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eprint GROUP LIMITED

eprint 集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1884)

**CONNECTED TRANSACTIONS
ACQUISITION OF PROPERTIES**

The Board announces that on 27 June 2016:

- (1) eprint Investments has entered into the 1st Provisional Agreement with the Vendor, pursuant to which the eprint Investments conditionally agreed to acquire, and the Vendor conditionally agreed to sell the Property I located at Unit A4 on Ground Floor of Block 4, Kwun Tong Industrial Centre, Nos. 436-446 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong at the 1st Consideration of HK\$30,000,000; and
- (2) eprint Property has entered into the 2nd Provisional Agreement with the Vendor, pursuant to which eprint Property conditionally agreed to acquire, and the Vendor conditionally agreed to sell the Property II located at Unit B4 on Ground Floor of Block 4, Kwun Tong Industrial Centre, Nos. 436-446 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong at the 2nd Consideration of HK\$32,000,000.

The Properties are presently leased by the Group under the 2015 Tenancy Agreements, which will expire on 31 March 2019. Further details regarding the 2015 Tenancy Agreement were set out in the circular of the Company dated 1 February 2016.

The Consideration for the Properties is payable to the Vendor (i) as to HK\$1,500,000 for Property I and HK\$1,600,000 for Property II as initial deposit upon signing of the Provisional Agreements; (ii) as to HK\$1,500,000 for Property I and HK\$1,600,000 for Property II as further deposit upon signing of the Formal Agreements; and (iii) balance of HK\$27,000,000 for Property I and HK\$28,800,000 for Property II upon Completion. Completion of the acquisition of Property I and Property II are not interconditional.

The Consideration shall be satisfied partly by internal financial resources of the Group and partly by the possible banking facilities available to the Group.

GENERAL

CTP is principally engaged in the business of property investment, and is beneficially owned as to 25% by Mr. She, 25% by Mr. Chong, 25% by Mr. WM Leung and 25% by an Independent Third Party, respectively.

Accordingly, CTP is an associate of Mr. She, Mr. Chong, and Mr. WM Leung, and hence they are considered as connected persons of the Group under Chapter 14A of the Listing Rules.

The transactions contemplated under the Provisional Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable ratios under the Provisional Agreements are more than 5%, the transactions contemplated under the Provisional Agreements are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

A circular containing, among others:

- (a) details of the Provisional Agreements;
- (b) a letter from the Independent Financial Adviser to the Independent Board Committee containing its advice on the Connected Transactions;
- (c) the recommendation of the Independent Board Committee on the Connected Transactions; and
- (d) the notice of EGM to be convened to approve, among others, the transactions contemplated under the Provisional Agreements,

will be dispatched to the Shareholders in accordance with the Listing Rules on or before 29 July 2016.

The Board announces that on 27 June 2016:

- (1) eprint Investments has entered into the 1st Provisional Agreement with the Vendor, pursuant to which the eprint Investments conditionally agreed to acquire, and the Vendor conditionally agreed to sell the Property I located at Unit A4 on Ground Floor of Block 4, Kwun Tong Industrial Centre, Nos. 436-446 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong at the 1st Consideration of HK\$30,000,000; and
- (2) eprint Property has entered into the 2nd Provisional Agreement with the Vendor, pursuant to which eprint Property conditionally agreed to acquire, and the Vendor conditionally agreed to sell the Property II located at Unit B4 on Ground Floor of Block 4, Kwun Tong Industrial Centre, Nos. 436-446 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong at the 2nd Consideration of HK\$32,000,000.

The Properties are presently leased by the Group under the 2015 Tenancy Agreements, which will be expired on 31 March 2019. Further details regarding the 2015 Tenancy Agreements were set out in the circular of the Company dated 1 February 2016.

THE PROVISIONAL AGREEMENTS

1st Provisional Agreement

Date: 27 June 2016 (after trading hours)

Parties: (1) eprint Investments as purchaser; and
(2) CTP as vendor

Assets to be acquired

The Property I located at Unit A4 on Ground Floor of Block 4, Kwun Tong Industrial Centre, Nos. 436-446 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong, which is presently leased by Lucky Gainer pursuant to the 2015 Tenancy Agreements which will expire on 31 March 2019.

1st Consideration

The 1st Consideration of HK\$30,000,000 for the Property I is payable by eprint Investments (i) as to HK\$1,500,000 as an initial deposit upon signing of the 1st Provisional Agreement; (ii) as to HK\$1,500,000 as a further deposit upon signing of the 1st Formal Agreement in respect of the acquisition of the Property I; and (iii) balance of HK\$27,000,000 upon Completion.

2nd Provisional Agreement

Date: 27 June 2016 (after trading hours)

Parties: (1) eprint Property as purchaser; and
(2) CTP as vendor

Assets to be acquired

The Property II located at Unit B4 on Ground Floor of Block 4, Kwun Tong Industrial Centre, Nos. 436-446 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong, which is presently leased by Lucky Gainer pursuant to the 2015 Tenancy Agreements which will expire on 31 March 2019.

