

### CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

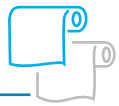
GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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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 GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. 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 respects 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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## FIRST QUARTERLY RESULTS

The board of Directors (the “Board”) of the Company is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the three months ended 30 June 2018, together with the comparative figures for the corresponding period in 2017.

### CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 30 June 2018

	Note	Unaudited Three months ended 30 June	
		2018 HK\$	2017 HK\$
<b>Revenue</b>	3(a)	37,812,780	33,740,291
Cost of sales		(30,315,062)	(25,122,591)
<b>Gross profit</b>		7,497,718	8,617,700
Other revenue		289,110	221,640
Other net income		40,009	138
Selling and administrative expenses		(8,724,037)	(12,986,117)
<b>Loss from operations</b>		(897,200)	(4,146,639)
Finance costs		(68,413)	(89,285)
<b>Loss before taxation</b>	3(b)	(965,613)	(4,235,924)
Income tax	4	(73,182)	(306,722)
<b>Loss for the period attributable to equity shareholders of the Company</b>		(1,038,795)	(4,542,646)
<b>Loss per share</b>	5		
Basic and diluted (HK cents)		(0.12)	(0.67)



## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the three months ended 30 June 2018

	Share capital HK\$	Share premium HK\$	Capital reserve HK\$	(Accumulated losses)/ retained profits HK\$	Total HK\$
<b>At 1 April 2017 (audited)</b>	104,005	19,973,995	—	8,083,148	28,161,148
<b>Changes in equity for the period ended 30 June 2017:</b>					
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)
Loss and total comprehensive income for the period	—	—	—	(4,542,646)	(4,542,646)
<b>At 30 June 2017 (unaudited)</b>	133	—	20,077,867	3,540,502	23,618,502
<b>At 1 April 2018 (audited)</b>	<b>9,000,000</b>	<b>29,644,379</b>	<b>20,077,867</b>	<b>(1,070,728)</b>	<b>57,651,518</b>
<b>Changes in equity for the period ended 30 June 2018:</b>					
Loss and total comprehensive income for the period	—	—	—	(1,038,795)	(1,038,795)
<b>At 30 June 2018 (unaudited)</b>	<b>9,000,000</b>	<b>29,644,379</b>	<b>20,077,867</b>	<b>(2,109,523)</b>	<b>56,612,723</b>

Notes:

- The share capital balance as at 1 April 2017 represented the issued share capital of its subsidiary, Universe Printshop Limited as at that date.
- 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.
- 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 of the Group ("Reorganisation") on 8 June 2017, the Company became the holding company of the Group. Details of the Group Reorganisation are as set out in the section headed "History, Reorganisation and Corporate Structure" to the prospectus issued by the Company dated 13 March 2018 (the "Prospectus").

- The capital reserve arose from the Reorganisation. 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.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION



## 1 GENERAL INFORMATION

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. The shares of the Company have been listed on GEM of the Stock Exchange with effect from 28 March 2018.

The Group are principally engaged in the provision of general printing services and trading of printing products.

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.

The condensed consolidated financial information is presented in Hong Kong dollars (“HK\$”) unless otherwise stated.

The condensed consolidated financial information of the Group for the three months ended 30 June 2018 which has not been audited but has been reviewed by the audit committee of the Company. The unaudited condensed consolidated financial information was approved for issue by the Board on 6 August 2018.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basic of preparation and presentation

This condensed consolidated financial information for the three months ended 30 June 2018 has been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure requirements of the GEM Listing Rules. The condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2018.

The accounting policies used in the preparation of this condensed consolidated financial information are consistent with those described in the annual financial statements for the year ended 31 March 2018, except for the adoption of new or revised HKFRSs which have become effective for accounting periods beginning on or after 1 January 2018.

Certain new or revised HKFRSs, potentially relevant to the Group’s accounting policies, have been issued, but not yet effective and have not been early adopted by the Group.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)



## 3 REVENUE AND SEGMENT INFORMATION

### (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:

	Unaudited Three months ended 30 June	
	2018 HK\$	2017 HK\$
Offset printing	28,706,564	26,451,838
Toner-based digital printing	2,469,405	2,028,717
Ink-jet	5,217,315	3,534,580
Other services	1,419,496	1,725,156
	<b>37,812,780</b>	<b>33,740,291</b>

### (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.

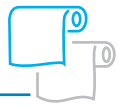
#### Toner-based digital printing

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.

