



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

# FIRST QUARTERLY REPORT 2019

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

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this quarterly report (the “Report”), make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Report.*

*The 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 the 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 the Report misleading.*

[www.123print.com.hk](http://www.123print.com.hk)

02	<b>FINANCIAL HIGHLIGHTS</b>
03	<b>MANAGEMENT DISCUSSION AND ANALYSIS</b>
05	<b>OTHER INFORMATION</b>
09	<b>FIRST QUARTERLY RESULTS</b>
09	<b>UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b>
10	<b>UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY</b>
11	<b>NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS</b>

# CONTENTS

## FINANCIAL HIGHLIGHTS

The revenue of the Company and its subsidiaries (the “Group”) was approximately HK\$36.6 million for the three months ended 30 June 2019, representing a slight decrease from approximately HK\$37.8 million for the three months ended 30 June 2018. Such decrease was mainly due to the decrease in demand for offset printing services.

The gross profit was approximately HK\$6.7 million for the three months ended 30 June 2019, representing a decrease of approximately 10.4% as compared to HK\$7.5 million for the three months ended 30 June 2018 which is mainly due to (i) the decrease in revenue; and (ii) an one-off and temporary suspension in the production line for the setup of and staff training for the newly acquired six-colour offset press during April 2019.

The loss attributable to owners of our Company was approximately HK\$2.1 million for the three months ended 30 June 2019 (excluding the impact of an one-off gain on disposal of property, plant and equipment of approximately HK\$3.2 million), as compared to a loss of HK1.0 million recorded for the three months ended 30 June 2018. Such decrease was mainly attributable to (i) the decrease in revenue; (ii) an one off and temporary suspension in the production line for the setup of and staff training for the newly acquired six-colour offset press; and (iii) the increase in salary costs. The continuing fierce market competition made it difficult for the Group to pass on the increased costs to customers. The Group will pay close attention on the market trend and cautiously tighten the control over operating expenses by ongoing review on the operation model to maintain our profitability and competitiveness in the market.

The board of Directors (the “Board”) does not recommend the payment of an interim dividend for the three months ended 30 June 2019 (for the three months ended 30 June 2018: Nil).

# 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.

The Group recorded revenue of approximately HK\$36.6 million for the three months ended 30 June 2019 ("Q1 2019"), representing an decrease of approximately 3.1% as compared to the revenue of approximately HK\$37.8 million for the three months ended 30 June 2018 ("Q1 2018"). Such decrease was mainly due to the decrease in demand for offset printing services. The Group's gross profit margins decreased to approximately 18.3% for Q1 2019 from approximately 19.8% for Q1 2018. Such decrease in the Group's gross profit was mainly attributable to (i) the decrease in revenue; and (ii) an one-off and temporary suspension in the production line for the setup of and staff training for the newly acquired six-colour offset press during April 2019. For Q1 2019, the Group recorded a net loss of approximately HK\$2.1 million (excluding the impact of an one-off gain on disposal of property, plant and equipment of approximately HK\$3.2 million), as compared to a net loss of HK\$1.0 million for Q1 2018.

## OUTLOOK

In view of the political instability in Hong Kong, our result of operation is expected to experience a downturn in the first half of 2019. The Group will continue to pay close attention on the market trend and cautiously tighten the control over operating expenses by ongoing review on the operation model to maintain our profitability and competitiveness in the market. Furthermore, the Group plans to (i) enhance our range of products by use of a newly acquired six-colour offset press as disclosed in the Company's announcement dated 18 October 2018 in order to improve the Group's service mix; and (ii) develop non-paper printing products to meet the increasing demand of the market.

## FINANCIAL REVIEW

### Revenue

The total revenue of the Group for Q1 2019 was decreased by HK\$1.2 million or 3.1% to HK\$36.6 million as compared to HK\$37.8 million for Q1 2018. The decrease in total revenue was mainly contributed by the decrease in demand for offset printing services.

Offset printing continued to account for the largest share of the Group's revenue. It generated HK\$27.7 million or 75.5% of the Group's total revenue, a decrease of HK\$1.1 million or 3.7% as compared to HK\$28.7 million in Q1 2018 which was mainly attributable to the decrease in the demand for offset printing services.

Ink-jet printing generated revenues amounted to HK\$5.2 million for Q1 2019 and Q1 2018.

Revenue from toner-based digital printing remained relatively stable in Q1 2018 and Q1 2019, amounted to HK\$2.5 million and HK\$2.5 million and contributed to 6.5% and 6.7% of our Group's total revenue for Q1 2018 and Q1 2019, respectively.