2nd Consideration

The 2nd Consideration of HK\$32,000,000 for the Property II is payable by eprint Property (i) as to HK\$1,600,000 as an initial deposit upon signing of the 2nd Provisional Agreement; (ii) as to HK\$1,600,000 as a further deposit upon signing of the 2nd Formal Agreement in respect of the acquisition of the Property II; and (iii) balance of HK\$28,800,000 upon Completion.

The Consideration shall be satisfied partly by internal financial resources of the Group and partly by the possible banking facilities available to the Group.

Basis of the Consideration

The Consideration was determined between the parties after arm's length negotiations and on normal commercial terms, taking into account the valuation of the Property I of HK\$30 million and the Property II of HK\$32 million as at 31 May 2016.

The Directors (other than the independent non-executive Directors who will form their view after considering the advice from the Independent Financial Adviser and the Interested Directors who have abstained from voting due to their interest in the Provisional Agreements) considered that the Consideration is in the interests of the Company and the Shareholders as a whole.

Major terms for completion of the Provisional Agreements

Each of eprint Investments and eprint Property shall enter into the Formal Agreements with the Vendor respectively in respect of the acquisition of the Properties on or before 31 August 2016 after obtaining approval from the Independent Shareholders at the EGM regarding the Provisional Agreements. The acquisition of the Properties shall be completed on or before 31 October 2016 upon execution of the Formal Agreements. The acquisition of the Properties is not inter-conditional upon each other.

Purchaser fails to perform

Should eprint Investments and/or eprint Property fail to complete the purchase of the Property I or Property II (where applicable) in accordance with the Formal Agreements, the deposits will be forfeited to the Vendor and the Vendor shall then be entitled, at its absolute discretion to sell the Property I and/or Property II (where applicable) to anyone it thinks fit and the Vendor shall not sue eprint Investments and/or eprint Property for any liabilities and/or damages or to enforce specific performance.

Vendor fails to perform

Should the Vendor after receiving the initial deposit paid under the Provisional Agreements fail to complete the sale of the Properties in the manner contained in the Provisional Agreements, the Vendor shall immediately compensate eprint Investments and/or eprint Property (where applicable) with a refund of the initial deposit together with a sum equivalent to the amount of the initial deposits as liquidated damages and reimbursement/payment (as the case may be) of stamp duty for the Properties, and eprint Investments and/or eprint Property (where applicable) shall not take any further action to claim for any related damages or to enforce specific performance.

Conditions

The Provisional Agreements are conditional upon the transactions contemplated thereunder being approved by the Independent Shareholders at the EGM.

POSSIBLE FINANCIAL EFFECTS OF THE ACQUISITION

Based on the estimation of the Directors, the Acquisition would not lead to significant impact on the financial position of the Group. The working capital of the Group would be reduced as a result of the payment of the Consideration and the gearing level of the Company may increase as a result of the utilisation of the possible banking facilities available to the Group.

REASONS FOR THE ACQUISITION

The Group is principally engaged in the provision of printing services and solutions on advertisement, bound books and stationeries, to a diversified customer base in Hong Kong, including provision of one-stop internet printing service, from provision of design tools and software of customized products to various kinds of printing and processing services, to meet the diverse needs of customers.

The Vendor is principally engaged in the business of property investment, and is beneficially owned as to 25% by Mr. She, 25% by Mr. Chong, 25% by Mr. WM Leung and 25% by an Independent Third Party, respectively.

The Directors considered that the Acquisition provides an excellent opportunity for the Group to (i) reduce ongoing rental payments for the Properties; (ii) eliminate the potential risks to the operation of the Group in the event that the 2015 Tenancy Agreements could not be renewed upon its expiry in the future; (iii) avoid the possible increase in rents for the Properties upon the expiry of the 2015 Tenancy Agreements, and (iv) to receive rental income from the leasing of the Properties if and when appropriate. The Directors (other than the independent non-executive Directors who will form their view after considering the advice from the Independent Financial Adviser and the Interested Directors who have abstained from voting due to their interest in the Provisional Agreements) considered that the Provisional Agreements are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, and the Acquisition is in the interests of the Company and Shareholders as a whole.

GENERAL

CTP is an associate of Mr. She, Mr. Chong, and Mr. WM Leung, and hence it is considered as a connected person of the Group under Chapter 14A of the Listing Rules.

As Mr. She, Mr. Lam, Mr. Leung YP and Mr. Chong, Directors of the Company, being the Concerted Shareholders, have or deemed to have material interests in the transactions contemplated under the Provisional Agreements, they have abstained from voting on the Board resolutions approving the Provisional Agreements and the transactions contemplated thereunder.

The transactions contemplated under the Provisional Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules. As the Consideration of the Acquisition is more than HK\$10,000,000 and the applicable ratios calculated thereof are more than 5%, the transactions contemplated under the Provisional Agreements are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Messis Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Board Committee comprising all independent non-executive Directors has been established to advise the Independent Shareholders, in respect of the Connected Transactions.