#### 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.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)



## 3 REVENUE AND SEGMENT INFORMATION (Continued)

### (b) Segment reporting (Continued)

#### 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.

The segment information provided to the Executive Directors for the reportable segments for the three months ended 30 June 2018 and 2017 is as follows:

	Unaudited Three months ended 30 June									
	Offset printing		Digital printing		Ink-jet		Other services		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Revenue from external customers	28,706,564	26,451,838	2,469,405	2,028,717	5,217,315	3,534,580	1,419,496	1,725,156	37,812,780	33,740,291
Inter-segment revenue	—	—	—	—	—	—	—	—	—	—
Reportable segment revenue	28,706,564	26,451,838	2,469,405	2,028,717	5,217,315	3,534,580	1,419,496	1,725,156	37,812,780	33,740,291
Reportable segment profit	1,325,407	1,997,672	551,392	477,026	469,066	565,446	149,392	153,783	2,495,257	3,193,927
Other revenue and net income									479	2,125
Finance costs									(6,658)	(10,691)
Depreciation and amortisation of corporate assets									(194,510)	(122,574)
Unallocated office and corporate expenses									(3,260,181)	(7,298,711)
Loss before income tax									(965,613)	(4,235,924)

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (Continued)



## 4 INCOME TAX

The Group is not subject to taxation in the Cayman Islands. Hong Kong profits tax has been provided for at the rate of 16.5% on the estimated assessable profit for the three months ended 30 June 2018 and 2017.

	Unaudited Three months ended 30 June	
	2018 HK\$	2017 HK\$
<b>Current tax</b>		
Provision for Hong Kong Profits Tax for the year	73,182	306,722
	<b>73,182</b>	<b>306,722</b>

## 5 LOSS PER SHARE

### (a) Basic loss 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\$1,038,795 (2017: loss attributable to ordinary equity shareholders of the Company of HK\$4,542,646) and the weighted average of 900,000,000 ordinary shares (2017: 675,000,000 ordinary shares) in issue during the period.

The weighted average number of ordinary shares in issue during the three months ended 30 June 2017 has been adjusted for the effect of the capitalisation issue pursuant to the Reorganisation as stated in the prospectus of the Company dated 13 March 2018.

### (b) Diluted loss 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.



# MANAGEMENT DISCUSSION AND ANALYSIS



## 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.

During the three months ended 30 June 2018 (“Q1 2018”), the Group achieved an increase in revenue as a result of an increase in customer orders. Excluding the impact of listing-related expenses, the Group would have recorded a net loss of HK\$0.8 million for Q1 2018, as compared to a net profit of HK\$1.3 million for the three months ended 30 June 2017 (“Q1 2017”).

## OUTLOOK

In view of the keen competition and inflationary pressure, the Group will pay close attention on the market trend and cautiously tighten the control over operating expenses to maintain our profitability and competitiveness in the market. The market size generated by companies with retail channel as a proportion of the business printing market in Hong Kong is expected to grow in the coming few years. Furthermore, the Group plans to further develop its non-store sales by arranging more sales staff to promote our printing service to and serve its credit customers, in order to improve the Group’s service mix and overall margin. The Group is confident with the future prospect to achieve a balanced development of the business.

## FINANCIAL REVIEW

### Revenue

The total revenue of the Group for Q1 2018 was increased by HK\$4.1 million or 12.1% to HK\$37.8 million as compared to HK\$33.7 million for Q1 2017. The increase in total revenue was mainly contributed by the increase in revenue from offset printing and ink-jet printing. The revenue from offset printing and ink-jet printing increased by HK\$2.3 million and HK\$1.7 million respectively which were mainly attributable to the increase in average revenue per order and the increase in overall demand.

