

THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the Offer, this Composite Document and/or the accompanying Form of Acceptance or the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all of your shares in Universe Printshop Holdings Limited, you should at once hand this Composite Document and the accompanying Form of Acceptance to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

This Composite Document should be read in conjunction with the accompanying Form of Acceptance, the contents of which form part of the terms of the Offer contained herein.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Composite Document and the accompanying Form of Acceptance, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Composite Document and the accompanying Form of Acceptance.

NEW METRO INC.

(Incorporated in the British Virgin Islands with limited liability)

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)

**COMPOSITE DOCUMENT RELATING TO
MANDATORY UNCONDITIONAL CASH OFFER BY
SORRENTO SECURITIES LIMITED
FOR AND ON BEHALF OF NEW METRO INC.
TO ACQUIRE ALL THE ISSUED SHARES OF
UNIVERSE PRINTSHOP HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR
AGREED TO BE ACQUIRED BY NEW METRO INC. AND
PARTIES ACTING IN CONCERT WITH IT)**

Financial Adviser to the Offeror



Financial Adviser to the Company



Independent Financial Adviser to the Independent Board Committee



**普頓資本有限公司
PROTON CAPITAL LIMITED**

Unless the context otherwise requires, capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this Composite Document.

A letter from Sorrento Securities containing, among other things, details of the terms of the Offer is set out on pages 10 to 22 of this Composite Document.

A letter from the Board is set out on pages 23 to 32 of this Composite Document. A letter from the Independent Board Committee is set out on pages 33 to 34 of this Composite Document. A letter from the Independent Financial Adviser, containing its advice to the Independent Board Committee, is set out on pages 35 to 58 of this Composite Document.

The procedures for acceptance and settlement of the Offer and other related information are set out in Appendix I to this Composite Document and in the accompanying Form of Acceptance. Acceptance of the Offer should be received by the Registrar as soon as possible and in any event no later than 4:00 p.m. (Hong Kong time) on Friday, 20 May 2022 or such later time and/or the date as the Offeror may determine and the Offeror and the Company may jointly announce in accordance with the requirements under the Takeovers Code.

Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Form of Acceptance to any jurisdiction outside Hong Kong should read the section headed "Important Notice" contained in this Composite Document before taking any action. It is the responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer, including the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required or the compliance with other necessary formalities, or legal and regulatory requirements and the payment of any transfer or other taxes or other required payments due in respect of such jurisdictions. Overseas Shareholders are advised to seek professional advice on deciding whether to accept the Offer.

The Composite Document will remain on the websites of the Stock Exchange at <http://www.hkexnews.hk> and the Company at <http://www.uprintshop.hk> as long as the Offer remains open.

27 April 2022

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, 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.

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EXPECTED TIMETABLE

The expected timetable set out below is indicative only and may be subject to changes. Further announcement(s) will be jointly made by the Offeror and the Company in the event of any changes to the timetable as and when appropriate. Unless otherwise specified, all references to time and date contained in this Composite Document and the Form of Acceptance refer to Hong Kong time and dates.

Event	Time and Date
	2022
Despatch date of this Composite Document and the Form of Acceptance (<i>Note 1</i>)	Wednesday, 27 April
Offer opens for acceptance (<i>Note 1</i>)	Wednesday, 27 April
Latest time and date for acceptance of the Offer (<i>Notes 2, 3 and 5</i>)	by 4:00 p.m. on Friday, 20 May
Closing Date (<i>Notes 3 and 5</i>)	Friday, 20 May
Announcement of the results of the Offer (or its extension or revision, if any) on the website of the Stock Exchange (<i>Notes 3 and 5</i>)	no later than 7:00 p.m. on Friday, 20 May
Latest date for posting of remittances for the amounts due in respect of valid acceptances received under the Offer (<i>Notes 4 and 5</i>)	Tuesday, 31 May

Notes:

1. The Offer, which is unconditional in all respects, is made on the date of posting of this Composite Document, and is capable of acceptance on and from that date until 4:00 p.m. on the Closing Date, unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except in the circumstances set out in the paragraph headed "6. Right of Withdrawal" in Appendix I to this Composite Document.
2. Beneficial owners of Shares who hold their Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (as set out in Appendix I to this Composite Document) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.
3. In accordance with the Takeovers Code, the Offer must initially be open for acceptance for at least 21 days following the date on which this Composite Document is posted. The latest time and date for acceptance of the Offer is 4:00 p.m. on Friday, 20 May 2022 unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. An announcement in respect of the result of the Offer will be issued jointly by the Offeror and the Company on the website of the Stock Exchange by 7:00 p.m. on the Closing Date stating whether the Offer has been extended, revised or expired. In the event that the Offeror decides to revise or extend the Offer, all Independent Shareholders, whether or not they have already accepted the Offer, will be entitled to accept the revised Offer under the revised terms. The revised Offer must be kept open for at least 14 days following the date on which the revised offer document(s) are posted and shall not close earlier than the Closing Date.

EXPECTED TIMETABLE

4. Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty in respect of acceptances of the Offer) payable for the Offer Shares tendered under the Offer will be despatched to the Independent Shareholders accepting the Offer by ordinary post at their own risk as soon as possible, but in any event within seven (7) Business Days following the date of receipt by the Registrar of all relevant documents required to render such acceptance complete and valid in accordance with the Takeovers Code.
5. The latest time and date for acceptance of the Offer and the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances will not take effect if there is a tropical cyclone warning signal number 8 or above, or a "black rainstorm warning signal", or "extreme condition" caused by super typhoon, in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Offer and the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances. In such cases, the latest time for acceptance of the Offer and the posting of remittances will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings or condition in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m. or such other day as the Executive may approve.

Save as mentioned above, if the latest time for acceptance of the Offer and the posting of remittances do not take effect on the date and time as stated above, the other dates mentioned above may be affected. The Offeror and the Company will notify the Independent Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

IMPORTANT NOTICE

NOTICE TO THE OVERSEAS SHAREHOLDERS

The making of the Offer to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or affected by the laws of the relevant jurisdictions. Overseas Shareholders who are citizens or residents or nationals of jurisdictions outside Hong Kong should inform themselves about and observe any applicable legal and regulatory requirements and, where necessary, seek independent legal advice in respect of the Offer.

It is the responsibility of any such person who wishes to accept the Offer to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required or the compliance with other necessary formalities or legal and regulatory requirements and the payment of any transfer or other taxes or other required payments due in respect of such jurisdiction.

The Offeror and parties acting in concert with it, the Company, Sorrento Capital, Sorrento Securities, Octal Capital, Proton Capital, the Registrar, their respective ultimate beneficial owners, directors, officers, agents, advisers and associates and any other person involved in the Offer shall be entitled to be fully indemnified and held harmless by such person for any taxes or duties as such person may be required to pay. Please see the paragraph headed "Overseas Shareholders" in the "Letter from Sorrento Securities" and Appendix I to this Composite Document for further details.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Composite Document contains forward-looking statements, which may be identified by words such as "believe", "expect", "anticipate", "intend", "plan", "seek", "estimate", "will", "would" or words of similar meaning, that involve risks and uncertainties, as well as assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The forward-looking statements included herein are made only as at the Latest Practicable Date. The Offeror and the Company assume no obligation to correct or update the forward-looking statements or opinions contained in this Composite Document, except as required pursuant to applicable laws or regulations, including but not limited to the GEM Listing Rules and/or the Takeovers Code.

DEFINITIONS

In this Composite Document, unless otherwise defined or the context otherwise requires, the following expressions shall have the following meanings. Also, where terms are defined and used in only one section of this Composite Document, these defined terms are not included in the table below:

“Acquisition”	the purchase of the Sale Shares by the Offeror from the Selling Shareholders pursuant to terms set out in the Sale and Purchase Agreement
“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for the transaction of business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Closing Date”	Friday, 20 May 2022, being the closing date of the Offer or if the Offer is extended, any subsequent closing date of the Offer as may be determined by the Offeror and jointly announced by the Offeror and the Company in accordance with the Takeovers Code
“Company”	Universe Printshop Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM (stock code: 8448)
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Sale and Purchase Agreement, which took place immediately after the entering into of the Sale and Purchase Agreement by the Offeror and the Selling Shareholders on the Completion Date
“Completion Date”	4 April 2022

DEFINITIONS

“Composite Document”	this composite offer and response document jointly issued by the Offeror and the Company to the Independent Shareholders in connection with the Offer in accordance with the Takeovers Code containing, among other things, details of the Offer (accompanied by the Form of Acceptance) and the respective letters of advice from the Independent Board Committee and the Independent Financial Adviser
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	the purchase price for the sale and purchase of the Sale Shares under the Sale and Purchase Agreement, being an aggregate of HK\$8,858,850
“Deed of Acting in Concert Undertaking”	the deed of acting in concert undertaking dated 4 April 2022 entered into among the Offeror, Mr. Lam, Mr. Chau and Mr. Hsu
“Director(s)”	the director(s) of the Company
“Encumbrances”	any lien, pledge, encumbrance, charge (fixed or floating), mortgage, third party claim, debenture, option, right of pre-emption, right to acquire, assignment by way of security, trust arrangement for the purpose of providing security or other security interests of any kind, including retention arrangements or other encumbrances and any agreement to create any of the foregoing
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Form of Acceptance”	the form of acceptance and transfer of the Offer Shares in respect of the Offer accompanying this Composite Document
“GEM”	GEM of the Stock Exchange
“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

