciation	6(c)	5,041,003	6,134,806
Amortisation of intangible assets	6(c)	53,297	—
Gain on disposal of property, plant and equipment	5	—	(5,750)
Interest income	5	(370)	(721)
Reversal of provision for reinstatement cost		(50,000)	(30,000)
Provision for long service payments		308,563	66,518
Changes in working capital:			
Increase in inventories		(2,214,890)	(299,109)
Increase in trade and other receivables		(3,351,731)	(707,150)
Decrease/(increase) in amounts due from directors		1,732,618	(1,094,342)
Decrease/(increase) in amounts due from other related parties		5,106,576	(436,078)
Decrease in amounts due from shareholders		78,000	—
Increase in trade and other payables		8,244,232	2,401,990
(Decrease)/increase in amount due to a director		(1,754,960)	173,136
Cash generated from operations		5,117,739	11,065,458

(Expressed in Hong Kong dollars unless otherwise indicated)

17 CASH AND CASH EQUIVALENTS (Continued)

(c) Reconciliation of liabilities arising from financing activities:

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Amounts due to related companies HK$	Finance leases HK$
At 1 April 2016	13,615,153	3,429,487
Changes from financing cash flows:		
Capital element of finance lease rentals paid	—	(568,600)
Interest element of finance lease rentals paid	—	(346,613)
Advances from related companies	3,252,636	—
Repayment of advances from related companies	(16,069,089)	—
Total changes from financing cash flows	(12,816,453)	(915,213)
Other changes:		
New finance leases	—	923,001
Finance charges on obligation under finance lease	—	346,613
Total other changes	—	1,269,614
At 31 March 2017	798,700	3,783,888
At 1 April 2017	**798,700**	**3,783,888**
Changes from financing cash flows:		
Capital element of finance lease rentals paid	**—**	**(931,054)**
Interest element of finance lease rentals paid	**—**	**(320,965)**
Repayment of advances from related companies	**(798,700)**	**—**
Total changes from financing cash flows	**(798,700)**	**(1,252,019)**
Other changes:		
New finance leases	**—**	**651,000**
Finance charges on obligation under finance lease	**—**	**320,965**
Total other changes	**—**	**971,965**
At 31 March 2018	**—**	**3,503,834**

(Expressed in Hong Kong dollars unless otherwise indicated)

18 TRADE AND OTHER PAYABLES

	2018 HK$	2017 HK$
Trade payables	16,387,137	16,720,894
Accruals	14,602,345	2,647,176
Other payables	18,417	117,014
Provision for long service payments	1,699,613	1,391,050
Receipts in advance from customers	3,482,155	1,381,475
	36,189,667	22,257,609

As of the end of the reporting period, the ageing analysis of trade payables based on the invoice date, is as follows:

	2018 HK$	2017 HK$
Within 1 month	8,088,222	6,317,429
1 to 2 months	6,403,406	7,065,190
2 to 3 months	1,823,134	2,867,125
Over 3 months	72,375	471,150
	16,387,137	16,720,894

Provision for long service payments

	2018 HK$	2017 HK$
At the beginning of the year	1,391,050	1,324,532
Provision for long service payments	308,563	66,518
At the end of the year	1,699,613	1,391,050

According to Part VB of the Hong Kong Employment Ordinance ("the Ordinance"), the Group is liable to make long service payments to employees who are employed under the jurisdiction of the Ordinance and have completed the required number of years of service on termination of their employment, where the termination of employment meets the required circumstances as specified in the Ordinance.

A provision has been made by the Group based on the best estimate of the long service payments that are required to be made to these employees in respect of their service to date, less any amounts that would be expected to be met out of the group's contributions to its defined contribution retirement schemes and mandatory provident funds.

A portion of the above provision is expected to be utilised after more than one year. However, it is not practicable to segregate this amount from the amounts payable within the next year.

(Expressed in Hong Kong dollars unless otherwise indicated)

19 OBLIGATIONS UNDER FINANCE LEASES

At 31 March 2018, the Group had obligations under finance leases repayable as follows:

	2018		2017	
	Present value of the minimum lease payments HK$	**Total minimum lease payments HK$**	Present value of the minimum lease payments HK$	Total minimum lease payments HK$
Within 1 year	**1,090,581**	**1,377,920**	887,254	1,176,831
After 1 year but within 2 years	**1,041,795**	**1,201,998**	835,558	1,055,526
After 2 year but within 5 years	**1,371,458**	**1,444,322**	2,061,076	2,267,934
	2,413,253	**2,646,320**	2,896,634	3,323,460
	3,503,834	**4,024,240**	3,783,888	4,500,291
Less: total future interest expenses		**(520,406)**		(716,403)
Present value of lease obligations		**3,503,834**		3,783,888

