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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)

DISCLOSEABLE TRANSACTION FORMATION OF JOINT VENTURE

On 17 March 2020, E-Boss, a wholly-owned subsidiary of the Company, subscribed for 20,000 shares in Top Success BVI, representing 50% of the enlarged issued share capital of Top Success BVI at the Subscription Price of HK\$1,000,000.

On the same date, upon completion of the Subscription, E-Boss entered into the Shareholders Agreement with Mr. Cheng and Top Success BVI which sets out the rights and obligations of the shareholders of Top Success BVI. E-Boss also entered into the Shareholder Loan Agreement with Top Success HK, pursuant to which E-Boss agreed to provide the Shareholder's Loan in the aggregate principal amount of HK\$30,000,000 to Top Success HK.

As the relevant percentage ratios for the Formation of Joint Venture and the provision of Shareholder's Loan calculated in accordance with the Listing Rules are more than 5% but less than 25%, the Formation of Joint Venture and the provision of Shareholder's Loan constitute a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

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THE SHAREHOLDERS AGREEMENT

Date: 17 March 2020

Parties: Company: Top Success BVI

Shareholders: E-Boss, a wholly-owned subsidiary of the Company

Mr. Cheng

Mr. Cheng has around three years' experience in the management of finance leasing of yacht business and has over 20 years' experience in business development and corporate finance.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Mr. Cheng is a third party independent of the Company and its connected persons.

Material terms of the Shareholders Agreement

Shareholder's Loan

E-Boss agreed to provide the shareholder's loan in the aggregate principal amount of HK\$30,000,000 to Top Success HK pursuant to the Shareholder Loan Agreement.

The Subscription Price and the principal amount of the Shareholder's Loan are determined after arm's length negotiation between E-Boss and Mr. Cheng with referencing to the expected funding needs of Top Success Group.

The Subscription Price and the principal amount of the Shareholder's Loan will be satisfied by the internal resources of the Group.

Guarantee

Mr. Cheng irrevocably and unconditionally guarantees to E-Boss the due and punctual performance of Top Success HK under the Shareholder Loan Agreement and keeps E-Boss indemnified against 50% of the total amount of the Shareholder's Loan outstanding together with any interest accrued provided that such amount shall not exceed HK\$15,000,000 in any event if Top Success HK fails to perform any of the obligations under the Shareholder Loan Agreement.

Board of directors and management

The board of directors of each of Top Success Group Companies shall be comprised of up to four directors, of which (i) two shall be appointed and removed at the request of E-Boss; and (ii) two shall be appointed and removed at the request of Mr. Cheng.

Mr. Cheng shall act as the chairman of the board, chief executive officer and managing director of Top Success BVI. He shall be responsible for the daily management of the Top Success Group.

Dividend

Subject to obtaining the prior written consent of all the shareholders of Top Success BVI and to the extent permissible under the relevant laws, dividends shall be declared and distributed to the shareholders of Top Success BVI each calendar quarter when distributable profit after tax (if any) is above HK\$2,000,000.

Matters requiring unanimous shareholders' consent

Unless the prior unanimous written consent of the shareholders of Top Success BVI having been obtained, Top Success Group Companies shall not, among other matters, (i) engage in or undertake any business which differs from the existing business of Top Success Group; (ii) discontinue such existing business; (iii) save for the issue of share options and allotment and issue of shares of Top Success HK for the purpose of the staff equity participation as set out below, the creation or issue of or the agreement to create or issue any shares or other securities (including but not limited to equity and debt instruments); (iv) making any advance, extending any loan or issuing any bond or any other debt instrument to any third party either with aggregate principal and interest exceeding HK\$2,000,000 or outside the ordinary course of business.

Staff equity participation

Top Success BVI shall grant share options of up to 20% of the issued shares of Top Success HK for three key executives of Top Success Group to acquire shares of Top Success HK from Top Success BVI at the aggregate exercise price of HK\$400,000. The share options shall have a validity period of five years from the date of the Shareholders Agreement and shall be subject to the vesting condition that the annual audited consolidated profit attributable to equity holders of the Top Success Group having exceeded HK\$2,000,000.

THE SHAREHOLDER LOAN AGREEMENT

Date: 17 March 2020

Parties: Lender: E-Boss, a wholly-owned subsidiary of the Company
Borrower: Top Success HK

Principal amount

HK\$30,000,000

Term of the Shareholder's Loan

The term of the Shareholder's Loan shall be for a fixed term from 17 March 2020 to 16 March 2025. Top Success HK shall repay to E-Boss all outstanding Shareholder's Loan together with accrued interest on or before the maturity date.

Interest

Interest of 6% per annum shall accrue on the Shareholder's Loan for the Term and shall be payable monthly in arrears and the first of such payment shall be made on the date falling one month from the date of such drawdown. The interest will be calculated by the end of the month based on the balance of the Shareholder's Loan.