DEFINITIONS

“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Board (comprising all of the three independent non-executive Directors as at the Latest Practicable Date, namely Mr. Wan Aaron Chi Keung, <i>BBS, JP</i> , Dr. Sun Yongjing and Mr. Chan Chun Kit) which has been established to advise the Independent Shareholders in connection with the terms of the Offer and as to the acceptance of the Offer
“Independent Financial Adviser” or “Proton Capital”	Proton Capital Limited, a corporation licensed by the SFC to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company, with the approval of the Independent Board Committee, to advise the Independent Board Committee and the Independent Shareholders in connection with the Offer
“Independent Shareholder(s)”	Shareholder(s) other than the Offeror and parties acting in concert with it (including Mr. Lam, Mr. Chau and Mr. Hsu)
“Independent Third Party(ies)”	party(ies) independent of and not connected with the Company and its connected persons
“Joint Announcement”	the announcement jointly published by the Offeror and the Company dated 6 April 2022 in relation to, among other things, the Offer pursuant to Rule 3.5 of the Takeovers Code
“Last Trading Day”	4 April 2022, being the last trading day of the Shares on GEM immediately prior to the suspension of trading in the Shares pending the publication of the Joint Announcement
“Latest Practicable Date”	22 April 2022, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained herein

DEFINITIONS

“Memorandum of Understanding”	a non-legally binding memorandum of understanding dated 2 March 2022 and entered into between the Selling Shareholders and the Offeror in relation to the acquisition of the Sale Shares
“Mr. Chau” or “Mr. Chau Man Keung”	Mr. Chau Man Keung, an executive Director, the chairman of the Board, one of the Selling Shareholders and a party acting in concert with the Offeror and Mr. Lam pursuant to the Deed of Acting in Concert Undertaking
“Mr. Chau’s Irrevocable Undertaking”	the irrevocable undertaking dated 4 April 2022 given by Mr. Chau to the Offeror
“Mr. Hsu” or “Mr. Hsu Ching Loi”	Mr. Hsu Ching Loi, an executive Director and a party acting in concert with the Offeror and Mr. Lam pursuant to the Deed of Acting in Concert Undertaking
“Mr. Hsu’s Irrevocable Undertaking”	the irrevocable undertaking dated 4 April 2022 given by Mr. Hsu to the Offeror
“Mr. Lam”	Mr. Lam Shing Tai, the sole beneficial owner and the sole director of the Offeror
“Octal Capital”	Octal Capital Limited, a corporation licensed by the SFC to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the financial adviser to the Company in respect of the Offer
“Offer”	the mandatory unconditional cash offer by Sorrento Securities for and on behalf of the Offeror to acquire all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code and in accordance with the terms and conditions set out in this Composite Document
“Offer Period”	has the meaning ascribed to it under the Takeovers Code, being the period commencing on 6 April 2022 (i.e. the date of the Joint Announcement) and ending on the Closing Date, or such other time and/or date to which the Offeror may decide to extend or revise the Offer in accordance with the Takeovers Code

DEFINITIONS

“Offer Price”	the price of HK\$0.025 per Offer Share at which the Offer is made in cash
“Offer Share(s)”	all of the issued Shares, other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it
“Offeror” or “Purchaser”	New Metro Inc., a company incorporated in the British Virgin Islands with limited liability, which is wholly owned by Mr. Lam, both being Independent Third Parties
“Overseas Shareholder(s)”	Independent Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong
“Registrar”	Tricor Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company, located at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Relevant Period”	the period from 6 October 2021, being the date falling six months immediately preceding the commencement of the Offer Period, up to and including the Latest Practicable Date
“Sale and Purchase Agreement”	the sale and purchase agreement dated 4 April 2022 entered into between the Offeror and the Selling Shareholders in relation to the sale and purchase of the Sale Shares
“Sale Share(s)”	an aggregate of 354,354,000 Shares agreed to be sold by the Selling Shareholders pursuant to the Sale and Purchase Agreement, representing approximately 39.37% of the total number of issued Shares as at the date of this Composite Document

DEFINITIONS

“Selling Shareholders” or “Vendors”	Mr. Chau Man Keung (an executive Director and the chairman of the Board), Mr. Leung Yuet Cheong (an executive Director), Mr. Wong Man Hin Joe (an executive Director) and Mr. Wang Hsiung Yu (a senior management of the Group), who held approximately 31.16%, 7.38%, 3.38% and 2.05%, respectively, of the total number of issued Shares immediately before Completion. Immediately after Completion and as at the Latest Practicable Date, Mr. Chau Man Keung continues to hold approximately 4.60% of the total number of issued Shares, while Mr. Leung Yuet Cheong, Mr. Wong Man Hin Joe and Mr. Wang Hsiung Yu ceased to hold any issued Share
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Sorrento Capital”	Sorrento Capital Limited, a corporation licensed by the SFC to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the financial adviser to the Offeror in respect of the Offer
“Sorrento Securities”	Sorrento Securities Limited, a corporation licensed by the SFC to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO, being the agent making the Offer for and on behalf of the Offeror
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

LETTER FROM SORRENTO SECURITIES



11/F, The Wellington
198 Wellington Street
Central, Hong Kong

27 April 2022

To the Independent Shareholders,

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY
SORRENTO SECURITIES LIMITED
FOR AND ON BEHALF OF NEW METRO INC.
TO ACQUIRE ALL THE ISSUED SHARES OF
UNIVERSE PRINTSHOP HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR
AGREED TO BE ACQUIRED BY NEW METRO INC. AND
PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

Reference is made to the Joint Announcement jointly published by the Offeror and the Company dated 6 April 2022 in relation to, among other things, the Sale and Purchase Agreement and the Offer.

The Offeror (as purchaser) and the Selling Shareholders (as vendors) entered into the Sale and Purchase Agreement after trading hours on 4 April 2022, pursuant to which the Selling Shareholders conditionally agreed to sell, and the Offeror conditionally agreed to acquire, the full legal and beneficial title and interest in the Sale Shares (being an aggregate of 354,354,000 Shares), representing approximately 39.37% of the total issued share capital of the Company as at the date of the Joint Announcement, at a total consideration of HK\$8,858,850, which is equivalent to HK\$0.025 per Sale Share. Completion took place immediately after the entering into of the Sale and Purchase Agreement by the Offeror and the Selling Shareholders on the Completion Date, being 4 April 2022.

LETTER FROM SORRENTO SECURITIES

Immediately following Completion and as at the Latest Practicable Date, the Offeror, the ultimate beneficial owner of the Offeror, and the parties acting in concert with any of them are interested in a total of 506,220,000 Shares (comprising 354,354,000 Shares which the Offeror is interested in, 41,366,000 Shares which Mr. Chau Man Keung is interested in and 110,500,000 Shares which Mr. Hsu Ching Loi is interested in), representing approximately 56.25% of the entire issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it). Sorrento Securities is, on behalf of the Offeror, making the Offer in compliance with the Takeovers Code on the terms set out in this Composite Document.

The Offeror, Mr. Lam (the sole ultimate beneficial owner of the Offeror), Mr. Chau Man Keung (an executive Director and the chairman of the Board) and Mr. Hsu Ching Loi (an executive Director) entered into the Deed of Acting in Concert Undertaking dated 4 April 2022, pursuant to which the parties have agreed to consolidate their respective interests and control directly and/or indirectly in the Company and to vote on any resolution to be passed at any shareholders' meeting of the Company in an unanimous manner. The Deed of Acting in Concert Undertaking took effect from 4 April 2022, being the Completion Date, and will terminate upon any one of the parties ceasing to be a direct or indirect shareholder of the Company.

This letter forms part of this Composite Document and sets out, among other things, principal terms of the Offer, together with the information on the Offeror and the Offeror's intention regarding the Group. Further details on the terms and procedures of acceptance of the Offer are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

The Independent Shareholders are strongly advised to consider carefully the information contained in the "Letter from the Board", the "Letter from the Independent Board Committee" and the "Letter from the Independent Financial Adviser" as well as the appendices as contained in this Composite Document and to consult their professional advisers if in doubt before reaching a decision as to whether or not to accept the Offer.

LETTER FROM SORRENTO SECURITIES

THE OFFER

Sorrento Securities is making the Offer, for and on behalf of the Offeror, to acquire all the Offer Shares in compliance with the Takeovers Code on the following basis:

For each Offer Share HK\$0.025 in cash

The Offer Price of HK\$0.025 per Offer Share under the Offer is equal to the price per Sale Share paid by the Offeror for the Sale Shares under the Sale and Purchase Agreement.

The Offer is unconditional in all respects.

As at the Latest Practicable Date, there were 900,000,000 Shares in issue and the Company did not have any outstanding options, derivatives, warrants or other securities convertible or exchangeable into Shares or which confer rights to require the issue of Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or other securities which are convertible or exchangeable into Shares or which confer rights to require the issue of Shares.

The Offer is extended to all Shareholders other than the Offeror and parties acting in concert with it in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer is fully paid and free from all Encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of this Composite Document.

The Company confirms that as at the Latest Practicable Date, (i) it had not declared any dividend, the record date of which falls before the expected date of despatch of the Composite Document and which is not paid; (ii) it had not declared any dividend, the record date of which falls on or after the date of this Composite Document; and (iii) it did not have any intention to make, declare or pay any future dividend/make other distributions until the close of the Offer.

LETTER FROM SORRENTO SECURITIES

Comparison of value of the Offer Price

The Offer Price of HK\$0.025 per Offer Share represents:

- (i) a discount of approximately 43.18% to the closing price of HK\$0.044 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of approximately 8.70% over the closing price of HK\$0.023 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a premium of approximately 7.76% over the average closing price of approximately HK\$0.0232 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a premium of approximately 5.49% over the average closing price of approximately HK\$0.0237 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a premium of approximately 3.16% over the average closing price of approximately HK\$0.0242 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day;
- (vi) a discount of approximately 7.41% to the audited consolidated net assets per Share of approximately HK\$0.027 as at 31 March 2021, which was calculated based on 900,000,000 Shares in issue as at the Latest Practicable Date; and
- (vii) a discount of approximately 7.41% to the unaudited consolidated net assets per Share of approximately HK\$0.027 as at 30 September 2021, which was calculated based on 900,000,000 Shares in issue as at the Latest Practicable Date.

