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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 IN RELATION TO LOAN AGREEMENT

THE RENEWED LOAN AGREEMENT

The Board announces that on 27 September 2020, the Lender, an indirect wholly-owned subsidiary of the Company, entered into the Renewed Loan Agreement with the Borrower in relation to the Loan in the principal amount of HK\$13,000,000 (including the outstanding principal amount of the Second Loan of HK\$13,000,000) for a period of one year commencing from the date of the Renewed Loan Agreement at an interest rate of 8% per annum.

LISTING RULES IMPLICATION

As the relevant percentage ratios for the transactions under the Renewed Loan Agreement calculated in accordance with the Listing Rules are more than 5% but less than 25%, the Renewed Loan Agreement and the transaction contemplated thereunder constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

PROVISION OF LOAN

Reference is made to the announcements of the Company dated 27 September 2018 and 27 September 2019 in relation to provision of loan by the Lender to the Borrower (the “**Announcements**”). Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

On 27 September 2018, the Lender, an indirect wholly-owned subsidiary of the Company, entered into the initial loan agreement (the “**Initial Loan Agreement**”) with the Borrower, pursuant to which the Lender agreed to provide the initial loan (the “**Initial Loan**”) to the Borrower in the principal amount of HK\$10,000,000 for a period of one year commencing from the date of the Initial Loan Agreement at an interest rate of 10% per annum.

On 27 September 2019, the Lender entered into the second loan agreement (the “**Second Loan Agreement**”) with the Borrower, pursuant to which the Lender agreed to provide the loan to the Borrower in the principal amount of HK\$15,000,000 (including the outstanding principal amount of the Initial Loan of HK\$10,000,000 and an additional principal amount of HK\$5,000,000) (the “**Second Loan**”), for a period of one year commencing from the date of the Second Loan Agreement at an interest rate of 9% per annum. The principal amount of Second Loan of HK\$13,000,000 remains outstanding as at the date of this announcement.

The Board announces that on 27 September 2020, the Lender entered into the renewed loan agreement (the “**Renewed Loan Agreement**”) with the Borrower in relation to the provision of the loan by the Lender to the Borrower in the principal amount of HK\$13,000,000 (including the outstanding principal amount of the Second Loan of HK\$13,000,000) (the “**Loan**”), for a period of one year commencing from the date of the Renewed Loan Agreement at an interest rate of 8% per annum.

THE RENEWED LOAN AGREEMENT

Date : 27 September 2020

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

The Lender is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in provision of printing services.

The Borrower is a company incorporated in Hong Kong with limited liability and is principally engaged in the supply and sales of paper. The Borrower is owned by Mr. Li Cham Kuen as to approximately 50.38% and the remaining 49.62% were owned by four individuals.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Borrower and Mr. Li Cham Kuen are independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

Principal terms of the Renewed Loan Agreement

Principal amount of : HK\$13,000,000, which includes the outstanding principal
the Loan amount of the Second Loan of HK\$13,000,000

Term : One year from the date of the Renewed Loan Agreement

Interest rate : 8% per annum

- Repayment : The outstanding balances of the Loan shall be repaid by the Borrower to the Lender on or before the date falling on the expiry of one year from the date of the Renewed Loan Agreement. The interest accrued thereon shall be paid by the Borrower to the Lender on a monthly basis
- Early Repayment : The Borrower may prepay part or whole of the Loan or the remaining outstanding balance thereof at any time without penalty by giving not less than 1-week prior notice in writing to the Lender

The Loan shall continue to be financed from the Group's internal resources.

REASONS FOR AND BENEFITS OF ENTERING INTO OF THE RENEWED LOAN 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 Renewed Loan Agreement was negotiated on an arm's length basis. The Loan's interest rate is higher than the interest rate received by the Group by placing cash deposits with commercial banks in Hong Kong. Taking into account the cash inflow and revenue to be generated from the expected interest income in connection with the Loan, the Directors are of the view that the Renewed Loan Agreement is on normal commercial terms, which are fair and reasonable having considered the current market norm in relation to similar transactions and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATION

As the relevant percentage ratios for the transactions under the Renewed Loan Agreement calculated in accordance with the Listing Rules are more than 5% but less than 25%, the Renewed Loan Agreement and the transaction contemplated thereunder constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

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

Hong Kong, 27 September 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.