(Expressed in Hong Kong dollars unless otherwise indicated)

20 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(a) Current taxation in the consolidated statements of financial position represents:

	2018 HK$	2017 HK$
Provision for Hong Kong Profits Tax for the year	1,150,197	780,310
Balance of Hong Kong Profits Tax provision relating to prior years	779,662	202,740
	1,929,859	983,050

(b) Deferred tax assets/(liabilities) recognised

The components of deferred tax assets/(liabilities) recognised in the consolidated statements of financial position during the years are as follows:

	Tax losses HK$	Depreciation allowances in excess of related depreciation HK$	Total HK$
Deferred tax arising from:			
At 1 April 2016	869,572	(1,850,047)	(980,475)
(Charged)/credited to profit or loss	(869,572)	524,908	(344,664)
At 31 March 2017	—	(1,325,139)	(1,325,139)
At 1 April 2017	—	(1,325,139)	(1,325,139)
Credited to profit or loss	—	361,834	361,834
At 31 March 2018	—	(963,305)	(963,305)

(Expressed in Hong Kong dollars unless otherwise indicated)

21 PROVISION FOR REINSTATEMENT COST

	2018 HK$	2017 HK$
At 1 April	220,000	200,000
Provision for reinstatement costs	20,000	20,000
At 31 March	240,000	220,000

Under the terms of certain operating leases in respect of properties entered into by the Group, the Group is required to reinstate the properties to the original physical conditions at the end of the respective leases. Provision is therefore made for the best estimate of the expected costs that related to the restoration of the alternations made to the properties.

22 CAPITAL AND RESERVES

(a) Movement in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statements of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	Note	Share capital HK$	Share premium HK$	Accumulated losses HK$	Total equity HK$
Balance at 27 April 2017 (date of incorporation)	22(b)(i)	—	—	—	—
Changes in equity for the period from 27 April 2017 to 31 March 2018:					
Share issued for share swap between the Company and Universe Printshop Limited	22(b)(ii)	133	—	—	133
Share Offer	22(b)(iv)	2,250,000	36,394,246	—	38,644,246
Capitalisation Issue	22(b)(iv)	6,749,867	(6,749,867)	—	—
Loss and total comprehensive income for the period		—	—	(12,745,550)	(12,745,550)
Balance at 31 March 2018		9,000,000	29,644,379	(12,745,550)	25,898,829

(Expressed in Hong Kong dollars unless otherwise indicated)

22 CAPITAL AND RESERVES (Continued)

(b) Share capital

	Number of shares	Amount HK$
Authorised:		
At 27 April 2017 (date of incorporation) (Note (i))	38,000,000	380,000
Increase in authorised share capital (Note (iii))	1,962,000,000	19,620,000
At 31 March 2018	2,000,000,000	20,000,000
Ordinary shares, Issued and fully paid:		
At 27 April 2017 (date of incorporation) (Note (i))	1	—
Issue of ordinary shares for share swap between the Company and Universe Printshop Limited (Note (ii))	13,333	133
Share Offer (Note (iv))	225,000,000	2,250,000
Capitalisation issue (Note (iv))	674,986,666	6,749,867
At 31 March 2018	900,000,000	9,000,000

Notes:

(i) The Company was incorporated in the Cayman Islands on 27 April 2017 with an authorised share capital of HK$380,000 divided into 38,000,000 ordinary shares of HK$0.01 each. On the date of incorporation, 1 share was allotted and issued at nil paid upon incorporation.

(ii) On 27 April 2017, the Company issued an additional 13,333 shares at nil paid. On 8 June 2017, the Company acquired the entire shareholding interest in Universe Printshop Limited, in consideration of which 13,334 nil-paid shares were credited as fully paid.

Upon the completion of the Reorganisation on 8 June 2017, the Company became the holding company of the Group.

(iii) On 26 February 2018, pursuant to the written resolution of the shareholders of the Company, the authorised share capital of the Company was increased from 38,000,000 shares to 2,000,000,000 shares by the creation of additional 1,962,000,000 shares, ranking *pari passu* in all respects with the shares in issue as at the date of passing of the written resolution.

(iv) The shares of the Company were listed on GEM on 28 March 2018. On the same date, 674,986,666 of the Company's new shares were issued through capitalisation of HK$6,749,867 standing to the credit of share premium account of the Company. Further, 225,000,000 shares of the Company were issued at a price of HK$0.23 per share. The Company received net proceeds of HK$38,644,246 (after deducting listing expenses) in respect of the Share Offer.