LETTER FROM SORRENTO SECURITIES

Highest and lowest Share prices

During the Relevant Period, the highest closing price of the Shares quoted on the Stock Exchange was HK\$0.056 per Share on 20 April 2022 and the lowest closing price of the Shares quoted on the Stock Exchange was HK\$0.022 per Share on 30 December 2021 and trading days during the period from 7 January 2022 to 11 January 2022.

Irrevocable undertakings for not accepting the Offer

Immediately after Completion, Mr. Chau continues to be the beneficial owner of 41,366,000 Shares, representing approximately 4.60% of the total issued share capital of the Company as at the Latest Practicable Date. On 4 April 2022, Mr. Chau gave Mr. Chau's Irrevocable Undertaking to the Offeror that in respect of the 41,366,000 Shares held by him, (i) he will not accept the Offer or sell any of such 41,366,000 Shares to the Offeror or the parties acting in concert with it under the Offer; (ii) he will not take any other action to make such 41,366,000 Shares available for acceptance under the Offer; and (iii) he will hold such 41,366,000 Shares until, and shall not sell, transfer, dispose of or create or agree to create any encumbrance of or otherwise create any interests on such 41,366,000 Shares before, the close of the Offer. Mr. Chau's Irrevocable Undertaking will cease only upon the close of the Offer.

Immediately after Completion, Mr. Hsu continues to be the beneficial owner of 110,500,000 Shares, representing approximately 12.28% of the total issued share capital of the Company as at the Latest Practicable Date. On 4 April 2022, Mr. Hsu gave Mr. Hsu's Irrevocable Undertaking to the Offeror that in respect of the 110,500,000 Shares held by him, (i) he will not accept the Offer or sell any of such 110,500,000 Shares to the Offeror or the parties acting in concert with it under the Offer; (ii) he will not take any other action to make such 110,500,000 Shares available for acceptance under the Offer; and (iii) he will hold such 110,500,000 Shares until, and shall not sell, transfer, dispose of or create or agree to create any encumbrance of or otherwise create any interests on such 110,500,000 Shares before, the close of the Offer. Mr. Hsu's Irrevocable Undertaking will cease only upon the close of the Offer.

LETTER FROM SORRENTO SECURITIES

Value of the Offer

As at the Latest Practicable Date, the Company had 900,000,000 Shares in issue. On the basis of the Offer Price being HK\$0.025 per Offer Share, the total issued share capital of the Company would be valued at HK\$22,500,000.

Upon Completion, excluding (i) the 354,354,000 Sale Shares which the Offeror is interested in; (ii) the 41,366,000 Shares which Mr. Chau is interested in; and (iii) the 110,500,000 Shares which Mr. Hsu is interested in, and on the basis that there is no change in the total issued share capital of the Company up to the close of the Offer, a total of 393,780,000 Shares (representing approximately 43.75% of the total issued share capital of the Company as at the Latest Practicable Date) will be subject to the Offer and the Offer is valued at HK\$9,844,500 based on the Offer Price of HK\$0.025 per Offer Share.

Confirmation of financial resources available for the Offer

Based on (i) the Offer Price of HK\$0.025 Offer Shares; and (ii) 393,780,000 Shares, the total maximum consideration of the Offer will be HK\$9,844,500. The total consideration payable under the Offer shall be payable in cash. The Offeror intends to finance the consideration payable under the Offer by its own internal resources. Sorrento Capital, being the financial adviser to the Offeror in respect of the Offer, is satisfied that as at the Latest Practicable Date sufficient financial resources are and will remain available to the Offeror to satisfy the total consideration payable upon full acceptance of the Offer.

Effect of accepting the Offer

Acceptance of the Offer by any Independent Shareholder will be deemed to constitute a warranty by such person that all Offer Shares sold by such person under the Offer are free from all Encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of this Composite Document.

The Offer will remain open for acceptance from the date of this Composite Document until 4:00 p.m. on the Closing Date. Acceptance of the Offer tendered by the Independent Shareholders shall be irrevocable and not capable of being withdrawn, except as otherwise permitted under the Takeovers Code, details of which are set out in paragraph headed "6. Right of Withdrawal" in Appendix I to this Composite Document.

LETTER FROM SORRENTO SECURITIES

Hong Kong stamp duty

In Hong Kong, seller's ad valorem stamp duty arising in connection with acceptance of the Offer will be payable by the relevant Independent Shareholders at a rate of 0.13% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptance of the Offer, whichever is higher, and will be deducted from the cash amount payable by the Offeror to the Independent Shareholders who accept the Offer.

The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the Independent Shareholders accepting the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the relevant Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Payment

Payment in cash in respect of acceptance of the Offer will be made as soon as possible but in any event within seven (7) business days (as defined in the Takeovers Code) of the date on which the duly completed acceptance of the Offer is received. Relevant documents evidencing title in respect of such acceptance must be received by or on behalf of the Offeror (or its agent) to render each such acceptance of the Offer complete and valid in accordance with Rule 20.1 and Note 1 to Rule 30.2 of the Takeovers Code.

No fractions of a Hong Kong cent will be payable and the amount of the consideration payable to a Shareholder who accepts the Offer will be rounded up to the nearest Hong Kong cent.

Taxation advice

Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with it, the Company, Sorrento Capital, Sorrento Securities, Octal Capital, Proton Capital, and (as the case may be) their respective ultimate beneficial owners, directors, officers, agents, associates, professional advisors or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

LETTER FROM SORRENTO SECURITIES

Availability of the Offer

To the extent practicable and permissible under applicable laws and regulations, the Offeror intends to make the Offer available to all the Independent Shareholders, including those with registered addresses in a jurisdiction outside Hong Kong. The availability of the Offer to persons with a registered address in a jurisdiction outside Hong Kong may be affected by the laws of the relevant overseas jurisdictions. The making of the Offer to Overseas Shareholders may be prohibited or limited by the laws or regulations of the relevant jurisdictions. Such Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. Overseas Shareholders who are residents, citizens or nationals outside Hong Kong should inform themselves about and observe, at their own responsibility, any applicable laws, regulations, requirements and restrictions in their own jurisdictions in connection with the acceptance of the Offer, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with the other necessary formalities and the payment of any issue, transfer or other taxes due from such Overseas Shareholder in respect of such jurisdiction. There are no Overseas Shareholders as at the Latest Practicable Date.

Any acceptance by the Overseas Shareholders will be deemed to constitute a representation and warranty from such Overseas Shareholders to the Offeror that the local laws and requirements have been complied with and such acceptance shall be valid and binding in accordance with all applicable laws. Such Overseas Shareholders should consult their respective professional advisers if in doubt.

DEALING AND INTERESTS IN THE COMPANY'S SECURITIES

Save for (i) the disposal of 239,034,000 Sale Shares by Mr. Chau under the Sale and Purchase Agreement; and (ii) the Acquisition, none of the Offeror, the ultimate beneficial owner of the Offeror nor the parties acting in concert with any of them (including Mr. Chau and Mr. Hsu) had dealt for value in nor owned any Shares, options, derivatives, warrants or other securities convertible into Shares during the Relevant Period.

Your attention is drawn to the shareholding structure of the Company as at the Latest Practicable Date as set out under the paragraph headed "Shareholding Structure of the Company" in the "Letter from the Board" in this Composite Document.

INFORMATION ON THE GROUP

The Company is an exempt company incorporated in the Cayman Islands with limited liability on 27 April 2017. The Group is principally engaged in the provision of general printing services and trading of printing products.

LETTER FROM SORRENTO SECURITIES

Further information on the Group are set out in the paragraph headed “Information on the Group” in the “Letter from the Board” in this Composite Document.

INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in the British Virgin Islands with limited liability on 11 January 2022 for the purpose of holding the Shares. As at the Latest Practicable Date, the Offeror is wholly and beneficially owned by Mr. Lam who is also the sole director of the Offeror.

Mr. Lam, aged 55, is the sole beneficial owner and the sole director of the Offeror. Mr. Lam has been a controlling shareholder of Wilson Printing Equipment Limited, a company principally engages in the trading of printing machinery, equipment and printing materials, since 2004. In 2011, Mr. Lam established Wilson (Hong Kong) Limited, a company principally engages in general trading of printing related products.

The Offeror and its ultimate beneficial owner are Independent Third Parties.

THE OFFEROR’S INTENTION ON THE GROUP

Following the close of the Offer, it is the intention of the Offeror that the Group will continue with its existing principal business. The Offeror does not intend to introduce any major changes to the existing operations and business of the Group immediately after close of the Offer and will neither redeploy nor dispose of any of the assets (including fixed assets) of the Group other than in the ordinary course of business. As at the Latest Practicable Date, the Offeror does not have any intention, understanding, negotiation, arrangement, and agreements (formal or informal, express or implied) to downsize or dispose of any existing business or assets of the Group.

Nevertheless, following the close of the Offer, the Offeror will conduct a detailed review on the existing principal operations and business, and the financial position of the Group for the purpose of formulating business plans and strategies for the Group’s long-term business development and will explore other business opportunities for the Group. Subject to the results of the review, and should suitable investment or business opportunities arise, the Offeror may consider whether any assets and/or business acquisitions or disposals by the Group will be appropriate in order to enhance its growth. Any acquisition or disposal of the assets or business of the Group, if any, will be in compliance with the GEM Listing Rules.

As at the Latest Practicable Date, no investment or business opportunity had been identified nor had the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group.

Save for the proposed change(s) to the composition of the Board as mentioned below, as at the Latest Practicable Date, the Offeror had no plan to terminate the employment of any other employees or other personnel of the Group. However, the Offeror reserves the right to make any changes that they deem necessary or appropriate to the benefit of the Group.

LETTER FROM SORRENTO SECURITIES

PROPOSED CHANGE TO THE BOARD COMPOSITION OF THE COMPANY

As at the Latest Practicable Date, the Board comprised Mr. Chau Man Keung, Mr. Hsu Ching Loi, Mr. Leung Yuet Cheong and Mr. Wong Man Hin Joe as executive Directors; and Mr. Wan Aaron Chi Keung, *BBS, JP*, Dr. Sun Yongjing and Mr. Chan Chun Kit as independent non-executive Directors.