### 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\$25.1 million for Q1 2017 to HK\$30.3 million for Q1 2018, which was mainly attributable to the increase in unit cost of raw materials and sub-contracting charges. The increase in sub-contracting charges were mainly due to the fact that (i) the subcontractors charging us a higher fee as compared to Q1 2017; and (ii) more printing activities were sub-contracted to sub-contractors in Q1 2018 as compared to Q1 2017. Raw material cost and subcontracting fee together accounted for 76.5% and 72.6% of our total cost of sales for Q1 2018 and Q1 2017, respectively.

### Gross profit and gross profit margin

The gross profit of the Group decreased from HK\$8.6 million for Q1 2017 to HK\$7.5 million for Q1 2018. The gross profit margin was decreased from 25.5% to 19.8% mainly due to the increase in unit cost of raw materials and subcontracting charges.

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)



### 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\$8.7 million for Q1 2018, which represented a decrease of HK\$4.3 million as compared to HK\$13.0 million for Q1 2017. The listing expenses in relation to the listing of the Company's shares on GEM (the "Listing") on 28 March 2018 recognised for Q1 2018 and Q1 2017 were HK\$0.2 million and HK\$5.9 million respectively. Excluding the listing expenses, the selling and administrative expenses for Q1 2018 increased by HK\$1.4 million as compared to that for Q1 2017, which was mainly attributable to (i) increase in staff cost of HK\$0.7 million due to the increase in headcount and salary adjustment; and (ii) increase in expenses for compliance and reporting purpose after the Listing.

### Income tax expenses

Income tax expense decrease from HK\$306,722 for Q1 2017 to HK\$73,182 for Q1 2018 representing a decrease of 76.1%. Such decrease was mainly attributable to the decrease in the Group's overall gross profit and increase in administrative expenses.

### Loss for the period attributable to owners of the Company

The Group recorded a loss for the period attributable to equity shareholders of the Company amounting to HK\$1.0 million for Q1 2018, while the Group generated a loss amounted to HK\$4.5 million for Q1 2017. Excluding the impact of the listing expenses in both periods, the Group would have recorded a net loss of HK\$0.8 million for Q1 2018, as compared to a net profit of HK\$1.3 million for Q1 2017. Such decrease was mainly attributable to (i) the decrease in gross profit; and (ii) the increase in administrative expenses.

## DIVIDENDS

The Board does not recommend the payment of an interim dividend for Q1 2018 (Q1 2017: nil).



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

As at 30 June 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 30 June 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.

## OTHER INFORMATION (Continued)



### 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 30 June 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 30 June 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:

- Ms. Siu is the spouse of Mr. Chau Man Keung, an executive Director. By virtue of the 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.
- 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.
- 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.
- 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.



## SHARE OPTION SCHEME

The Company adopted a share option scheme (the “Share Option Scheme”) on 26 February 2018 and no options have been granted, exercised or cancelled since then and up to the date of this report.

The Share Option Scheme shall be valid and effective for a period of 10 years from the adoption date, after which no further options may be issued. A summary of the principal terms of the Share Option scheme is set out in Appendix IV to the Prospectus.

## CORPORATE GOVERNANCE CODE

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 three months ended 30 June 2018.

## CODE OF CONDUCT FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no 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 three months ended 30 June 2018.

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.

## 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 three months ended 30 June 2018.

## OTHER INFORMATION (Continued)



### COMPETING BUSINESS

For the three months ended 30 June 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.

### INTERESTS OF COMPLIANCE ADVISER

As at 30 June 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.

### AUDIT COMMITTEE

The Audit Committee currently consists of all independent non-executive Directors, namely Mr. Chan Chun Kit ("Mr. Chan"), Dr. Sun Yongjing and Mr. Wan Aaron Chi Keung, BBS, JP. Mr. Chan is the chairman of the Audit Committee.

The Audit Committee has reviewed this quarterly report with the management and is of the view that such quarterly report complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

By order of the Board of  
**Universe Printshop Holdings Limited**  
**Chau Man Keung**  
*Chairman and Executive Director*

Hong Kong, 6 August 2018

*As at the date of this report, the executive Directors are Mr. Chau Man Keung, Mr. Hsu Ching Loi, Mr. Wong Man Hin Joe and Mr. Leung Yuet Cheong and the independent non-executive Directors are Mr. Wan Aaron Chi Keung, BBS, JP, Mr. Chan Chun Kit and Dr. Sun Yongjing.*