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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)**

### **BUSINESS UPDATE ON (1) TERMINATION OF THE PRODUCTION AGREEMENT; AND (2) DISCLOSEABLE TRANSACTION IN RELATION TO EARLY TERMINATION OF THE LEASE AGREEMENTS**

Reference is made to the announcement of the Company dated 28 August 2023 (the “**Announcement**”) in relation to, among others, the Lease and the Production Agreement. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

#### **TERMINATION OF THE PRODUCTION AGREEMENT**

As disclosed in the Announcement, Elegance Technology (a non wholly owned subsidiary of the Company) and Elegance Printing entered into the Production Agreement after trading hours on 28 August 2023 pursuant to which, among others, Elegance Technology has agreed to provide printing and production services to Elegance Printing for a term of 26 months from the date of the Production Agreement and make a refundable security deposit of HK\$5 million with Elegance Printing.

On 17 November 2023 (after trading hours), Elegance Technology and Elegance Printing entered into the Termination Agreement pursuant to which all rights and obligations of the parties under the Production Agreement shall cease to have any effect from the date of the Termination Agreement and Elegance Printing has agreed to refund the abovementioned security deposit in full within three business days from 27 November 2023 or the date Block D1 (as defined below) is vacated (whichever is later).

Pursuant to the Termination Agreement, parties shall also terminate the Lease under the Surrender Deeds.

## **DISCLOSEABLE TRANSACTION IN RELATION TO EARLY TERMINATION OF THE LEASE AGREEMENTS**

As disclosed in the Announcement, UPHL (as lessee) has leased the First Premises from Elegance Printing (as lessor) and the Second Premises from Hoi Bun (as lessor) for a term of 26 months from 1 September 2023 to 31 October 2025 (both days inclusive) pursuant to the Lease Agreements with rent free period from 1 September 2023 to 31 October 2023 (both days inclusive).

On 17 November 2023 (after trading hours), UPHL entered into (i) a surrender deed (the “**First Surrender Deed**”) with Elegance Printing; and (ii) a surrender deed (the “**Second Surrender Deed**”) and together with First Surrender Deed, the “**Surrender Deeds**”) with Hoi Bun, respectively to early terminate the remaining lease term of the Lease Agreements with effect from the date of the Surrender Deeds except the lease of Block D1 on 4th floor, Hoi Bun Industrial Building, No. 6 Wing Yip Street, Kowloon, Hong Kong (“**Block D1**”) under the First Lease Agreement which will continue until 27 November 2023 or date of Block D1 in a vacant possession (whichever is later) and at the same rent under the First Lease Agreement.

### **FIRST SURRENDER DEED**

On 17 November 2023 (after trading hours), UPHL (as lessee) and Elegance Printing (as lessor) entered into the First Surrender Deed to early terminate the First Lease Agreement. Principal terms of the First Surrender Deed are set out as follows:

- Date : 17 November 2023 (after trading hours)
- Parties : (i) UPHL (as lessee); and  
(ii) Elegance Printing (as lessor)
- Premises and dates of surrender : Pursuant to the First Surrender Deed, the dates of surrender of the First Lease Agreement are as follows:
- Surrender date: 17 November 2023
- (i) Block A on 3rd floor, Hoi Bun Industrial Building, No. 6 Wing Yip Street, Kowloon, Hong Kong;

- (ii) Block B1 on 4th floor, Hoi Bun Industrial Building, No. 6 Wing Yip Street, Kowloon, Hong Kong;
- (iii) Block C1 on 4th floor, Hoi Bun Industrial Building, No. 6 Wing Yip Street, Kowloon, Hong Kong;
- (iv) Block C2 on 4th floor, Hoi Bun Industrial Building, No. 6 Wing Yip Street, Kowloon, Hong Kong;
- (v) Block D1 on 4th floor, Hoi Bun Industrial Building, No. 6 Wing Yip Street, Kowloon, Hong Kong;
- (vi) Block No. A (excluding flat roof appurtenant thereto) on 5th floor, Hoi Bun Industrial Building, No. 6 Wing Yip Street, Kowloon, Hong Kong;
- (vii) Car park No. C1 on 1st floor, Hoi Bun Industrial Building, No. 6 Wing Yip Street, Kowloon, Hong Kong; and
- (viii) Car park No. C16 on 1st floor, Hoi Bun Industrial Building, No. 6 Wing Yip Street, Kowloon, Hong Kong

Surrender date: 27 November 2023 or date of Block D1 in a vacant possession (whichever is later)

- (i) Block D1 on 4th floor, Hoi Bun Industrial Building, No. 6 Wing Yip Street, Kowloon, Hong Kong

Other terms : UPHL (as lessee) shall deliver vacant possession or in the condition accepted by UPHL and Elegance Printing of the relevant units of the First Premises according to the respective dates of surrender set out in the First Surrender Deed.

Elegance Printing (as lessor) shall refund the relevant rental deposit to UPHL (as lessee) within three business days after the date of surrender.