In compliance with Rule 7 of the Takeovers Code, it is intended that all of the existing Directors as at the Latest Practicable Date, except Mr. Chau Man Keung and Mr. Hsu Ching Loi, will resign from the Board with effect from a date no earlier than the date of the close of the Offer or at the earliest time permitted under the Takeovers Code.

The Offeror intends to nominate new Directors to the Board to facilitate the business operation, management and strategy of the Group.

The Offeror intends to appoint new Directors with effect not earlier than such date as permitted under the Takeovers Code (i.e. with effect from immediately after the posting of this Composite Document) or such later date as the Offeror considers to be appropriate. Accordingly, the Board proposed the appointment of the following individuals as new Directors: (i) Mr. Lam as an executive Director; and (ii) Mr. Wong Chun Kwok, Mr. Ho Kar Ming and Ms. So Shuk Wan as independent non-executive Directors, in compliance with the Takeovers Code and the GEM Listing Rules.

The biographical details of Mr. Lam are set out in the paragraph headed "Information on the Offeror" above. The biographies of Mr. Wong Chun Kwok, Mr. Ho Kar Ming and Ms. So Shuk Wan are set out below:

Mr. Wong Chun Kwok, aged 40, has over 10 years of experience in accounting and finance. Mr. Wong currently serves as the chief financial officer of Huisen Household International Group Limited, a company listed on the Main Board of the Stock Exchange with stock code 2127, and an independent director of Datasea Inc. (NASDAQ: DTSS). He served as the managing director of DW Consulting Corporation Limited from September 2020 to September 2021. He was the financial controller from February 2017 to January 2018 and the chief financial officer from January 2018 to August 2020 of Fitness World (Group) Limited. He was a senior associate in the assurance practice of PricewaterhouseCoopers Limited from January 2016 to January 2017. He worked at Moore Stephens CPA Limited as an audit senior associate from October 2010 to December 2015. He was a supervisor of KLC Certified Public Accountants (Practising) from July 2009 to August 2010. Mr. Wong was admitted as a member and a fellow of the Association of Chartered Certified Accountants in January 2014 and May 2019, respectively. He was admitted as an affiliate of the Society of Chinese Accountants & Auditors in December 2015. Mr. Wong obtained his Bachelor of Commerce degree in Accounting from Macquarie University in Australia in November 2005.

LETTER FROM SORRENTO SECURITIES

Mr. Ho Kar Ming, aged 50, currently serves as the chief executive officer of Linpons Company Limited, a company established for provision of business advisory and promotion services, communication solution and language training, since September 2021 and the relationship manager of Infinity Asset Management Limited (a corporation licensed by the SFC to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO) since July 2020. He served as the chief operating officer of Mastermind Strategy Advisors Limited, a company established for provision of business advisory services, from May 2019 to September 2021. He was a senior advisor of Di & Cooke Company Limited, a company established for provision of business advisory services and corporate planning and training, from March 2011 to March 2019. Mr. Ho obtained his Bachelor of Business degree in Banking and Finance from Queensland University of Technology in Australia in March 1995.

Ms. So Shuk Wan, aged 35, currently serves as the Hong Kong Company Secretary of SouthGobi Resources Ltd. (“SGQ”), a company listed on the Main Board of the Stock Exchange with stock code 1878 and Toronto Stock Exchange with stock code SGQ. Ms. So joined SouthGobi Resources Ltd. in February 2011 and has been assistant company secretary of SGQ since 2018 prior to her current position as Hong Kong Company Secretary since January 2021. Ms. So obtained her Bachelor of Business Administration from the Bernard M. Baruch College of the City University of New York in June 2010 and her Master of Corporate Governance from the Hong Kong Polytechnic University in September 2019. Ms. So is an associate member of The Hong Kong Chartered Governance Institute.

Save as disclosed above, there is no other matter that need to be brought to the attention of the Shareholders in connection with the above proposed appointments, and there is no other information to be disclosed pursuant to Rules 17.50(2)(h) to (v) of the GEM Listing Rules.

Further announcement(s) will be made immediately after their appointments.

PUBLIC FLOAT AND MAINTENANCE OF THE LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealings in the Shares.

LETTER FROM SORRENTO SECURITIES

The Offeror intends the Company to remain listed on the Stock Exchange. The sole director of the Offeror and the new Directors to be appointed to the Board have jointly and severally undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after the close of the Offer.

Immediately following Completion and as at the Latest Practicable Date, the Offeror, the ultimate beneficial owner of the Offeror, and the parties acting in concert with any of them are interested in a total of 506,220,000 Shares (comprising 354,354,000 Shares which the Offeror is interested in, 41,366,000 Shares which Mr. Chau Man Keung is interested in and 110,500,000 Shares which Mr. Hsu Ching Loi is interested in), representing approximately 56.25% of the entire issued share capital of the Company.

The Company will make an application to the Stock Exchange for a temporary waiver from strict compliance with Rule 11.23(7) of the GEM Listing Rules in case less than 25% of the issued share capital of the Company will be held by the public upon the close of the Offer. In this connection, the Offeror will, as soon as practicable, dispose of such number of Shares either directly in the market or through a placing agent to be appointed by the Offeror to ensure that the public float requirement under the GEM Listing Rules can be met.

Further announcement(s) regarding the restoration of public float will be made by the Company as and when appropriate.

COMPULSORY ACQUISITION

The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offer.

ACCEPTANCE AND SETTLEMENT

Your attention is drawn to the further details regarding further terms and conditions of the Offer, the procedures for acceptance and settlement and the acceptance period as set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

GENERAL

This Composite Document has been prepared for the purposes of complying with the laws of Hong Kong, the Takeovers Code and the GEM Listing Rules and the information disclosed may not be the same as which would have been disclosed if this Composite Document had been prepared in accordance with the laws of jurisdictions outside Hong Kong.

LETTER FROM SORRENTO SECURITIES

To ensure equality of treatment of all Independent Shareholders, those Independent Shareholders who hold Shares as nominee on behalf of more than one beneficial owner should, as far as practicable, treat the holding of such beneficial owner separately. It is essential for the beneficial owners of the Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offer.

Attention of the Overseas Shareholders is drawn to paragraph headed "7. Overseas Shareholders" in Appendix I to this Composite Document. All communications, notices, Form of Acceptance, Share certificate(s), transfer receipt(s), other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offer to be delivered by or sent to or from the Independent Shareholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of the Company, the Offeror and parties acting in concert with it, Sorrento Capital, Sorrento Securities, Octal Capital, Proton Capital and any of their respective ultimate beneficial owners, directors, officers, agents and associates nor other parties involved in the Offer accept any liability for any loss in postage or any other liabilities that may arise as a result thereof. Further details have been set out in Appendix I to this Composite Document and in the accompanying Form of Acceptance.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Composite Document and the accompanying Form of Acceptance, which form part of this Composite Document. You are reminded to carefully read the "Letter from the Board", the "Letter from the Independent Board Committee" and the "Letter from the Independent Financial Adviser" and other information about the Group, which are set out in this Composite Document before deciding whether or not to accept the Offer.

In considering what action to take in connection with the Offer, you should consider your own tax or financial position and if you are in any doubt, you should consult your professional advisers.

Yours faithfully,
For and on behalf of
Sorrento Securities Limited
Cheung Wing Yiu
Assistant Vice President

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)

Executive Directors:

Mr. Chau Man Keung (*Chairman*)
Mr. Hsu Ching Loi (*Chief Executive Officer*)
Mr. Leung Yuet Cheong
Mr. Wong Man Hin Joe

Independent Non-executive Directors:

Mr. Wan Aaron Chi Keung, *BBS, JP*
Dr. Sun Yongjing
Mr. Chan Chun Kit

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1108
Cayman Islands

*Headquarters and Principal Place of
Business in Hong Kong:*

Office F, 12/F
Legend Tower
No. 7 Shing Yip Street
Kwun Tong, Kowloon
Hong Kong

27 April 2022

To the Independent Shareholders,

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY
SORRENTO SECURITIES LIMITED
FOR AND ON BEHALF OF NEW METRO INC.
TO ACQUIRE ALL THE ISSUED SHARES OF
UNIVERSE PRINTSHOP HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR
AGREED TO BE ACQUIRED BY NEW METRO INC. AND
PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

Reference is made to the Joint Announcement jointly published by the Offeror and the Company on 6 April 2022 in relation to, among other matters, the Sale and Purchase Agreement and the Offer.

LETTER FROM THE BOARD

As disclosed in the Joint Announcement, the Company was informed by the Selling Shareholders that on 4 April 2022 (after trading hours), the Offeror (as purchaser) and the Selling Shareholders (as vendors) entered into the Sale and Purchase Agreement, pursuant to which the Selling Shareholders conditionally agreed to sell, and the Offeror conditionally agreed to acquire, the full legal and beneficial title and interest in the Sale Shares (being an aggregate of 354,354,000 Shares), representing approximately 39.37% of the total issued share capital of the Company as at the date of the Joint Announcement, at a total consideration of HK\$8,858,850, which is equivalent to HK\$0.025 per Sale Share. Completion took place immediately after the entering into of the Sale and Purchase Agreement by the Offeror and the Selling Shareholders on the Completion Date, being 4 April 2022.

The Offeror, Mr. Lam (the sole ultimate beneficial owner of the Offeror), Mr. Chau Man Keung (an executive Director and the chairman of the Board) and Mr. Hsu Ching Loi (an executive Director) entered into the Deed of Acting in Concert Undertaking dated 4 April 2022, pursuant to which the parties have agreed to consolidate their respective interests and control directly and/or indirectly in the Company and to vote on any resolution to be passed at any shareholders' meeting of the Company in an unanimous manner. The Deed of Acting in Concert Undertaking took effect from 4 April 2022, being the Completion Date, and will terminate upon any one of the parties ceasing to be a direct or indirect shareholder of the Company.

