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UNIVERSE PRINTSHOP HOLDINGS LIMITED

環球印館控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8448)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 2021

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

GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, 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.

This announcement, 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 this announcement 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 this announcement misleading.



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Financial Highlights

The revenue of the Company and its subsidiaries (the “Group”) was approximately HK\$94.2 million for the nine months ended 31 December 2021 (“Q3 2021”), representing an increase from approximately HK\$79.3 million for the nine months ended 31 December 2020 (“Q3 2020”). The increase in revenue was mainly due to the increase in demand for printing services in offset printing, toner-based digital printing and ink-jet printing segments as a result of the improved market sentiment in Q3 2021 as compared with Q3 2020.

The gross profit of the Group increased from HK\$16.4 million for Q3 2020 to HK\$22.7 million for Q3 2021, which was in tandem with the increase in revenue.

The profit attributable to owners of our Company was approximately HK\$2.0 million in both Q3 2021 and Q3 2020. Excluding the impact of one-off items in the respective financial period, the net profit was approximately HK\$1.7 million (excluding the impact of a one-off gain on modification of lease for retail shops of approximately HK\$0.2 million) for Q3 2021, as compared to a net loss of HK\$6.7 million (excluding the impact of a gain on modification of lease for retail shops and machineries of approximately HK\$0.9 million and subsidy income received under the employment support scheme and the retail sector subsidy scheme of approximately HK\$7.8 million) for Q3 2020.

The outbreak of the novel coronavirus (“COVID-19”) has led to the implementation of various prevention and control measures which affected the business and marketing activities of the Group’s customers in 2020 and 2021. Notwithstanding that the number of sales orders in Q3 2021 showed some signs of improvement amid the COVID-19 pandemic, it is expected that the ongoing spread of the fifth wave of the COVID-19 and its variants continue to cast uncertainty over the economic outlook and hence our Group’s financial performance. The Group has taken and will continue to take actions to control costs and drive efficiency 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 Q3 2021 (Q3 2020: nil).



Management Discussion and Analysis

BUSINESS REVIEW AND OUTLOOK

The Group is principally engaged in providing printing services to 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 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\$94.2 million for Q3 2021, representing an increase of approximately 18.8% as compared to the revenue of approximately HK\$79.3 million for Q3 2020. The profit attributable to owners of our Company was approximately HK\$2.0 million in both Q3 2021 and Q3 2020. Excluding the impact of one-off items in the respective financial period, the net profit was approximately HK\$1.7 million (excluding the impact of a one-off gain on modification of lease for retail shops of approximately HK\$0.2 million) for Q3 2021, as compared to a net loss of HK\$6.7 million (excluding the impact of a gain on modification of lease for retail shops and machineries of approximately HK\$0.9 million and subsidy income received under the employment support scheme and the retail sector subsidy scheme of approximately HK\$7.8 million) for Q3 2020. The outbreak of the COVID-19 has led to the implementation of various prevention and control measures which affected the business and marketing activities of the Group's customers in 2020 and 2021. Notwithstanding that the number of sales orders in Q3 2021 showed some signs of improvement amid the COVID-19 pandemic, it is expected that the ongoing spread of the fifth wave of the COVID-19 and its variants continue to cast uncertainty over the economic outlook and hence our Group's financial performance. The Group has taken and will continue to take actions to control costs and drive efficiency to maintain our profitability and competitiveness in the market. Looking ahead, there is still a high degree of uncertainty about the pandemic, and the outlook for economic recovery remains uncertain. The Group is exploring market opportunities for horizontal expansion and services diversification. The Group will continue to implement our business plan to enhance the market share, image, recognition and market reputation.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

The total revenue of the Group for Q3 2021 increased by HK\$14.9 million or 18.8% to HK\$94.2 million as compared to HK\$79.3 million for Q3 2020. The increase in total revenue was mainly due to the increase in demand for printing services in offset printing, toner-based digital printing and ink-jet printing segments as a result of the improved market sentiment in Q3 2021 as compared with Q3 2020.

Gross profit and gross profit margin

The gross profit of the Group increased from HK\$16.4 million for Q3 2020 to HK\$22.7 million for Q3 2021, which was in tandem with the increase in revenue and cost of sales. The gross profit margin increased from 20.7% to 24.2% mainly due to (i) the decrease in per unit fixed cost as a result of the increase in production volume; and (ii) the decrease in depreciation as a result of the impairment of approximately HK\$11.8 million made on property, plant and equipment and right-of-use assets for the financial year 2021.

Other income

Other income in Q3 2021 mainly represent scrap sale income amounting to approximately HK\$0.9 million (Q3 2020: HK\$0.5 million). The increase was mainly due to the increase in materials selling price and production activities. Other income in Q3 2020 mainly represent the government subsidies of approximately HK\$7.8 million (Q3 2021: nil).

Other gains

Other gains in Q3 2021 mainly represent the gain on derecognition of right-of-use assets and lease liabilities upon lease modification amounting to approximately HK\$0.2 million (Q3 2020: HK\$0.9 million).