Purpose of the Shareholder's Loan

The Shareholder's Loan shall be utilised for any form of loan to be granted to clients of Top Success Group's business of finance leasing of yacht in Hong Kong and other parts of Asia.

Top Success HK agrees that the Shareholder's Loan shall only be drawn by Top Success HK provided that Top Success HK shall or shall procure to obtain a personal guarantee from such client for the amount drawn by such client.

Security

The Shareholder's Loan is secured by the personal guarantee provided by Mr. Cheng in favour of E-Boss in the Shareholders Agreement.

Prepayment

Top Success HK may prepay to E-Boss the whole or any part of the Shareholder's Loan (without penalty) provided that Top Success HK shall have given to E-Boss not less than seven (7) days' notice in writing.

E-Boss may demand Top Success HK prepay to the Lender the whole or any part of the Shareholder's Loan provided that E-Boss shall have given to Top Success HK not less than 60 days' notice in writing.

INFORMATION ON TOP SUCCESS GROUP

Top Success BVI is a company incorporated in the British Virgin Islands on 14 August 2018. Top Success HK, being a wholly-owned subsidiary of Top Success BVI, is a company incorporated in Hong Kong on 22 November 2016. As at the date of this announcement, Top Success Group has not commenced its business. Upon commencement of its business, Top Success BVI shall be principally engaged in investment holding and Top Success HK shall be principally engaged in provision of finance leasing in Hong Kong and other parts of Asia.

Immediately upon completion of the Subscription, each of E-Boss and Mr. Cheng is the beneficial owner of 20,000 shares and 20,000 shares in Top Success BVI, representing 50% and 50% of the issued shares of Top Success BVI respectively.

REASONS FOR AND BENEFITS OF THE FORMATION OF JOINT VENTURE

The Company is an investment holding company principally engaged in the provision of printing services to a diversified customer base in Hong Kong. The Company is also engaged in the provision of solutions on advertisement, bound books and stationeries.

The Formation of Joint Venture with Mr. Cheng represents a good opportunity for the Group to diversify its business portfolio into a new business. As Mr. Cheng will be responsible for the daily management of Top Success Group, the Formation of Joint Venture with Mr. Cheng provides the Group with the opportunity to diversify into the business, without having directly involved in the operation of Top Success Group.

The Shareholder's Loan will also provide a steady interest income of 6% per annum to the Group. The interest rate of the Shareholder's Loan is also higher than the interest rate received by the Group by placing cash deposits with commercial banks in Hong Kong.

Taking into account the above, the Directors consider that the Formation of Joint Venture, the provision of the Shareholder's Loan and the entering into of the Shareholders Agreement are beneficial to the Group.

The Directors also consider that the Shareholders Agreement has been entered into on normal commercial terms and that such terms are fair and reasonable so far as the Company and the Shareholders are concerned and that the Formation of Joint Venture and the provision of the Shareholder's Loan are in the interest of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As the relevant percentage ratios for the Formation of Joint Venture and the provision of Shareholder's Loan calculated in accordance with the Listing Rules are more than 5% but less than 25%, the Formation of Joint Venture and the provision of Shareholder's Loan constitute a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board” the board of Directors

“Company” eprint Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“E-Boss”	E-Boss Co., Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“Formation of Joint Venture”	the formation of the joint venture in Top Success BVI by E-Boss with Mr. Cheng
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Cheng”	Cheng Hiu Man, Elliott
“Shareholder Loan Agreement”	the shareholder loan agreement dated 17 March 2020 and entered into between E-Boss and Top Success BVI in respect of the provision of the Shareholder’s Loan by E-Boss to Top Success HK
“Shareholders Agreement”	the shareholders’ agreement dated 17 March 2020 and entered into among E-Boss, Mr. Cheng and Top Success BVI, which sets out the rights and obligations of the shareholders of Top Success BVI
“Shareholder’s Loans”	the shareholder’s loans in the aggregate principal amount of HK\$30,000,000 to be advanced by E-Boss to Top Success HK pursuant to the terms of the Shareholder Loan Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of 20,000 shares in Top Success BVI by E-Boss, representing 50% of the enlarged issued share capital of Top Success BVI
“Subscription Price”	the sum of HK\$1,000,000, being the aggregate subscription price for the subscription of shares in Top Success BVI representing 50% of the enlarged issued share capital of Top Success BVI

“Top Success BVI”	Top Success Investment Group Limited, a company incorporated in the British Virgin Islands with limited liability
“Top Success Group”	Top Success BVI, Top Success HK and any other subsidiaries of Top Success BVI as may exist from time to time
“Top Success Group Companies”	members of Top Success Group
“Top Success HK”	Top Success Investment (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 17 March 2020

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