Immediately following Completion and as at the Latest Practicable Date, the Offeror, the ultimate beneficial owner of the Offeror, and the parties acting in concert with any of them were interested in a total of 506,220,000 Shares (comprising 354,354,000 Shares which the Offeror was interested in, 41,366,000 Shares which Mr. Chau Man Keung was interested in and 110,500,000 Shares which Mr. Hsu Ching Loi was interested in), representing approximately 56.25% of the entire issued share capital of the Company. Save for the interests in 506,220,000 Shares, the Offeror, the ultimate beneficial owner of the Offeror, and the parties acting in concert with any of them, did not hold any beneficial interest in any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it). Sorrento Securities is, on behalf of the Offeror, making the Offer in compliance with the Takeovers Code on the terms set out in this Composite Document.

This letter forms part of this Composite Document which set out, among other things, the details of the Offer, information on the Offeror and the intention of the Offeror regarding the Group. Further terms and procedures of acceptance of the Offer are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

The Independent Shareholders are strongly advised to consider carefully the information contained in the "Letter from the Board", "Letter from the Independent Board Committee" and "Letter from the Independent Financial Adviser" as well as the appendices contained in this Composite Document and to consult their professional advisers if in doubt before reaching a decision as to whether or not to accept the Offer.

LETTER FROM THE BOARD

PRINCIPAL TERMS OF THE OFFER

The Offer

Sorrento Securities is making the Offer, for and on behalf of the Offeror, to acquire all the Offer Shares in compliance with the Takeovers Code on the following basis:

For every Offer Share HK\$0.025 in cash

The Offer Price of HK\$0.025 per Offer Share under the Offer is equal to the price per Sale Share paid by the Offeror for the Sale Shares under the Sale and Purchase Agreement.

The Offer is unconditional in all respects.

As at the Latest Practicable Date, (i) there were 900,000,000 Shares in issue; and (ii) the Company did not have any outstanding options, derivatives, warrants or other securities convertible or exchangeable into Shares or which confer rights to require the issue of Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or other securities which are convertible or exchangeable into Shares or which confer rights to require the issue of Shares; and (iii) the Company had no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue other than the Shares.

The Offer is extended to all Shareholders other than the Offeror and parties acting in concert with it in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer shall be fully paid and free from all Encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of this Composite Document.

The Company confirms that as at the Latest Practicable Date, (i) it had not declared any dividend, the record date of which fell before the expected date of despatch of this Composite Document and which was not paid; (ii) it had not declared any dividend, the record date of which falls on or after the expected date of despatch of this Composite Document; and (iii) it did not have any intention to make, declare or pay any future dividend/make other distributions until the close of the Offer.

LETTER FROM THE BOARD

Irrevocable undertakings for not accepting the Offer

Immediately after Completion, Mr. Chau continues to be the beneficial owner of 41,366,000 Shares, representing approximately 4.60% of the total issued share capital of the Company as at the Latest Practicable Date. On 4 April 2022, Mr. Chau gave Mr. Chau's Irrevocable Undertaking to the Offeror that in respect of the 41,366,000 Shares held by him, (i) he will not accept the Offer or sell any of such 41,366,000 Shares to the Offeror or the parties acting in concert with it under the Offer; (ii) he will not take any other action to make such 41,366,000 Shares available for acceptance under the Offer; and (iii) he will hold such 41,366,000 Shares until, and shall not sell, transfer, dispose of or create or agree to create any encumbrance of or otherwise create any interests on such 41,366,000 Shares before, the close of the Offer. Mr. Chau's Irrevocable Undertaking will cease only upon the close of the Offer.

Immediately after Completion, Mr. Hsu continues to be the beneficial owner of 110,500,000 Shares, representing approximately 12.28% of the total issued share capital of the Company as at the Latest Practicable Date. On 4 April 2022, Mr. Hsu gave Mr. Hsu's Irrevocable Undertaking to the Offeror that in respect of the 110,500,000 Shares held by him, (i) he will not accept the Offer or sell any of such 110,500,000 Shares to the Offeror or the parties acting in concert with it under the Offer; (ii) he will not take any other action to make such 110,500,000 Shares available for acceptance under the Offer; and (iii) he will hold such 110,500,000 Shares until, and shall not sell, transfer, dispose of or create or agree to create any encumbrance of or otherwise create any interests on such 110,500,000 Shares before, the close of the Offer. Mr. Hsu's Irrevocable Undertaking will cease only upon the close of the Offer.

Comparison of value

The Offer price of HK\$0.025 per Offer Share represents:

- (i) a discount of approximately 43.18% to the closing price of HK\$0.044 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of approximately 8.70% over the closing price of HK\$0.023 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a premium of approximately 7.76% over the average closing price of approximately HK\$0.0232 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;

LETTER FROM THE BOARD

- (iv) a premium of approximately 5.49% over the average closing price of approximately HK\$0.0237 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a premium of approximately 3.16% over the average closing price of approximately HK\$0.0242 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day;
- (vi) a discount of approximately 7.41% to the audited consolidated net assets per Share of approximately HK\$0.027 as at 31 March 2021, which was calculated based on 900,000,000 Shares in issue as at the Latest Practicable Date; and
- (vii) a discount of approximately 7.41% to the unaudited consolidated net assets per Share of approximately HK\$0.027 as at 30 September 2021, which was calculated based on 900,000,000 Shares in issue as at the Latest Practicable Date.

Further details of the Offer

Further details of the Offer including, among other things, its extension to the Overseas Shareholders, information on taxation, the terms and conditions and the procedures for acceptance and settlement and acceptance period are set out in the “Letter from Sorrento Securities” and Appendix I to this Composite Document and the Form of Acceptance.

INFORMATION ON THE GROUP

The Company is an exempt company incorporated in the Cayman Islands with limited liability on 27 April 2017. The Group is principally engaged in the provision of general printing services and trading of printing products.

Your attention is drawn to Appendices II and III to this Composite Document which contain further financial information and general information of the Group.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$20,000,000 divided into 2,000,000,000 ordinary shares, and there are 900,000,000 in issue. The Company does not have any outstanding options, warrants or derivatives or convertible rights affecting the Shares.

LETTER FROM THE BOARD

The following table sets out the shareholding structure of the Company (i) immediately before Completion; and (ii) immediately following Completion and as at the Latest Practicable Date:

Shareholders	Immediately before Completion		Immediately following Completion and as at the Latest Practicable Date	
	Number of Shares	Approximate % of issued Shares	Number of Shares	Approximate % of issued Shares
The Offeror and parties acting in concert with it				
– The Offeror (Notes 1 & 2)	–	–	354,354,000	39.37
– Mr. Chau Man Keung (Note 2)	280,400,000	31.16	41,366,000	4.60
– Mr. Hsu Ching Loi (Note 2)	110,500,000	12.28	110,500,000	12.28
Subtotal	390,900,000	43.44	506,220,000	56.25
Other Selling Shareholders				
– Mr. Leung Yuet Cheong	66,460,000	7.38	–	–
– Mr. Wong Man Hin Joe	30,380,000	3.38	–	–
– Mr. Wang Hsiung Yu	18,480,000	2.05	–	–
Public Shareholders	393,780,000	43.75	393,780,000	43.75
Total	900,000,000	100.00	900,000,000	100.00

Notes:

- The Offeror is beneficially wholly owned by Mr. Lam.
- The Offeror, Mr. Lam (the sole ultimate beneficial owner of the Offeror), Mr. Chau Man Keung (an executive Director and the chairman of the Board) and Mr. Hsu Ching Loi (an executive Director) entered into the Deed of Acting in Concert Undertaking dated 4 April 2022, pursuant to which the parties have agreed to consolidate their respective interests and control directly and/or indirectly in the Company and to vote on any resolution to be passed at any shareholders' meeting of the Company in an unanimous manner.

INFORMATION ON THE OFFEROR

Please refer to the paragraph headed "Information on the Offeror" in the "Letter from Sorrento Securities" for information on the Offeror.

LETTER FROM THE BOARD

THE OFFEROR'S INTENTION ON THE GROUP AND THE PROPOSED CHANGE TO THE BOARD COMPOSITION OF THE COMPANY

Please refer to the paragraphs "The Offeror's Intention on the Group" and "Proposed Change to the Board Composition of the Company" in the "Letter from Sorrento Securities" for detailed information on the Offeror's intention on the business and management of the Group, including but not limited to the proposed change to the Board composition of the Company. The Board is aware of the Offeror's intention to continue the employment of the existing management and employees of the Group (except for a proposed change to the members of the Board as detailed below at a date no earlier than that permitted under the Takeovers Code). The Board is aware that, following the close of the Offer, the Offeror will continue its existing principal businesses of the Group. The Board is aware that the Offeror will continue to review the existing principal operations and business, and the financial position of the Group for the Group's long-term business development and will explore other business opportunities for the Group.

The Board is aware that, save for the Offeror's intention regarding the Group as set out above, (i) the Offeror has no intention to make material changes to the employment of the employees of the Group; (ii) the Offeror has no intention to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business; (iii) as at the Latest Practicable Date, no investment or business opportunity has been identified nor has the Offeror entered into any agreement, arrangement, understandings or negotiation in relation to the injection of any asset or business into the Group; and (iv) as at the Latest Practicable Date, the Offeror does not have any intention, understanding, negotiation, arrangement, and agreements (formal or informal, express or implied) to downsize or dispose of any existing business or assets of the Group. The Board is aware of the intention of the Offeror in respect of the Group and is willing to render reasonable co-operation with the Offeror which is in the interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, the Board comprised Mr. Chau Man Keung, Mr. Hsu Ching Loi, Mr. Leung Yuet Cheong and Mr. Wong Man Hin Joe as executive Directors; and Mr. Wan Aaron Chi Keung, *BBS, JP*, Dr. Sun Yongjing and Mr. Chan Chun Kit as independent non-executive Directors.

