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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)

CONTINUING CONNECTED TRANSACTIONS

THE MASTER SUPPLY AGREEMENT

On 15 June 2018, Promise, a wholly-owned subsidiary of the Company entered into the Master Supply Agreement with Sun Cheong, pursuant to which Promise agreed to purchase and Sun Cheong agreed to supply the Products for the period from 1 April 2018 to 31 March 2021.

THE SUPPLY TRANSACTIONS

On 1 November 2017, Mr. JH Li, the son of Mr. CK Li, who is a director of Sun Cheong and owns as to approximately 50% of the total issued shares of Sun Cheong, was appointed as a director of e-banner, a 51% non wholly-owned subsidiary of the Company. Prior to his appointment, Sun Cheong has been supplying the Products to Promise since 2013. Upon his appointment, Sun Cheong continued supplying the Products to Promise. From the date of Mr. JH Li's appointment to 31 March 2018, being the financial year end date of the Company, the transaction amount for the Supply Transactions between Sun Cheong and Promise was approximately HK\$7,700,000.

LISTING RULES IMPLICATION

As (i) each of Mr. JH Li, Mr. CK Li and Sun Cheong is a connected person of the Company only at the subsidiary level; (ii) the Board has approved the Master Supply Agreement, the Supply Transactions and the transactions contemplated thereunder; and (iii) the independent non-executive Directors have confirmed that the terms of the transactions contemplated under the Master Supply Agreement and the Supply Transactions are fair and reasonable, is on normal commercial terms or better and in the interest of the Company and the Shareholders as a whole, each of the Master Supply Agreement and the Supply Transactions is subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirement under the Listing Rules.

The omission by the Company to comply with the Listing Rules requirements to make timely disclosure for the Supply Transactions was due to inadvertent mistake. The Company wishes to apologise in this regard and now publishes this announcement to provide details of the Supply Transactions.

To avoid any similar delay in the future and to tighten the Group's internal control procedures, the Company will: (i) review and oversee the legal and regulatory compliance procedures and internal controls of the Group to ensure that all existing and further transactions of the Company fully comply with the Listing Rules; and (ii) provide further training to the senior management and the relevant personnel of the Company to help them better understand the requirements of the Listing Rules and identify any potential connected transactions of the Group on a timely basis.

THE MASTER SUPPLY AGREEMENT

Date : 15 June 2018

Parties : (i) Promise Network Printing Limited; and
(ii) Sun Cheong Paper Development Limited.

Promise is a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company. It is principally engaged in provision of printing services.

Sun Cheong was incorporated in Hong Kong and is principally engaged in the supply and sales of paper.

Subject

Pursuant to the Master Supply Agreement, Sun Cheong agreed to supply and Promise agreed to purchase the Products.

Term

The term of the Master Supply Agreement shall take retrospective effect from 1 April 2018 to 31 March 2021.

Price

Promise shall pay to Sun Cheong a purchase price of the Products, which shall be determined based on:

- a) the latest selling price of similar products from other Independent Third Parties; and
- b) the prices to be agreed between Promise and Sun Cheong from time to time after arm's length negotiation and are comparable to market prices of similar products as set out in (a) above.

Terms of payment

Promise shall pay the purchase price in full to Sun Cheong within 90 days after the invoice is issued to Promise.

Annual cap

The annual cap for the transactions under the Master Supply Agreement for the three financial years ending 31 March 2019, 31 March 2020 and 31 March 2021 are HK\$20,400,000, HK\$21,400,000 and HK\$22,500,000 respectively.

The historical figures for the purchase transactions for the Products with Sun Cheong from 1 April 2017 to 31 March 2018 was approximately HK\$19,400,000.

The annual caps for the transactions under the Master Supply Agreement were calculated after taking into account of (i) the historical figures of the purchase transactions for the Products with Sun Cheong from 1 April 2017 to 31 March 2018; (ii) the potential growth in the demand of the Products by Promise; and (iii) the sales volume under negotiation and anticipated to be entered into between Sun Cheong and Promise.

Reasons for and benefits of entering into of the Master Supply Agreement

The principal activity of the Company is investment holding. The principal activities of the Group are the provision of printing services and solutions on advertisement, bound books and stationeries, to a diversified customer base in Hong Kong.

The Master Supply Agreement was entered into in the usual and ordinary course of Promise's business and terms of which were negotiated based on normal commercial terms and the prices were determined following arm's length negotiation.

The Company considers that the entering into of the Master Supply Agreement would ensure a stable supply of the Products to the Group and provide a steady contribution to the turnover of the Group from the purchase of the Products under the Master Supply Agreement.

The Directors, including the independent non-executive Directors, are of the opinion that the terms of the Master Supply Agreement are fair and reasonable, is on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

None of the Directors have a material interest in the transactions contemplated under the Master Supply Agreement. As such, no Directors are required to abstain from voting on the Board resolution approving the transactions contemplated under the Master Supply Agreement.

SUPPLY TRANSACTIONS

On 1 November 2017, Mr. JH Li was appointed as a director of e-banner. Prior to his appointment, Sun Cheong has been supplying the Products to Promise since 2013. Upon his appointment, Sun Cheong continued supplying the Products to Promise. From the date of Mr. JH Li's appointment on 1 November 2017 to 31 March 2018, being the financial year end date of the Company, the transaction amount for the Supply Transactions between Sun Cheong and Promise was approximately HK\$7,700,000.