Each of UPHL (as lessee) and Elegance Printing (as lessor) shall have no claim or demand whatsoever against the other party in respect of the lease of the relevant units of the First Premises upon the respective dates of surrender.

## SECOND SURRENDER DEED

On 17 November 2023 (after trading hours), UPHL (as lessee) and Hoi Bun (as lessor) entered into Second Surrender Deed to early terminate the Second Lease Agreement. Principal terms of the Second Surrender Deed are set out as follows:

- Date : 17 November 2023 (after trading hours)
- Parties : (i) UPHL (as lessee); and  
(ii) Hoi Bun (as lessor)
- Premises and date of surrender : Pursuant to the Second Surrender Deed, the date of surrender of the Second Lease Agreement is 17 November 2023.  
(i) Block A on 4th floor, Hoi Bun Industrial Building, No. 6 Wing Yip Street, Kowloon, Hong Kong
- Other terms : UPHL (as lessee) shall deliver vacant possession or in the condition accepted by UPHL and Hoi Bun of the relevant units of the Second Premises according to the respective dates of surrender set out in the Second Surrender Deed.  
  
Hoi Bun (as lessor) shall refund the relevant rental deposit to UPHL (as lessee) within three business days after the date of surrender.  
  
Each of UPHL (as lessee) and Hoi Bun (as lessor) shall have no claim or demand whatsoever against the other party in respect of the lease of the relevant units of the Second Premises upon the respective dates of surrender.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the landlords (i.e. Elegance Printing and Hoi Bun) and their respective ultimate beneficial owners is an Independent Third Party.

## **REASONS FOR THE EARLY TERMINATION OF THE LEASE AGREEMENTS**

In view of the geographical dispersion of the Premises of the Group which are located in various units in Hoi Bun Industrial Building, the Directors consider that leasing another premises in Tsing Yi which is close to the existing logistics centre of the Group for expansion will enhance the overall business efficiency and reduce operational costs of the Group. As certain essential machinery has been installed and in operation at Block D1, the Company considers that the immediate termination of lease of Block D1 would cause disruption to the production and thus decided to continue the lease of which until 27 November 2023 or when Block D1 will be in a vacant possession (whichever is later).

Having reviewed the terms of the Surrender Deeds, the Directors are of the view that the terms of the Surrender Deeds are fair and reasonable, the transactions contemplated thereunder are on normal commercial terms, and that the entering into of the Surrender Deeds is in the interests of the Company and the Shareholders as a whole. The Directors believe that the entering into of the Surrender Deeds will not have any material adverse impact on the operation, business and financial position of the Group.

In light of the termination of the Lease Agreements and the Production Agreement and potential lease of another premises in Tsing Yi, the Group will continue to assess its operation scale, manpower and other resources and make necessary adjustments to cope with its business needs.

## **GEM LISTING RULES IMPLICATIONS**

Pursuant to HKFRS 16, following the entering into of the Surrender Deeds, the Company shall derecognise the right-of-use asset in the consolidated financial statements of the Company. Therefore, the transactions contemplated under the Surrender Deeds will be regarded as disposal of the right-of-use assets by the Group under the GEM Listing Rules. The maximum value of the right-of-use assets to be derecognised by the Group under the Surrender Deeds (i.e. assuming the lease of all the Premises by the Group are early terminated in accordance with the dates specified in the Surrender Deeds) amounted to approximately HK\$4.3 million.

As the highest applicable percentage ratio in respect of the transactions contemplated under the Surrender Deeds, on aggregate basis, exceeds 5% but is less than 25%, the entering into of the Surrender Deeds constitutes discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

## DEFINITIONS

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

“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)
“Director(s)”	the director(s) of the Company
“First Surrender Deed”	the surrender deed dated 17 November 2023 entered into between UPHL (as lessee) and Elegance Printing (as lessor) in relation to, among others, the termination of the First Lease 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
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Independent Third Party(ies)”	any person(s) or company(ies) who/which, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, is/are third party(ies) independent of the Company and its connected persons (as defined in the GEM Listing Rules)
“Second Surrender Deed”	the surrender deed dated 17 November 2023 entered into between UPHL (as lessee) and Hoi Bun (as lessor) in relation to, among others, the termination of the Second Lease Agreement
“Second Premises”	the premises subject to lease under the Second Lease Agreement

“Surrender Deeds” the First Surrender Deed and the Second Surrender Deed

“Termination Agreement” the agreement dated 17 November 2023 entered into between Elegance Technology and Elegance Printing in relation to, among others, the termination of the Production Agreement

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

Hong Kong, 19 November 2023

*As at the date of this announcement, the executive Directors are Mr. Lam Shing Tai, Ms. Li Shuang, Mr. Kao Jung and Mr. Yip Chi Man and the independent non-executive Directors are Mr. Wong Chun Kwok, Mr. Ho Kar Ming and Ms. So Shuk Wan.*

*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.*

*This announcement will remain on the website of the Stock Exchange at [www.hkexnews.hk](http://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](http://www.uprintshop.hk).*