The Board is aware that it is intended that all of the existing Directors as at the Latest Practicable Date, except Mr. Chau Man Keung and Mr. Hsu Ching Loi, will resign from the Board with effect from a date no earlier than the date of the close of the Offer or at the earliest time permitted under the Takeovers Code.

LETTER FROM THE BOARD

The Board noted from the “Letter from Sorrento Securities” in this Composite Document that the Offeror intends to nominate the following new Directors with their appointment being effect not earlier than such date as permitted under the Takeovers Code (i.e. with effect from immediately after the posting of this Composite Document) or such later date as the Offeror considers to be appropriate: (i) Mr. Lam as an executive Director; and (ii) Mr. Wong Chun Kwok, Mr. Ho Kar Ming and Ms. So Shuk Wan as independent non-executive Directors. For details of the biographies of the new Directors, please refer to the paragraphs headed “Information on the Offeror” and “Proposed change to the Board composition of the Company” in the “Letter from Sorrento Securities”. Further announcement(s) will be made immediately after their appointments.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that:

- a false market exists or may exist in the trading of the Shares; or
- that there are insufficient Shares in public hands to maintain an orderly market;

it will consider exercising its discretion to suspend dealings in the Shares.

The Board noted from the “Letter from Sorrento Securities” in this Composite Document that (i) the Offeror intends the Company to remain listed on the Stock Exchange; and (ii) the sole director of the Offeror and the new Directors to be appointed to the Board have jointly and severally undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after the close of the Offer.

Immediately following Completion and as at the Latest Practicable Date, the Offeror, the ultimate beneficial owner of the Offeror, and the parties acting in concert with any of them were interested in a total of 506,220,000 Shares (comprising 354,354,000 Shares which the Offeror was interested in, 41,366,000 Shares which Mr. Chau Man Keung was interested in and 110,500,000 Shares which Mr. Hsu Ching Loi was interested in), representing approximately 56.25% of the entire issued share capital of the Company.

LETTER FROM THE BOARD

The Company will make an application to the Stock Exchange for a temporary waiver from strict compliance with Rule 11.23(7) of the GEM Listing Rules in case less than 25% of the issued share capital of the Company will be held by the public upon the close of the Offer. The Board noted from the "Letter from Sorrento Securities" in this Composite Document that in this connection, the Offeror will, as soon as practicable, dispose of such number of Shares either directly in the market or through a placing agent to be appointed by the Offeror to ensure that the public float requirement under the GEM Listing Rules can be met. Your attention is also drawn to the paragraph headed " Public float and maintenance of the listing status of the Company" in the "Letter from Sorrento Securities".

Further announcement(s) regarding the restoration of public float will be made by the Company as and when appropriate.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.1 of the Takeovers Code, a board which receives an offer or which is approached with a view to an offer being made, must, in the interests of shareholders, establish an independent committee of the board to make a recommendation (i) as to whether the offer is, or is not, fair and reasonable; and (ii) as to acceptance.

The Independent Board Committee, comprising all of the three independent non-executive Directors as at the Latest Practicable Date, namely Mr. Wan Aaron Chi Keung, *BBS, JP*, Dr. Sun Yongjing and Mr. Chan Chun Kit, has been established to advise the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer.

You are advised to read both letters and the additional information contained in the appendices to this Composite Document carefully before taking any action in respect of the Offer.

As disclosed in the Joint Announcement, Proton Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the Offer and in particular as to whether the Offer is, or is not, fair and reasonable and as to its acceptance. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee.

LETTER FROM THE BOARD

RECOMMENDATION

Your attention is drawn to (i) the “Letter from the Independent Board Committee” on pages 33 to 34 of this Composite Document, which sets out its recommendations to the Independent Shareholders in relation to the Offer; and (ii) the “Letter from the Independent Financial Adviser” on pages 35 to 58 of this Composite Document, which sets out its advice to the Independent Board Committee and the Independent Shareholders in respect of the Offer and, in particular, as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

As at the Latest Practicable Date, Mr. Chau and Mr. Hsu, each being an executive Director, are parties acting in concert with the Offeror and Mr. Lam by virtue of the Deed of Acting in Concert Undertaking. To avoid any conflict of interest, Mr. Chau and Mr. Hsu do not join the remainder of the Board in the expression of its views on the Offer.

ADDITIONAL INFORMATION

You are also advised to read this Composite Document together with the accompanying Form of Acceptance in respect of the acceptance and settlement procedures of the Offer. Your attention is drawn to the additional information contained in the appendices to this Composite Document.

In considering what action to take in connection with the Offer, you should consider your own tax positions, if any, and, in case of any doubt, consult your professional advisers.

Yours faithfully,
By order of the Board

UNIVERSE PRINTSHOP HOLDINGS LIMITED

環球印館控股有限公司

Chau Man Keung

Chairman and Executive Director

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)

27 April 2022

To the Independent Shareholders,

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY
SORRENTO SECURITIES LIMITED
FOR AND ON BEHALF OF NEW METRO INC.
TO ACQUIRE ALL THE ISSUED SHARES OF
UNIVERSE PRINTSHOP HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR
AGREED TO BE ACQUIRED BY NEW METRO INC. AND
PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

We refer to this Composite Document dated 27 April 2022 issued jointly by the Offeror and the Company of which this letter forms part. Unless the context requires otherwise, terms used in this letter shall have the same meaning as those defined in this Composite Document.

We have been appointed by the Board to form the Independent Board Committee to consider the terms of the Offer and to make a recommendation to the Independent Shareholders as to whether, in our opinion, the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned and as to the acceptance of the Offer after taking into account the advice from the Independent Financial Adviser.

Proton Capital has been appointed, with our approval, as the Independent Financial Adviser to advise us in respect of the fairness and reasonableness of the Offer and as to the acceptance of the Offer. Details of its advice and the principal factors and reasons taken into consideration in arriving at its advice and recommendations are set out in the “Letter from the Independent Financial Adviser” on pages 35 to 58 of this Composite Document.

We also wish to draw your attention to the “Letter from Sorrento Securities”, the “Letter from the Board” and the additional information set out in the appendices to this Composite Document in respect of the terms of the Offer and acceptance and settlement procedures for the Offer.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

RECOMMENDATIONS

Having considered the terms of the Offer, taking into account the information contained in this Composite Document and the advice and recommendations from Proton Capital, in particular the factors, reasons and recommendations as set out in the “Letter from the Independent Financial Adviser”, we consider that the terms of the Offer (including the Offer Price) are fair and reasonable so far as the Independent Shareholders are concerned, and accordingly recommend the Independent Shareholders to accept the Offer if they cannot sell the Shares in the open market above the Offer Price having taking into account all transaction costs.

However, the price of the Shares has been traded substantially higher than the Offer Price since the publication of the Joint Announcement. As such, Independent Shareholders are reminded to closely monitor the market price and liquidity of the Shares during the Offer Period, and consider selling their Shares in the open market, where possible, instead of accepting the Offer, if the net proceeds from such sales after deducting all transaction costs exceed the net proceeds receivable under the Offer.

Notwithstanding our recommendation, the Independent Shareholders are recommended to read the full text of the “Letter from the Independent Financial Adviser” on pages 35 to 58 of the Composite Document. In any case, the Independent Shareholders are strongly advised that their decision to realise or to hold their investment in the Company depends on their own individual circumstances and investment objectives. If in any doubt, the Independent Shareholders should consult their own professional advisers for professional advice. Furthermore, the Independent Shareholders who wish to accept the Offer are recommended to read carefully the terms and procedures for acceptance of the Offer as detailed in Appendix I to this Composite Document and the accompanying Form of Acceptance.

Yours faithfully,
For and on behalf of

**Independent Board Committee of
Universe Printshop Holdings Limited**

Mr. Wan Aaron Chi Keung, *BBS, JP*
Independent
non-executive Director

Dr. Sun Yongjing
Independent
non-executive Director

Mr. Chan Chun Kit
Independent
non-executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the text of a letter received from Proton Capital, the Independent Financial Adviser to the Independent Board Committee regarding the Offer for the purpose of inclusion in this Composite Document.



普頓資本有限公司
PROTON CAPITAL LIMITED

Room 2503, 25/F, China Insurance Group Building,
141 Des Voeux Road Central, Central, Hong Kong

27 April 2022

*To: the Independent Board Committee and
Independent Shareholders of
Universe Printshop Holdings Limited*

Dear Sirs,

**MANDATORY UNCONDITIONAL CASH OFFER BY
SORRENTO SECURITIES LIMITED
FOR AND ON BEHALF OF NEW METRO INC.
TO ACQUIRE ALL THE ISSUED SHARES OF
UNIVERSE PRINTSHOP HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR
AGREED TO BE ACQUIRED BY NEW METRO INC. AND
PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in relation to the Offer, details of which are contained in a Composite Document dated 27 April 2022 (the “**Composite Document**”) jointly issued by the Company and the Offeror to the Shareholders, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Composite Document unless the context requires otherwise.

Reference is made to the Joint Announcement. On 4 April 2022 (after trading hours of the Stock Exchange), the Offeror (as purchaser) and the Selling Shareholders (as vendors) entered into the Sale and Purchase Agreement, pursuant to which the Selling Shareholders conditionally agreed to sell, and the Offeror conditionally agreed to acquire, the full legal and beneficial title and interest in the Sale Shares (being an aggregate of 354,354,000 Shares), representing approximately 39.37% of the total issued share capital of the Company as at the date of the Joint Announcement, at a total consideration of HK\$8,858,850, which is equivalent to HK\$0.025 per Sale Share. Completion took place immediately after the entering into of the Sale and Purchase Agreement by the Offeror and the Selling Shareholders on the Completion Date, being 4 April 2022.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Offeror, Mr. Lam (the sole ultimate beneficial owner of the Offeror), Mr. Chau Man Keung (an executive Director and the chairman of the Board) and Mr. Hsu Ching Loi (an executive Director) entered into the Deed of Acting in Concert Undertaking dated 4 April 2022, pursuant to which the parties have agreed to consolidate their respective interests and control directly and/or indirectly in the Company and to vote on any resolution to be passed at any shareholders' meeting of the Company in an unanimous manner. The Deed of Acting in Concert Undertaking took effect from 4 April 2022, being the Completion Date, and will terminate upon any one of the parties ceasing to be a direct or indirect shareholder of the Company.

