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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)

DISCLOSEABLE TRANSACTION DISPOSAL OF EQUIPMENT

On 18 April 2023 (after trading hours), the Vendor and the Purchaser entered into the Agreement, pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Equipment at the total Consideration of HK\$5,200,000.

GEM LISTING RULES IMPLICATIONS

As all of the applicable percentage ratios in relation to the transaction contemplated under the Agreement are more than 5% but less than 25%, the transaction contemplated under the Agreement constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

On 18 April 2023 (after trading hours), the Vendor and the Purchaser entered into the Agreement, pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Equipment at the total Consideration of HK\$5,200,000.

THE AGREEMENT

Details of the Agreement are summarised as follows:

Date : 18 April 2023

Parties : (1) the Vendor, Universe Printing Holdings Limited, a wholly-owned subsidiary of the Company
(2) the Purchaser, Advance Graphic Systems Limited

The Purchaser is a company incorporated in Hong Kong with limited liability. The principal business activity of the Purchaser is the trading of printing machinery and equipment.

The Purchaser is directly wholly-owned by Mr. Luk Wai Kei. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined in the GEM Listing Rules) as at the date of this announcement.

Asset to be disposed	:	a six-colour offset press
Consideration	:	HK\$5,200,000
Payment Terms	:	(1) 20% of the Consideration, being HK\$1,040,000, shall be payable in cash by the Purchaser upon signing of the Agreement; and (2) 80% of the Consideration, being HK\$4,160,000, shall be payable in cash by the Purchaser before shipment
Completion	:	The expected delivery date of the Equipment is on or before 30 April 2023

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Company is an investment holding company and the Group is principally engaged in providing printing services to customers in Hong Kong.

The Vendor is a company incorporated in Hong Kong with limited liability and is principally engaged in the provision of general printing services and trading of printing products in Hong Kong.

As disclosed in the announcement of the Company dated 18 October 2018, the Equipment was acquired by the Vendor in 2018 and has been used for more than four years. As per the unaudited management accounts of the Vendor, subject to audit, the net book value of the Equipment as at 31 March 2023 was approximately HK\$3.4 million.

The Consideration for the Disposal is HK\$5,200,000, which was arrived at after arm's length negotiations between the Parties with reference to the unaudited net book value of the Equipment as at 31 March 2023, which was approximately HK\$3.4 million, and the quotation of the Equipment with the indicative market value as at 18 April 2023 of approximately HK\$5.0 million.

It is estimated that the Group will record a net gain of approximately HK\$1.8 million from the Disposal, which is calculated with reference to the difference between the Consideration and the unaudited net book value of the Equipment as at 31 March 2023 (subject to audit). The net proceeds from the Disposal are expected to be approximately HK\$5.2 million and will be used to settle its current liabilities such as trade and other payables and accruals of the Group.

Due to the Group's unsatisfactory performance of traditional printing business in the past years, which has put pressure on the Group's cash flow position and profitability, the Board has decided to optimise the Group's production in Hong Kong to cope with the current challenging operating environment. The Equipment is no longer relevant to the Group's recent operations, and the Disposal will enable a more effective allocation of resources of the Group and is expected to reduce the Group's fixed costs, which the Directors believe will be beneficial to the Group as a whole.

The Directors are of the opinion that the Disposal presents a favorable opportunity for the Company to realize the value of the Equipment at a reasonable price. The proceeds from the Disposal will also contribute to improving the financial position and increasing the general working capital of the Group.

The Directors consider that the terms and conditions of the Agreement are on normal commercial terms, which are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As all of the applicable percentage ratios in relation to the transaction contemplated under the Agreement are more than 5% but less than 25%, the transaction contemplated under the Agreement constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

“Agreement”	the agreement entered into between the Vendor and the Purchaser on 18 April 2023 (after trading hours) for the Disposal of the Equipment
“Board”	the board of Directors
“Company”	Universe Printshop Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM of the Stock Exchange (stock code: 8448)
“Consideration”	the consideration for the sale and purchase of the Equipment pursuant to the Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Equipment under the Agreement
“Equipment”	the six-colour offset press as specified under the Agreement
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Parties”	the Purchaser and the Vendor
“percentage ratios”	has the meaning ascribed to this term under the GEM Listing Rules

“Purchaser”	Advance Graphic Systems Limited, a company incorporated in Hong Kong with limited liability and whose ultimate beneficial owner is a third party independent of and not connected with the Company and its connected persons (as defined under the GEM Listing Rules)
“Shareholder(s)”	holder(s) of the share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Universe Printing Holdings Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“%”	percentage or per centum

By order of the Board
Universe Printshop Holdings Limited
Lam Shing Tai
Chairman and Executive Director

Hong Kong, 18 April 2023

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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.

As at the date of this announcement, the executive Directors are Mr. Lam Shing Tai, Mr. Chau Man Keung and Mr. Hsu Ching Loi and the independent non-executive Directors are Mr. Wong Chun Kwok, Mr. Ho Kar Ming and Ms. So Shuk Wan.

This announcement will remain on the website of the Stock Exchange at www.hkexnews.hk on the “Latest Listed Company Information” 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.