Management Discussion and Analysis

Selling and administrative expenses

Selling and administrative expenses primarily comprise staff costs (including directors' remuneration), depreciation, legal and professional fee, IT development fee, auditors' remuneration, marketing and entertainment, repair and maintenance, consultancy fee, utilities expenses, bank charges and other miscellaneous administrative expenses. The selling and administrative expenses amounted to HK\$20.8 million in Q3 2021, which represented a decrease of HK\$2.6 million as compared to HK\$23.4 million in Q3 2020. The decrease in selling and administrative expenses was mainly attributable to (i) the decrease in depreciation due to the impairment losses made on the carrying amounts of certain assets of the Group as at the last financial year ended 31 March 2021 and the reduction of the number of right-of-use assets as a result from the reduced number of retail shops; (ii) the decrease in marketing and promotion activities; (iii) the decrease in legal and professional fee and (iv) the decrease in staff costs as a result of the reduced number of retail shops.

Profit for the period attributable to owners of the Company

The profit attributable to owners of our Company was approximately HK\$2.0 million in both Q3 2021 and Q3 2020. Excluding the impact of one-off items in the respective financial period, the net profit was approximately HK\$1.7 million (excluding the impact of a one-off gain on modification of lease for retail shops of approximately HK\$0.2 million) for Q3 2021, as compared to a net loss of HK\$6.7 million (excluding the impact of a gain on modification of lease for retail shops and machineries of approximately HK\$0.9 million and subsidy income received under the employment support scheme and the retail sector subsidy scheme of approximately HK\$7.8 million) for Q3 2020. The turnover from net loss to profit was mainly attributable to (i) the increase in the demand of printing services; (ii) the decrease in depreciation due to the impairment of approximately HK\$11.8 million made on property, plant and equipment and right-of-use assets for the financial year 2021; and (iii) the decrease in selling and administrative expense due to the tightened cost control.

DIVIDENDS

The Board does not recommend the payment of an interim dividend for Q3 2021 (Q3 2020: Nil).

Other Information

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

As at 31 December 2021, 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: (a) were required 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 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 31 December 2021

| 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 31 December 2021, 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 31 December 2021

| 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% |
| Ms. Ng Lai Nga (Note 2) | Interest of spouse | 110,500,000 | 12.28% |
| Ms. Mok Chun Ngor (Note 3) | 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. 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.
3. 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.

Other Information

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 nine months ended 31 December 2021, 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 nine months ended 31 December 2021.

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 nine months ended 31 December 2021.

COMPETING BUSINESS

For the nine months ended 31 December 2021, 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

AUDIT COMMITTEE AND REVIEW OF UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Company established an audit committee (“Audit Committee”) with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and paragraph C.3 of the CG Code as set out in Appendix 15 to the GEM Listing Rules. The 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 primary duties of the Audit Committee include reviewing and supervising the Group’s financial reporting system, monitoring the internal control procedures and risk management, reviewing the Group’s financial information and the relationship with the external auditor of the Company, ensuring compliance with the relevant laws and regulations. In addition, the Audit Committee is responsible for the initial establishment and the maintenance of a framework of internal controls and ethical standards for the Group’s management.

The unaudited condensed consolidated financial statements have not been audited. The Audit Committee has reviewed with the management of the Group the unaudited condensed consolidated financial statements, the quarterly report, the accounting principles and policies adopted by the Group, and other financial reporting matters. The Audit Committee 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, 11 February 2022

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.

Third Quarterly Results

The Board of the Company is pleased to present the unaudited condensed consolidated results of the Group for the nine months ended 31 December 2021 together with the unaudited comparative figures for the corresponding periods in 2020 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 31 December 2021

| | | Unaudited Three months ended 31 December | | Unaudited Nine months ended 31 December | |
|--|------|--|--------------|---|--------------|
| | Note | 2021 HK\$ | 2020 HK\$ | 2021 HK\$ | 2020 HK\$ |
| Revenue | 3 | 36,310,232 | 31,400,709 | 94,174,445 | 79,267,140 |
| Cost of sales | | (27,326,676) | (24,354,600) | (71,424,550) | (62,874,400) |
| Gross profit | | 8,983,556 | 7,046,109 | 22,749,895 | 16,392,740 |
| Other income | | 360,671 | 2,301,212 | 953,474 | 8,501,242 |
| Other gains | | – | 3 | 229,156 | 919,480 |
| Selling and administrative expenses | | (6,922,715) | (7,837,945) | (20,755,920) | (23,414,720) |
| Profit from operations | | 2,421,512 | 1,509,379 | 3,176,605 | 2,398,742 |
| Finance costs | | (165,198) | (242,777) | (567,334) | (698,458) |
| Profit before taxation | | 2,256,314 | 1,266,602 | 2,609,271 | 1,700,284 |
| Income tax (expense)/credit | 4 | (356,089) | 752,288 | (653,192) | 308,660 |
| Profit and total comprehensive income for the period attributable to owners of the Company | | 1,900,225 | 2,018,890 | 1,956,079 | 2,008,944 |
| | | HK cents | HK cents | HK cents | HK cents |
| Profit per share | | | | | |
| Basic and diluted | 5 | 0.21 | 0.22 | 0.22 | 0.22 |