Immediately following Completion and as at the Latest Practicable Date, the Offeror, the ultimate beneficial owner of the Offeror, and the parties acting in concert with any of them were interested in a total of 506,220,000 Shares (comprising 354,354,000 Shares which the Offeror was interested in, 41,366,000 Shares which Mr. Chau Man Keung was interested in and 110,500,000 Shares which Mr. Hsu Ching Loi was interested in), representing approximately 56.25% of the entire issued share capital of the Company.

Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it). Sorrento Securities is, on behalf of the Offeror, making the Offer in compliance with the Takeovers Code on the terms set out in the Composite Document.

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee, comprising all of the three independent non-executive Directors as at the Latest Practicable Date, namely Mr. Wan Aaron Chi Keung, *BBS, JP*, Dr. Sun Yongjing and Mr. Chan Chun Kit, has been established to advise the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer.

We, Proton Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the Offer and in particular as to whether the Offer is, or is not, fair and reasonable and as to its acceptance. Our appointment has been approved by the Independent Board Committee.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have not acted as an independent financial adviser and have not provided any other services to the Company during the past two years. We are not associated or connected with the Company, the Selling Shareholders or the Offeror, their respective controlling shareholders or any party acting, or presumed to be acting in concert with any of them and, accordingly, are considered eligible to give independent advice on the Offer. Apart from normal professional fees payable to us in connection with this appointment, no arrangements exist whereby we will receive any fees or benefits from the Company, the Selling Shareholders or the Offeror, their respective controlling shareholders or any party acting, or presumed to be acting in concert with any of them.

BASIS OF OUR OPINION

In formulating our opinion, we have relied on the statements, information and facts supplied by the Company, and the opinions expressed by the Directors and management of the Company, and have assumed that the statements, information and facts provided and opinions expressed by the Directors and/or management of the Company to us are true, accurate and complete in all material aspects. We have also relied on our discussion with the Directors and/or the management of the Company regarding the Company and the Offer as well as the information and representations contained in the Composite Document. We have also assumed that all statements of belief, opinion and intention made by the Board and the management of the Company in the Composite Document were reasonably made after due enquiry. We have reviewed the information of the Company including but not limited to, its published announcements, annual report for the years ended 31 March 2020 and 2021, interim report for the six months ended 30 September 2021, third quarterly reports for the nine months ended 31 December 2021 and latest management accounts. We consider that the information we have reviewed is sufficient for us to reach our opinion and give the advice and recommendation set out in this letter. We have no reason to believe that any material information has been omitted or withheld, or doubt the truth or accuracy of the information provided. We have, however, not conducted any independent investigation into the business and affairs of the Group, the Offeror or any of their respective associates or any party acting, or presumed to be acting, in concert with any of them, nor have we carried out any independent verification of the information supplied.

We have also assumed that all representations contained or referred to in the Composite Document were true, accurate and complete in all material respects and not misleading or deceptive up to the time of the Latest Practicable Date, and there are no other matters the omission of which would make any statement herein or the Composite Document misleading. Should there be any subsequent material changes which occur during the period from the date of the Composite Document up to the close of the Offer or any changes to our opinion, we will notify the Independent Board Committee and the Independent Shareholders as soon as possible.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Composite Document (other than the information relating to the Offeror and parties acting in concert with it (excluding Mr. Chau and Mr. Hsu)), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Composite Document (other than those expressed by the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in the Composite Document the omission of which would make any such statement contained in the Composite Document misleading.

We have not considered the tax implications on the Independent Shareholders of their acceptances or non-acceptances of the Offer (as the case may be) since these are particular to their own individual circumstances. In particular, the Independent Shareholders who are resident outside Hong Kong or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax position with regard to the Offer and, if in any doubt, should consult their own professional advisers.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Offer, we have taken into consideration the following principal factors and reasons:

1. Principal terms of the Offer

Sorrento Securities is making the Offer, for and on behalf of the Offeror, to acquire all the Offer Shares in compliance with the Takeovers Code on the following basis:

For each Offer Share HK\$0.025 in cash

The Offer Price of HK\$0.025 per Offer Share under the Offer is equal to the price per Sale Share paid by the Offeror for the Sale Shares under the Sale and Purchase Agreement.

The Offer Shares to be acquired under the Offer shall be fully paid and free from all Encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of the Composite Document.

The Company confirms that as at the Latest Practicable Date, (i) it had not declared any dividend, the record date of which fell before the expected date of despatch of the Composite Document and which was not paid; (ii) it had not declared any dividend, the record date of which falls on or after the expected date of despatch of the Composite Document; and (iii) it did not have any intention to make, declare or pay any future dividend/make other distributions until the close of the Offer.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Offer is unconditional in all respects.

As at the Latest Practicable Date, (i) there were 900,000,000 Shares in issue; (ii) the Company did not have any outstanding options, derivatives, warrants or other securities convertible or exchangeable into Shares or which confer rights to require the issue of Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or other securities which are convertible or exchangeable into Shares or which confer rights to require the issue of Shares; and (iii) the Company had no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue other than the Shares.

On the basis of the Offer Price being HK\$0.025 per Offer Share and the Company had 900,000,000 Shares in issue as at the Latest Practicable Date, the total issued share capital of the Company would be valued at HK\$22,500,000.

Further details of the Offer are set out in the “Letter from Sorrento Securities” and Appendix I to the Composite Document and the Form of Acceptance.

Irrevocable undertaking for not accepting the Offer

By way of information, both Mr. Chau and Mr. Hsu, being executive Directors, have given irrevocable undertakings for not accepting the Offer to the Offeror. Further details of these irrevocable undertakings are set out in the “Letter from Sorrento Securities” and the “Letter from the Board” under the section headed “*Irrevocable undertaking for not accepting the Offer*”.

2. Background of the Group

The Company is an exempt company incorporated in the Cayman Islands with limited liability on 27 April 2017. The Group is principally engaged in the provision of general printing services and trading of printing products in Hong Kong. According to the Company, the printing services of the Group include offset printing, ink-jet printing and toner-based digital printing. The Group’s main printing products are business printing-related products which cover, among others, advertisements, periodicals, directories and catalogues. Other than printing services, the Group also provides 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

3. Historical financial information and prospects of the Group

3.1 Financial performance of the Group

Set out below is a summary of the consolidated financial information of the Group for (i) the three years ended 31 March 2019 (“FY2019”), 2020 (“FY2020”) and 2021 (“FY2021”) as extracted from the Company’s annual reports (“**Annual Report(s)**”); and (ii) the nine months ended 31 December 2021 as extracted from the Company’s third quarterly report for the nine months ended 31 December 2021 (the “**Dec 2021 Report**”):

	For the year ended 31 March			For the nine months ended 31 December	
	2019	2020	2021	2020	2021
	HK\$'000 (audited)	HK\$'000 (audited)	HK\$'000 (audited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Revenue	152,725	133,428	103,133	79,267	94,174
Gross profit	28,335	25,069	20,298	16,393	22,750
(Loss)/Profit and total comprehensive income for the year/period attributable to equity holders of the Company	(5,335)	(15,511)	(12,536)	2,009	1,956

(a) FY2020 as compared to FY2019

With reference to the Annual Report for FY2020, the total revenue of the Group for FY2020 decreased by approximately HK\$19.3 million or 12.6% to approximately HK\$133.4 million as compared to approximately HK\$152.7 million for FY2019. Such decrease was caused by the decline in the demand for printing services due to the significant reduction in marketing activities of the Group’s clients. The social unrest since June 2019, together with the outbreak of the COVID-19 pandemic since January 2020, have worsened the market sentiment in Hong Kong. The gross profit of the Group decreased from approximately HK\$28.3 million for FY2019 to approximately HK\$25.1 million for FY2020, which was in line with the decline in revenue and costs of sales.

The Group’s net loss and total comprehensive income for FY2020 increased by approximately HK\$10.2 million or 190.1% to HK\$15.5 million as compared to approximately HK\$5.3 million for FY2019. Such increase was mainly due to decrease in gross profit and the net effect of the inclusion of a gain on disposal of property, plant and equipment of approximately HK\$3.2 million (FY2019: approximately HK\$0.5 million) and an impairment loss on property, plant and equipment and right-of-use assets of approximately HK\$7.7 million (FY2019: nil).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(b) FY2021 as compared to FY2020

According to the Annual Report for FY2021, the results of the Group further deteriorated in FY2021. Its total revenue decreased by approximately HK\$30.3 million or 22.7% to approximately HK\$103.1 million as compared to approximately HK\$133.4 million for FY2020. As advised by the Company, the decrease in revenue was caused by the decline in the demand for the Group's printing services. The demand for Group's printing service is highly reliant on the level of local business and market activities undertaken by its downstream customers, which is driven by market sentiment in Hong Kong. These activities however reduced significantly due to the prolonged COVID-19 pandemic broken out since January 2020. The gross profit of the Group decreased to HK\$20.3 million for FY2021 (FY2020: approximately HK\$25.1 million) in line with the decline in revenue and costs of sales.

Contrary to the aforesaid decrease in revenue and gross profit, the Group's net loss and total comprehensive income for FY2021 was narrowed down to approximately HK\$12.5 million (FY2020: approximately HK\$15.5 million). Such a change was mainly attributable to the net effect of the inclusion of government subsidies of HK\$7.8 million (FY2020: nil), gain on modification of leases for retail shops and machineries of approximately HK\$0.9 million (FY2020: HK\$51,478) and impairment loss of property, plant and equipment and right-of-use assets of approximately HK\$11.8 million (FY2020: approximately HK\$7.7 million) rather than any improvement in the profitability of the Group.