Revenue from other services decreased from HK\$1.4 million in Q1 2018 to HK\$1.3 million in Q1 2019. Such decrease was mainly due to the decline in demand for pre-press design services.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Gross profit and gross profit margin

The gross profit of the Group decreased from HK\$7.5 million for Q1 2018 to HK\$6.7 million for Q1 2019. The gross profit margin decreased from 19.8% to 18.3% mainly due to an one-off and temporary suspension in a production line for the setup of and staff training for the newly acquired six-colour offset press during April 2019.

### Other gains or losses

Other gains or losses in Q1 2019 mainly represents gain on disposal of a four-colour offset press amounting to approximately HK\$3.2 million.

### Profit/(Loss) for the period attributable to owners of the Company

For Q1 2019, the Group recorded a net loss of approximately HK\$2.1 million (excluding the impact of an one-off gain on disposal of property, plant and equipment of approximately HK\$3.2 million), as compared to a net loss of HK\$1.0 million for Q1 2018. Such decrease was mainly attributable to (i) the decrease in revenue; (ii) an one-off and temporary suspension in the production line for the setup of and staff training for the newly acquired six-colour offset press; and (iii) the increase in salary costs. The continuing fierce market competition made it difficult for the Group to pass on the increased costs to customers.

## DIVIDENDS

The Board does not recommend the payment of an interim dividend for Q1 2019 (Q1 2018: Nil).

## OTHER INFORMATION

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

As at 30 June 2019, 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 2019

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

### 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 2019, 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 2019

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.



### 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, lapsed 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 of the Company dated 13 March 2018.

### CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance in emphasising a quality board of directors, sound internal control, transparency and accountability with a view to safeguard the interests of all the Shareholders. The Board has adopted the principles and the code provisions of Corporate Governance Code (the “CG Code”) contained in Appendix 15 to the GEM Listing Rules. During the three months ended 30 June 2019, the Company has complied with all the code provisions of the CG Code as set out in Appendix 15 to the GEM Listing Rules.

### 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 2019.

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 2019.

### COMPETING BUSINESS

For the three months ended 30 June 2019, 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.

## OTHER INFORMATION

### INTERESTS OF COMPLIANCE ADVISER

As at 30 June 2019, 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 Company's audit committee ("Audit Committee") comprises three 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 unaudited condensed consolidated financial statements have not been audited. The Audit Committee has reviewed with the management of the Group the quarterly report and is satisfied that the unaudited condensed consolidated financial statements complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

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

Hong Kong, 9 August 2019

*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.*

# FIRST QUARTERLY RESULTS

The Board of the Company is pleased to present the unaudited condensed consolidated results of the Group for the three months ended 30 June 2019 together with the unaudited comparative figures for the corresponding periods in 2018 as follows:

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30 June 2019

	Note	Unaudited Three months ended 30 June	
		2019 HK\$	2018 HK\$
Revenue	3	36,643,114	37,812,780
Cost of sales		(29,926,512)	(30,315,062)
Gross profit		6,716,602	7,497,718
Other income		327,824	289,110
Other gains or losses		3,159,759	40,009
Selling and administrative expenses		(8,871,066)	(8,724,037)
Profit/(Loss) from operations		1,333,119	(897,200)
Finance costs		(68,293)	(68,413)
Profit/(Loss) before taxation		1,264,826	(965,613)
Income tax	4	(185,792)	(73,182)
Profit/(Loss) for the period attributable to owners of the Company		1,079,034	(1,038,795)
		<b>HK cents</b>	<b>HK cents</b>
Earnings/(Losses) per share			
Basic and diluted	5	0.12	(0.12)

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2019

	Share capital HK\$	Share premium HK\$	Capital reserve HK\$	Accumulated losses HK\$	Total HK\$
At 1 April 2018 (audited)	9,000,000	29,644,379	20,077,867	(1,070,728)	57,651,518
Loss and total comprehensive income for the period	—	—	—	(1,038,795)	(1,038,795)
At 30 June 2018 (unaudited)	9,000,000	29,644,379	20,077,867	(2,109,523)	56,612,723
At 1 April 2019 (audited)	<b>9,000,000</b>	<b>29,644,379</b>	<b>20,077,867</b>	<b>(6,405,984)</b>	<b>52,316,262</b>
Profit and total comprehensive income for the period	—	—	—	<b>1,079,034</b>	<b>1,079,034</b>
At 30 June 2019 (unaudited)	<b>9,000,000</b>	<b>29,644,379</b>	<b>20,077,867</b>	<b>(5,326,950)</b>	<b>53,395,296</b>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1 GENERAL INFORMATION

The Company is a public limited company incorporated in the Cayman Islands on 27 April 2017 as an exempted company and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 28 March 2018. The Company was incorporated in the Cayman Islands under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is Office F, 12/F Legend Tower, No. 7 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong. Its controlling shareholder is Mr. Chau Man Keung, who is also an executive director of the Company.

The Company acts as an investment holding company. The Group are principally engaged in the provision of general printing services and trading of printing products.