22 CAPITAL AND RESERVES (Continued)

(c) Nature and purpose of reserves

(i) Share premium

The share premium account is governed by the Company Law of the Cayman Islands and may be applied by the Company subject to the provision, if any, of its memorandum and articles of association in paying distributions or dividends to equity shareholders.

No distribution or dividend may be paid to the equity shareholders out of the share premium account unless immediately following the date on which the distribution or dividends is proposed to be paid, the Company will be able to pay its debts as they fall due in the ordinary course of business.

(ii) Capital reserve

The capital reserve represented the difference between the par value of the Company's shares issued and the equity of Universe Printshop Limited acquired during the Reorganisation. Pursuant to the Reorganisation, the Company issued 13,333 shares of HK$0.01 each to the then shareholders of Universe Printshop Limited in consideration of acquiring their equity interests held in Universe Printshop Limited. The difference between the then shareholders' equity of Universe Printshop Limited over the par value of the shares issued by the Company was transferred to the capital reserve at the date of Reorganisation.

(d) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group defines "capital" as total equity. The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group is not subject to externally imposed capital requirements in either the current or prior year.

(e) Distributable reserves

At 31 March 2018, the aggregate amount of reserves available for distribution to equity shareholders of the Company, as calculated in accordance with Company Law of the Cayman Islands and the Company's memorandum and articles of association, was HK$16,898,829.

23 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate and foreign currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to bank deposits and trade and other receivables. The Group has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Cash is deposited with financial institutions with sound credit ratings and the Group has exposure limit to any single financial institution. Given their high credit ratings, management does not expect any of these financial institutions and counterparties will fail to meet their obligations.

In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30 to 90 days from invoice date. Normally, the Group does not obtain collateral from customers.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 15.

(b) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements and to ensure that it maintains sufficient reserves of cash and adequate committed funding lines from major financial institutions to meet its liquidity requirements in the short and longer term.

(Expressed in Hong Kong dollars unless otherwise indicated)

23 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(b) Liquidity risk (Continued)

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows and the earliest date the Group can be required to pay:

	2018					
	Carrying amount HK$	Total contractual undiscounted cash flow HK$	Within 12 months or on demand HK$	More than 1 year but less than 2 years HK$	More than 2 years but less than 5 years HK$	More than 5 years HK$
Trade payables, accruals and other payables	32,707,512	32,707,512	32,707,512	–	–	–
Obligations under finance leases	3,503,834	4,024,240	1,377,920	1,201,998	1,444,322	–
	36,211,346	36,731,752	34,085,432	1,201,998	1,444,322	–

	2017					
	Carrying amount HK$	Total contractual undiscounted cash flow HK$	Within 12 months or on demand HK$	More than 1 year but less than 2 years HK$	More than 2 years but less than 5 years HK$	More than 5 years HK$
Trade payables, accruals and other payables	20,876,134	20,876,134	20,876,134	–	–	–
Obligations under finance leases	3,783,888	4,500,291	1,176,831	1,055,526	2,267,934	–
Amounts due to related companies	798,700	798,700	798,700	–	–	–
Amount due to a director	1,754,960	1,754,960	1,754,960	–	–	–
	27,213,682	27,930,085	24,606,625	1,055,526	2,267,934	–

(c) Interest rate risk

The Group's has no significant exposure to interest rate risk as substantially all of the Group's borrowings are fixed rate borrowings.

23 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(d) Foreign currency risk

The Group has no significant exposure to foreign currency risk as substantially all of the Group's transactions are denominated in Hong Kong dollars.

(e) Fair values measurement

The carrying amounts of the Group's financial assets and liabilities carried at cost or amortised cost are not materially different from their fair values as at the end of the reporting period.

24 COMMITMENTS

At 31 March 2018, the Group's total future minimum lease payments under non-cancellable operating leases are payable as follows:

(a) Capital commitments outstanding at 31 March 2018 not provided for in the financial statements were as follows:

	2018 HK$	2017 HK$
Contracted for	**124,500**	659,139

As at 31 March 2018, the Group is committed to certain contracts for the acquisition of intangible assets.

(b) At 31 March 2018, the Group's total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2018 HK$	2017 HK$
Within 1 year	**4,074,500**	3,516,540
After 1 year but within 5 years	**1,903,300**	1,810,400
Total	**5,977,800**	5,326,940

The Group is the lessee in respect of a number of properties under operating leases. The leases typically run for an initial period of one to two years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

(Expressed in Hong Kong dollars unless otherwise indicated)

25 MATERIAL RELATED PARTY TRANSACTIONS

In addition to transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions.