A circular containing, among others:

- (a) details of the Provisional Agreements;
- (b) a letter from the Independent Financial Adviser to the Independent Board Committee containing its advice on the Connected Transactions;
- (c) the recommendation of the Independent Board Committee on the Connected Transactions;
and
- (d) the notice of EGM to be convened to approve, among others, the transactions contemplated under the Provisional Agreements,

will be dispatched to the Shareholders in accordance with the Listing Rules on or before 29 July 2016.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“1 st Consideration”	the consideration of HK\$30,000,000 for the acquisition of Property I
“1 st Formal Agreement”	the formal sale and purchase agreement in respect of the acquisition of Property I to be entered into between eprint Investments and the Vendor
“1 st Provisional Agreement”	the provisional sale and purchase agreement in relation to the acquisition of Property I entered into between eprint Investments and the Vendor on 27 June 2016
“2 nd Consideration”	the consideration of HK\$32,000,000 for the acquisition of Property II
“2 nd Formal Agreement”	the formal sale and purchase agreement in respect of the acquisition of Property II to be entered into between eprint Property and the Vendor
“2 nd Provisional Agreement”	the provisional sale and purchase agreement in relation to the acquisition of Property II entered into between eprint Property and the Vendor on 27 June 2016

“2015 Tenancy Agreements”	the tenancy agreements entered into between the respective landlords and subsidiaries of the Company for the leasing of certain properties, details as set out in the circular of the Company dated 1 February 2016
“Acquisition”	the acquisition of the Property I and the Property II
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	eprint Group Limited, a company incorporated in the Cayman Islands, whose shares are listed on the Stock Exchange
“Completion”	the completion of the Acquisition
“Concerted Shareholders”	collectively, Mr. She, Mr. Chong, Mr. Lam, Mr. WM Leung and Mr. Leung Yat Pang, pursuant to a deed of confirmation dated 2 July 2013 and entered into them confirming the existence of their acting concert arrangement, each of them has agreed to jointly control their respective interests in the Company held through eprint Limited
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Connected Transactions”	the transactions contemplated under the Provisional Agreements
“Consideration”	collectively, the 1 st Consideration and the 2 nd Consideration
“CTP” or “Vendor”	CTP Limited, a company incorporated in Hong Kong with limited liability and is owned as to 25% by Mr. She, 25% by Mr. Chong, 25% by Mr. WM Leung and 25% by an Independent Third Party, and therefore is a connected person of the Company
“Directors”	the directors of the Company

“EGM”	an extraordinary general meeting of the Company to be convened and held to approve, among others, the Provisional Agreements and the transactions to be contemplated thereunder
“eprint Investments”	eprint Investments Limited, a company incorporated in the British Virgin Islands with limited liability and is a wholly-owned subsidiary of the Company
“eprint Limited”	eprint Limited, the controlling Shareholder holding 313,125,000 Shares, representing 56.93% of the issued share capital of the Company
“eprint Property”	eprint Property Investments Limited, a company incorporated in the British Virgin Islands with limited liability and is a wholly-owned subsidiary of the Company
“Formal Agreements”	collectively, the 1 st Formal Agreement and the 2 nd Formal Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	a committee of the Board comprising all the independent non-executive Directors, namely Mr. Chi Man Shing, Dr. Lung Cheuk Wah and Ms. Luk Mei Yan
“Independent Financial Adviser”	Messis Capital Limited, a licensed corporation under the SFO permitted to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities for the purpose of the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Connected Transactions
“Independent Shareholders”	any Shareholder other than the Concerted Shareholders and their associates

“Independent Third Party(ies)”	person(s) and/or company(ies) who/which is (are) independent of the Company and its connected persons (as defined in the Listing Rules)
“Interested Directors”	being Mr. She, Mr. Chong, Mr. Lam and Mr. WM Leung
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Lucky Gainer”	Lucky Gainer Limited, a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Company
“Mr. Chong”	Mr. Chong Cheuk Ki, a non-executive Director and holds 21.62% interest in eprint Limited
“Mr. Lam”	Mr. Lam Shing Kai, a non-executive Director and holds 21.62% interest in eprint Limited
“Mr. WM Leung”	Mr. Leung Wai Ming, a non-executive Director and holds 21.62% interest in eprint Limited
“Mr. She”	Mr. She Siu Kee William, an executive Director and Chairman of the Company, and holds 21.62% interest in eprint Limited
“Properties”	collectively, the Property I and the Property II
“Property I”	the property located at Unit A4 on Ground Floor of Block 4, Kwun Tong Industrial Centre, Nos. 436-446 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong
“Property II”	the property located at Unit B4 on Ground Floor of Block 4, Kwun Tong Industrial Centre, Nos. 436-446 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong
“Provisional Agreements”	collectively, the 1 st Provisional Agreement and the 2 nd Provisional Agreement

“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purpose of this announcement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
eprint Group Limited
Fung Hong Keung
Executive Director and Company Secretary

Hong Kong, 27 June 2016

As at the date of this announcement, the executive Directors are Mr. She Siu Kee William and Mr. Fung Hong Keung; the non-executive Directors are Mr. Lam Shing Kai, Mr. Leung Wai Ming, Mr. Chong Cheuk Ki and Mr. Deng Xiaen; and the independent non-executive Directors are Dr. Lung Cheuk Wah, Mr. Chi Man Shing Stephen and Ms. Luk Mei Yan.