The unaudited condensed consolidated financial statements of the Group for the three months ended 30 June 2019 which has not been audited but has been reviewed by the audit committee of the Company. The unaudited condensed consolidated financial statements was approved for issue by the Board of directors on 9 August 2019.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basic of preparation and presentation

The unaudited condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules and the applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individuals HKFRSs, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The unaudited condensed consolidated financial statements should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2019.

The accounting policies adopted in the preparation of the unaudited condensed consolidated financial statements are same as those applied in the preparation of the Group’s annual financial statements for the year ended 31 March 2019 (the “2019 Annual Financial Statements”), except for the new and revised HKFRSs and interpretations issued by HKICPA that are first effective for the current accounting period of the Company. Except for the impact of HKFRS 16 as set out in the 2019 Annual Financial Statements, there has been no significant change to the accounting policy applied in these unaudited condensed consolidated financial statements for the period presented as a result of adoption of these amendments.

The unaudited condensed consolidated financial statements have been prepared under the historical cost basis.

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

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 3 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:

	Unaudited Three months ended 30 June	
	2019 HK\$	2018 HK\$
Revenue from contracts with customers within the scope of HKFRS 15		
Timing of revenue recognition — At a point in time		
Offset printing	27,651,663	28,706,564
Toner-based digital printing	2,471,934	2,469,405
Ink-jet printing	5,223,588	5,217,315
Other services	1,295,929	1,419,496
	<b>36,643,114</b>	<b>37,812,780</b>

The Group's customer base is diversified with no customer with whom transactions have exceeded 10% of the Group's revenue.

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.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 3 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.

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:

Income and expenses are allocated to the reportable segments with reference to sales or income 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. Segment revenue represents revenue from external customers and there were no inter-segment sales between different segments during the period and in prior period.

Reportable segment profit excludes corporate income and expenses (includes finance costs) from the Group's profit or loss before taxation. Corporate income and expenses are income and expenses incurred by corporate headquarters which are not allocated to the operating segments that mainly included rental expenses of office premises and directors' remuneration. Each of the operating segments is managed separately as the resources requirement of each of them is different.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 3 REVENUE AND SEGMENT REPORTING (Continued)

### (b) Segment reporting (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 three months ended 30 June 2019 and 2018 is set out below:

	Unaudited									
	Three months ended 30 June									
	Offset printing		Digital printing		Ink-jet		Other services		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Reportable segment revenue	<b>27,651,663</b>	28,706,564	<b>2,471,934</b>	2,469,405	<b>5,223,588</b>	5,217,315	<b>1,295,929</b>	1,419,496	<b>36,643,114</b>	37,812,780
Gain on disposal of property, plant and equipment	<b>3,150,000</b>	—	<b>8,800</b>	40,000	—	—	—	—	<b>3,158,800</b>	40,000
Reportable segment profit	<b>3,595,241</b>	1,325,407	<b>451,356</b>	551,392	<b>444,435</b>	469,066	<b>76,243</b>	149,392	<b>4,567,275</b>	2,495,257
Other revenue and net income									<b>81,298</b>	479
Finance costs									<b>(30,870)</b>	(6,658)
Depreciation									<b>(126,906)</b>	(194,510)
Unallocated office and corporate expenses									<b>(3,225,971)</b>	(3,260,181)
Profit/(Loss) before income tax									<b>1,264,826</b>	(965,613)



## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 4 INCOME TAX

	Unaudited Three months ended 30 June	
	2019 HK\$	2018 HK\$
<b>Current tax</b>		
Provision for Hong Kong Profits Tax for the period	—	73,182
<b>Deferred tax</b>		
Charged to profit or loss	185,792	—
	<b>185,792</b>	<b>73,182</b>

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

The provision for Hong Kong Profits Tax is calculated at 16.5% (2018: 16.5%) of the estimated assessable profits for the period. On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax regime, the first HK\$2 million of profits of qualifying entities will be taxed at 8.25% whereas profits above HK\$2 million will be taxed at 16.5%. The profits of entities not qualifying for the two-tiered tax rates regime will continue to be taxed at a flat rate of 16.5%. The two-tiered profits tax rates regime is applicable to a nominated qualifying entity in the Group for its annual reporting period beginning on 1 April 2018.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 5 EARNINGS/(LOSSES) PER SHARE

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

The calculation of basic earnings/(losses) per share was based on the profit attributable to owners of the Company of HK\$1,079,034 (30 June 2018: loss of HK\$1,038,795) and the weighted average of 900,000,000 (2018: 900,000,000 ordinary shares) ordinary shares in issue during the period.

#### (b) Diluted earnings/(losses) per share

The diluted earnings/(losses) per share is the same as the basic earnings/(losses) per share as the Group did not have dilutive potential ordinary shares for both periods.