(a) Key management personnel remuneration

All members of key management personnel are the directors of the Group and their remuneration is disclosed in note 8.

(b) Transactions with related parties

During the years, the Group entered into the following material related party transactions:

	2018 HK$	2017 HK$
Rental expenses		
— Universe Printing Company Limited	2,880,000	2,886,000
— Universe Samfine Limited	–	400,800
Cash advances from related companies		
— Universe Printing Company Limited	–	2,712,636
— Startec Colour Separation Company Limited	–	540,000
Repayment of cash advances from related companies		
— Universe Printing Company Limited	–	15,800,385
— Startec Colour Separation Company Limited	798,700	268,704

(Expressed in Hong Kong dollars unless otherwise indicated)

25 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(c) Balances with related parties

As at 31 March 2018, the Group had the following balances with related parties:

		2018 HK$	2017 HK$
(i)	Amounts due from other related parties (note 16)		
	— Print Shop	–	2,915,030
	— Man Luen Travel Limited	–	2,250
	— Universe Samfine Limited	–	1,517,757
	— Universe Printing Company Limited	–	540,021
	— Easy Shop Hong Kong Limited	–	131,518
(ii)	Amounts due to related companies (note 16)		
	— Universe Printing Company Limited	–	—
	— Startec Colour Separation Company Limited	–	(798,700)
(iii)	Amounts due from shareholders (note 16)	–	78,000
(iv)	Amounts due from directors (note 16)	–	1,732,618
(v)	Amount due to a director (note 16)	–	(1,754,960)

The balances are not trade-related, unsecured, interest-free and recoverable/(repayable) on demand.

(Expressed in Hong Kong dollars unless otherwise indicated)

26 COMPANY LEVEL STATEMENT OF FINANCIAL POSITION

	Note	2018 HK$
Non-current assets		
Investment in a subsidiary	13	133
Current assets		
Cash and cash equivalents		47,111,776
Current liabilities		
Accruals		10,647,794
Amounts due to subsidiaries		10,565,286
		21,213,080
Net current assets		25,898,696
NET ASSETS		25,898,829
CAPITAL AND RESERVES		
Share capital		9,000,000
Share premium		29,644,379
Accumulated losses		(12,745,550)
TOTAL EQUITY		25,898,829

Approved and authorised for issue by the board of directors on 21 June 2018.

CHAU Man Keung
Director

HSU Ching Loi
Director

(Expressed in Hong Kong dollars unless otherwise indicated)

27 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2018

Up to the date of issue of the these consolidated financial statements, the HKICPA has issued a number of amendments and new standards which are not yet effective for the year ended 31 March 2018 and which have not been adopted in the consolidated financial statements. These include the following:

	Effective for accounting periods beginning on or after
HKFRS 9, *Financial instruments*	1 January 2018
HKFRS 15, *Revenue from contracts with customers*	1 January 2018
HKFRS 16, *Leases*	1 January 2019
HK(IFRIC) 23, *Uncertainty of income tax treatments*	1 January 2018

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far the Group has identified some aspects of the new standards which may have a significant impact on the consolidated financial statements. Further details of the expected impacts are discussed below. While the assessment has been substantially completed for HKFRS 9 and HKFRS 15, the actual impacts upon the initial adoption of the standards may differ as the assessment completed to date is based on the information currently available to the Group, and further impacts may be identified before the standards are initially applied in the Group's quarter financial report for the three months ended 30 June 2018. The Group may also change its accounting policy elections, including the transition options, until the standards are initially applied in that financial report.

27 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2018 (Continued)

HKFRS 9, *Financial instruments*

HKFRS 9 will replace the current standard on accounting for financial instruments, HKAS 39, *Financial instruments: Recognition and measurement*. HKFRS 9 introduces new requirements for classification and measurement of financial assets, including the measurement of impairment of financial assets and hedge accounting. On the other hand, HKFRS 9 incorporates without substantive changes the requirements of HKAS 39 for recognition and derecognition of financial instruments and the classification and measurement of financial liabilities.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2018 on a retrospective basis. The Group plans to use the exemption from restating comparative information and will recognise any transition adjustments against opening balance of equity at 1 January 2018.

Expected impacts of the new requirements on the Group's financial statements are as follow:

Classification and measurement

HKFRS 9 contains three principal classification categories for financial assets: measured at (1) amortised cost, (2) fair value through profit or loss (FVTPL) and (3) fair value through other comprehensive income (FVTOCI).