Price

The purchase price of the Products Promise paid to Sun Cheong was determined based on:

- a) the then latest selling price of similar products from other Independent Third Parties; and
- b) the prices agreed between Promise and Sun Cheong from time to time after arm's length negotiation and are comparable to market prices of similar products and services as set out in (a) above.

Terms of payment

Promise was to pay the purchase price in full to Sun Cheong within 90 days after the invoice was issued to Promise.

Reasons for and benefits of entering into of the Supply Transactions

The Supply Transactions were entered into in the usual and ordinary course of Promise's business and terms of which were negotiated based on normal commercial terms and the prices were determined following arm's length negotiation.

The Company considers that the entering into of the Supply Transactions would ensure a stable supply of the Products to the Group and provide a steady contribution to the turnover of the Group from the purchase of the Products under the Supply Transactions.

The Directors, including the independent non-executive Directors, are of the opinion that the terms of the Supply Transactions are fair and reasonable, is on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

None of the Directors have a material interest in the transactions contemplated in the Supply Transactions. As such, no Directors are required to abstain from voting on the Board resolution approving and ratifying the Supply Transactions.

LISTING RULES IMPLICATION

Mr. JH Li is a director of e-banner and the son of Mr. CK Li, who is a director of Sun Cheong and owns as to approximately 50% of the total issued shares of Sun Cheong. As such, each of Mr. JH Li, Mr. CK Li and Sun Cheong is a connected person of the Company at the subsidiary level and each of the transactions contemplated under the Master Supply Agreement and the Supply Transactions constitute Continuing Connected Transactions for the Company under the Listing Rules.

As (i) each of Mr. JH Li, Mr. CK Li and Sun Cheong is a connected person of the Company only at the subsidiary level; (ii) the Board has approved the Master Supply Agreement, the Supply Transactions and the transactions contemplated thereunder; and (iii) the independent non-executive Directors have confirmed that the terms of the transactions contemplated under the Master Supply Agreement and the Supply Transactions are fair and reasonable, is on normal commercial terms or better and in the interest of the Company and the Shareholders as a whole, each of the Master Supply Agreement and the Supply Transactions is only subject to the reporting and announcement requirements and is exempt from the independent shareholders’ approval requirement under the Listing Rules.

The omission by the Company to comply with the Listing Rules requirements to make timely disclosure for the Supply Transactions was due to inadvertent mistake. The Company wishes to apologise in this regard and now publishes this announcement to provide details of the Supply Transactions.

To avoid any similar delay in the future and to tighten the Group’s internal control procedures, the Company will: (i) review and oversee the legal and regulatory compliance procedures and internal controls of the Group to ensure that all existing and further transactions of the Company fully comply with the Listing Rules; and (ii) provide further training to the senior management and the relevant personnel of the Company to help them better understand the requirements of the Listing Rules and identify any potential connected transactions of the Group on a timely basis.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meaning:

- “Board”** the board of Directors
- “Company”** eprint Group Limited, an exempted company with limited liability incorporated under the Companies Law of the Cayman Islands whose shares are listed and traded on the main board of the Stock Exchange (Stock code: 1884)
- “connected person”** has the meaning ascribed to this term under the Listing Rules

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| “connected person at the subsidiary level” | has the meaning ascribed to this term under the Listing Rules |
| “Directors” | the directors of the Company |
| “e-banner” | e-banner Limited, a company incorporated in Hong Kong with limited liability and a 51% non wholly-owned subsidiary of the Company |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Independent Third Party(ies)” | person(s) and/or company(ies) who/which is (are) independent of the Company and its connected persons (as defined under the Listing Rules) |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Master Supply Agreement” | the master supply agreement entered into between Promise and Sun Cheong in respect of the supply of the Products |
| “Mr. CK Li” | Mr. Li Cham Kuen, a director and a shareholder who owns as to approximately 50% of the total issued shares of Sun Cheong, the father of Mr. JH Li and a connected person of the Company at the subsidiary level |
| “Mr. JH Li” | Mr. Li Jian Hua, a director of e-banner, the son of Mr. CK Li and a connected person of the Company at the subsidiary level |
| “Products” | various types of paper as set out in the Master Supply Agreement |
| “Promise” | Promise Network Printing Limited, a company incorporated in Hong Kong with limited liability and wholly-owned subsidiary of the Company |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the issued share capital of the Company |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Sun Cheong” | Sun Cheong Paper Development Limited, a company incorporated in Hong Kong with limited liability |

“Supply Transactions” the transactions between Promise and Sun Cheong in relation to the supply of Products by Sun Cheong to Promise from 1 November 2017 to 31 March 2018

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

By Order of the Board
eprint Group Limited
She Siu Kee William
Chairman

Hong Kong, 15 June 2018

As at the date of this announcement, the executive Directors are Mr. She Siu Kee William and Mr. Lam Shing Kai; the non-executive Directors are Mr. Leung Wai Ming, Mr. Chong Cheuk Ki and Mr. Deng Xiaen; and the independent non-executive Directors are Mr. Poon Chun Wai, Mr. Fu Chung and Mr. Ma Siu Kit.