Unaudited Condensed Consolidated Statement of Changes in Equity

For the nine months ended 31 December 2021

| | Share capital HK\$ | Share premium HK\$ | Capital reserve HK\$ | Accumulated losses HK\$ | Total HK\$ |
|---|--------------------------|--------------------------|----------------------------|-------------------------------|---------------|
| At 1 April 2020 (audited) | 9,000,000 | 29,644,379 | 20,077,867 | (21,917,176) | 36,805,070 |
| Profit and total comprehensive income for the period | – | – | – | 2,008,944 | 2,008,944 |
| At 31 December 2020 (unaudited) | 9,000,000 | 29,644,379 | 20,077,867 | (19,908,232) | 38,814,014 |
| At 1 April 2021 (audited) | 9,000,000 | 29,644,379 | 20,077,867 | (34,453,492) | 24,268,754 |
| Profit and total comprehensive income for the period | – | – | – | 1,956,079 | 1,956,079 |
| At 31 December 2021 (unaudited) | 9,000,000 | 29,644,379 | 20,077,867 | (32,497,413) | 26,224,833 |



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 subsidiaries of the Company (together, the “Group”) are principally engaged in the provision of general printing services and trading of printing products.

The unaudited condensed consolidated financial information of the Group for the nine months ended 31 December 2021 which has not been audited but has been reviewed by the audit committee of the Company. The unaudited condensed consolidated financial information was approved for issue by the Board of directors on 11 February 2022.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basic of preparation and presentation

The unaudited condensed consolidated financial statements for the nine months ended 31 December 2021 have been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules and the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” 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 2021.

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 2021, except for the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) and interpretations issued by HKICPA that are first effective for the current accounting period of the Company. 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 INFORMATION

(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 31 December | | Unaudited Nine months ended 31 December | |
|--|--|------------|---|------------|
| | 2021 | 2020 | 2021 | 2020 |
| | HK\$ | HK\$ | HK\$ | HK\$ |
| Revenue from contracts with customers within scope of HKFRS 15 | | | | |
| Timing of revenue recognition – At a point of time | | | | |
| – Offset printing | 26,185,536 | 22,279,979 | 68,976,811 | 58,382,435 |
| – Toner-based digital printing | 3,003,268 | 1,911,233 | 7,213,521 | 5,258,921 |
| – Ink-jet printing | 5,977,322 | 3,751,293 | 14,441,813 | 10,388,068 |
| – Other services | 1,144,106 | 3,458,204 | 3,542,300 | 5,237,716 |
| | 36,310,232 | 31,400,709 | 94,174,445 | 79,267,140 |

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

(b) Segment reporting

Segment information represents that information reported to the Group's senior executive management who are the chief operating decision makers for the purposes of resources allocation and assessment of performance. The Group is managed based on the financial information of the Group as a whole as reported under HKFRS. Such information does not contain profit or loss information of particular product or service line or geographical area. The Group's senior executive management allocate resources and assess performance of the Group on an aggregated basis based on such information. Therefore, the Group's senior executive management have determined that the Group has only one single reportable segment which is provision of printing services and trading of printing products.

The Group's revenue is solely derived from external customers based in Hong Kong, which is the location at which products are delivered, and the Group's non-current assets excluding deferred tax assets are located in Hong Kong.

Notes to the Unaudited Condensed Consolidated Financial Statements

4 INCOME TAX EXPENSE/(CREDIT)

| | Unaudited Three months ended 31 December | | Unaudited Nine months ended 31 December | |
|---|--|-----------|---|-----------|
| | 2021 | 2020 | 2021 | 2020 |
| | HK\$ | HK\$ | HK\$ | HK\$ |
| Current tax | | | | |
| Provision for Hong Kong Profits Tax for the period | – | – | (20,002) | – |
| Deferred tax | | | | |
| Charge/(credited) to profit or loss | 356,089 | (752,288) | 673,194 | (308,660) |
| | 356,089 | (752,288) | 653,192 | (308,660) |

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% (2020: 16.5%) of the estimated assessable profits for the period.

5 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share was based on the profit attributable to ordinary equity shareholders of the Company of HK\$1,956,079 (31 December 2020: HK\$2,008,944) and the weighted average of 900,000,000 ordinary shares (31 December 2020: 900,000,000 ordinary shares) in issue during the period.

The weighted average number of ordinary shares in issue during the nine months ended 31 December 2021 and 2020 have been retrospectively adjusted for the effect of the capitalisation issue pursuant to the reorganisation as stated in the prospectus of the Company dated 13 March 2018.

(b) Diluted earnings per share

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

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

Hong Kong, 11 February 2022

As at the date of this announcement, 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.

This announcement will remain on the website of the GEM at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting. This announcement will also be published and remains on the website of the Company at www.uprintshop.hk.