Based on the preliminary assessment, the Group expects that its financial assets currently measured at amortised cost will continue with their respective classification and measurements upon the adoption of HKFRS 9. The Group currently does not have any financial assets designated at FVTPL or FVTOCI.

The classification and measurement requirements for financial liabilities under HKFRS 9 are largely unchanged from HKAS 39, except that HKFRS 9 requires the fair value change of a financial liability designated at FVTPL that is attributable to changes of that financial liability's own credit risk to be recognised in other comprehensive income (without reclassification to profit or loss). The Group currently does not have any financial liabilities designated at FVTPL and therefore considers the initial application of HKFRS 9 will not have a significant impact on the Group's results of operations and financial position.

Impairment

The new impairment model in HKFRS 9 replaces the "incurred loss" model in HKAS 39 with an "expected credit loss" model. Under the expected credit loss model, it will no longer be necessary for a loss event to occur before an impairment loss is recognised. Instead, an entity is required to recognise and measure expected credit losses as either 12- month expected credit losses or lifetime expected credit losses, depending on the asset and the facts and circumstances. This new impairment model may result in an earlier recognition of credit losses on the Group's trade receivables. However, a more detailed analysis is required to determine the extent of the impact.

27 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2018 (Continued)

HKFRS 15, *Revenue*

HKFRS 15 establishes a comprehensive framework for recognising revenue from contracts with customers. HKFRS 15 will replace the existing revenue standards, HKAS 18, *Revenue*, which covers revenue arising from sale of goods and rendering of services, and HKAS 11, *Construction contracts*, which specifies the accounting for revenue from construction contracts. The Group is currently assessing the impacts of adopting HKFRS 15 on its consolidated financial statements. Based on the preliminary assessment, the Group considers that the initial application of HKFRS 15 will not have a significant impact on the Group's results of operations and financial position.

HKFRS 16, *Leases*

As disclosed in principal accounting policies note 2(h), currently the Group classifies leases into finance leases and operating leases and accounts for the lease arrangements differently, depending on the classification of the lease. The Group enters into some leases as the lessor and others as the lessee.

HKFRS 16 is not expected to impact significantly on the way that lessors account for their rights and obligations under a lease. However, once HKFRS 16 is adopted, lessees will no longer distinguish between finance leases and operating leases. Instead, subject to practical expedients, lessees will account for all leases in a similar way to current finance lease accounting, i.e. at the commencement date of the lease the lessee will recognise and measure a lease liability at the present value of the minimum future lease payments and will recognise a corresponding "right-of-use" asset. After initial recognition of this asset and liability, the lessee will recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the current policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (i.e. where the lease term is 12 months or less) and to leases of low-value assets, in which case the rental expenses would continue to be recognised on a systematic basis over the lease term.

HKFRS 16 will primarily affect the Group's accounting as a lessee of leases for properties, plant and equipment which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of profit or loss over the period of the lease. As disclosed in note 24(b), at 31 March 2018, the Group's future minimum lease payments under non-cancellable operating leases amount to HK$5,977,800 for properties, the majority of which is payable between 1 and 5 years after the reporting date. Some of these amounts may therefore need to be recognised as lease liabilities, with corresponding right-of-use assets, once HKFRS 16 is adopted. The Group will need to perform a more detailed analysis to determine the amounts of new assets and liabilities arising from operating lease commitments on adoption of HKFRS 16, after taking into account the applicability of the practical expedient and adjusting for any leases entered into or terminated between now and the adoption of HKFRS 16 and the effects of discounting. So far the directors of the Group do not expect the adoption of HKFRS 16 would result in significant impact on the results and the net assets of the Group.

FINANCIAL SUMMARY

A summary of the published results and of the assets, liabilities and equity of the Group for the last three financial years, as extracted from this annual report and the accountant's report as contained in the Prospectus, is set out below.

	Year ended 31 March		
	2018	2017	2016
	HK$'000	HK$'000	HK$'000
Revenue	**142,583**	133,869	124,048
Gross profit	**35,157**	31,350	30,408
(Loss)/profit and total comprehensive income for the year	**(9,154)**	3,391	5,267

	As at 31 March		
	2018	2017	2016
	HK$'000	HK$'000	HK$'000
Non-current assets	**12,660**	16,607	20,364
Current assets	**87,818**	42,677	24,206
Total assets	**100,478**	59,284	44,570
Current liabilities	**39,450**	26,901	35,938
Non-current liabilities	**3,376**	4,222	3,861
Total liabilities	**42,826**	31,123	39,799
Total equity	**57,652**	28,161	4,771