(c) nine months ended 31 December 2021 as compared to nine months ended 31 December 2020

According to the Dec 2021 Report, the total revenue of the Group increased by approximately HK\$14.9 million or 18.8% to approximately HK\$94.2 million as compared to approximately HK\$79.3 million for the same period last year. The increase was mainly due to the increase in demand for the Group's printing services as a result of the improved market sentiment in the nine months ended 31 December 2021. In line with the increase in revenue, the gross profit of the Group in the nine months ended 31 December 2021 increased to approximately HK\$22.8 million versus approximately HK\$16.4 million for the same period last year. However, notwithstanding the aforesaid increase in gross profit, the Group's net profit and total comprehensive income for the nine months ended 31 December 2021 was maintained at the same level of last year of approximately HK\$2.0 million which was mainly due to the absence of government subsidies in the period under review (nine months ended 31 December 2020: approximately HK\$7.8 million).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

3.2 Financial position of the Group

Set out below is a summary of the consolidated financial position of the Group as at 31 March 2019, 2020 and 2021 and 30 September 2021 as extracted from the Annual Reports and the Company's interim report for the six months ended 30 September 2021:

	As at 31 March			As at 30
	2019	2020	2021	September
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(audited)	(audited)	(audited)	(unaudited)
Non-current assets	24,003	27,280	18,840	17,736
Current assets				
Inventories	3,336	3,057	2,681	4,480
Trade and other receivables, prepayments and deposits	14,910	8,982	8,812	10,141
Prepaid tax	467	669	662	809
Cash and cash equivalents	36,526	31,272	23,646	25,055
	55,239	43,980	35,801	40,485
Total assets	79,242	71,260	54,641	58,221
Current liabilities	25,167	27,320	24,959	27,781
Non-current liabilities	1,759	7,135	5,413	6,115
Total liabilities	26,926	34,455	30,372	33,896
Net current assets	30,072	16,660	10,842	12,704
Net assets	52,316	36,805	24,269	24,325

As shown in the table above, there is a persistent deterioration in the Group's net assets as at 31 March 2019, 2020 and 2021, which became stabilized as at 30 September 2021. Based on our discussion with the Board and our review of the Annual Reports, we understood that such deterioration in the Group's net assets was due to the net losses of the Group recorded in the relevant financial years. Since, as stated in the "Letter from Sorrento Securities", the Offeror has not yet formulated a concrete plan for the Group, we consider that there is no guarantee that the trend in the deterioration in the Group's net assets would be turnaround in the near future. As at 30 September 2021, the total assets of the Group mainly comprise of property, plant and equipment, right-of-use assets, trade and other receivables, inventories, prepayments and deposits, and cash and cash equivalents, in aggregate amounted to approximately HK\$55.2 million, which represented approximately

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

94.8% of the total assets. The total liabilities of the Group mainly comprise of trade and other payables and lease liabilities of approximately HK\$30.3 million in aggregate, which represented approximately 89.5% of the total liabilities. As a result, the Group recorded net assets of approximately HK\$24.3 million as at 31 December 2021.

Based on the historical financial results of the Company as discussed above, we consider that the Company's financial performance was far from satisfactory. In fact, we also noted that the Company has been loss making for the past four years ended 31 March 2018, 2019, 2020 and 2021. As such, we are of the view that the Offer provides a good opportunity to those Shareholders who wish to redeploy their investment from the Company.

3.3 Prospects of the Group

As mentioned in the earlier part of this letter, the Group's main printing products were business printing-related products and the demand for Group's printing service is highly reliant on the level of local business and market activities undertaken by its downstream customers, which is driven by market sentiment in Hong Kong.

The Census and Statistics Department of Hong Kong has on 31 March 2022 published the provisional statistics of retail sales for February 2022. According to the Hong Kong Government, the Hong Kong economy staged a visible recovery in 2021, having experienced a deep recession in the previous two years. However, the value of retail sales fell sharply in February 2022 as the rapid worsening of local epidemic situation and further tightening of anti-epidemic measures in response led to a drastic fall in people flow and weaker consumption sentiment. Taking the first two months of 2022 together to remove the possible distortion caused by the difference in timing of the Lunar New Year, the value of retail sales turned to a year-on-year decline of 4.9%. Looking ahead, while the local epidemic has shown signs of easing of late, the retail sector will continue to face notable pressure in the near term.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Offeror has indicated in the “Letter from Sorrento Securities” that following the close of the Offer, it is the intention of the Offeror that the Group will continue with its existing principal business. The Offeror does not intend to introduce any major changes to the existing operations and business of the Group immediately after close of the Offer and will neither redeploy nor dispose of any of the assets (including fixed assets) of the Group other than in the ordinary course of business. As at the Latest Practicable Date, the Offeror does not have any intention, understanding, negotiation, arrangement, and agreements (formal or informal, express or implied) to downsize or dispose of any existing business or assets of the Group. Nevertheless, following the close of the Offer, the Offeror will conduct a detailed review on the existing principal operations and business, and the financial position of the Group for the purpose of formulating business plans and strategies for the Group’s long-term business development and will explore other business opportunities for the Group. Subject to the results of the review, and should suitable investment or business opportunities arise, the Offeror may consider whether any assets and/or business acquisitions or disposals by the Group will be appropriate in order to enhance its growth. Any acquisition or disposal of the assets or business of the Group, if any, will be in compliance with the GEM Listing Rules.

The “Letter from Sorrento Securities” further stated that as at the Latest Practicable Date, no investment or business opportunity had been identified nor had the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group.

On the basis that the COVID-19 pandemic still persists and there is no guarantee that the number of infected cases in Hong Kong will not bounce back in future thus forcing the Hong Kong Government to redeploy the anti-epidemic measures and the Offeror has not yet formulated a concrete plan for the Group, we consider that the future prospects of the Group remain uncertain in the near future and will depend on the development of COVID-19 pandemic and the future business plans and strategy of the Company to be formulated by the Offeror.

4. Information on the Offeror

Set out below is the information on the Offeror as extracted from the “Letter from Sorrento Securities” of the Composite Document:

The Offeror is a company incorporated in the British Virgin Islands with limited liability on 11 January 2022 for the purpose of holding the Shares. As at the Latest Practicable Date, the Offeror is wholly and beneficially owned by Mr. Lam who is also the sole director of the Offeror.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Mr. Lam, aged 55, is the sole beneficial owner and the sole director of the Offeror. Mr. Lam has been a controlling shareholder of Wilson Printing Equipment Limited, a company principally engages in the trading of printing machinery, equipment and printing materials, since 2004. In 2011, Mr. Lam established Wilson (Hong Kong) Limited, a company principally engages in general trading of printing related products.

The Offeror and its ultimate beneficial owner are Independent Third Parties.

We noted that Mr. Lam's companies are engaging in trading of printing machinery, equipment, printing materials and printing related products. However, since more than 90% of the revenue of the Group for the past three financial years was generated from provision of printing services, which is different from trading business, and the Offeror has not yet formulated a concrete plan for the Group, we are of the view that there is an uncertainty on the future performance of the Group under the Offeror.

5. Future intention of the Offeror in relation to the Group

5.1 Proposed change to the Board

As at the Latest Practicable Date, the Board comprised Mr. Chau Man Keung, Mr. Hsu Ching Loi, Mr. Leung Yuet Cheong and Mr. Wong Man Hin Joe as executive Directors; and Mr. Wan Aaron Chi Keung, BBS, JP, Dr. Sun Yongjing and Mr. Chan Chun Kit as independent non-executive Directors.

As set out in the "Letter from Sorrento Securities", it is intended that all of the existing Directors as at the Latest Practicable Date, except Mr. Chau Man Keung and Mr. Hsu Ching Loi, will resign from the Board with effect from a date no earlier than the date of the close of the Offer or at the earliest time permitted under the Takeovers Code. This means that majority of the existing Directors will resign after the close of the Offer.

The Offeror intends to appoint new Directors with effect not earlier than such date as permitted under the Takeovers Code (i.e. with effect from immediately after the posting of the Composite Document) or such later date as the Offeror considers to be appropriate. Accordingly, the Board proposed the appointment of the following individuals as new Directors: (i) Mr. Lam as an executive Director; and (ii) Mr. Wong Chun Kwok, Mr. Ho Kar Ming and Ms. So Shuk Wan as independent non-executive Directors, in compliance with the Takeovers Code and the GEM Listing Rules. The biographical details of the proposed Directors are set out in the "Letter from Sorrento Securities".

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

5.2 *Compulsory Acquisition*

By way of information, according to the “Letter from Sorrento Securities”, the Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offer.

5.3 *Maintaining the listing status of the Company*

It is noted from the “Letter from Sorrento Securities” in the Composite Document that the Offeror intends the Company to remain listed on the Stock Exchange. The sole director of the Offeror and the new Directors to be appointed to the Board have jointly and severally undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after the close of the Offer. It is further noted that in case less than 25% of the total issued share capital of the Company will be held by the public upon the close of the Offer, the Offeror will, as soon as practicable, dispose of such number of Shares either directly in the market or through a placing agent to be appointed by the Offeror to ensure that the public float requirement under the GEM Listing Rules can be met. Please refer to the “Letter from Sorrento Securities” for further details.

Nevertheless, we would like to remind the Independent Board Committee to draw the attention of the Independent Shareholders that the Stock Exchange has stated that if, at closing of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25%, of the Shares, are held by the public, or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares.

In light of the uncertainty on the future prospect of the Group in view of the proposed material change in members of the Board and the Offeror has not yet formulated a concrete plan for the Group, we are of the view that the Offer represents an opportunity for the Shareholders to realise their investment in the Company should they so wish to.

6. **The Offer Price**

We note that the Offer Price of HK\$0.025 per Offer Share is the same as the purchase price per Sale Share under the Sale and Purchase Agreement and represents:

- (i) a discount of approximately 43.18% to the closing price of HK\$0.044 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

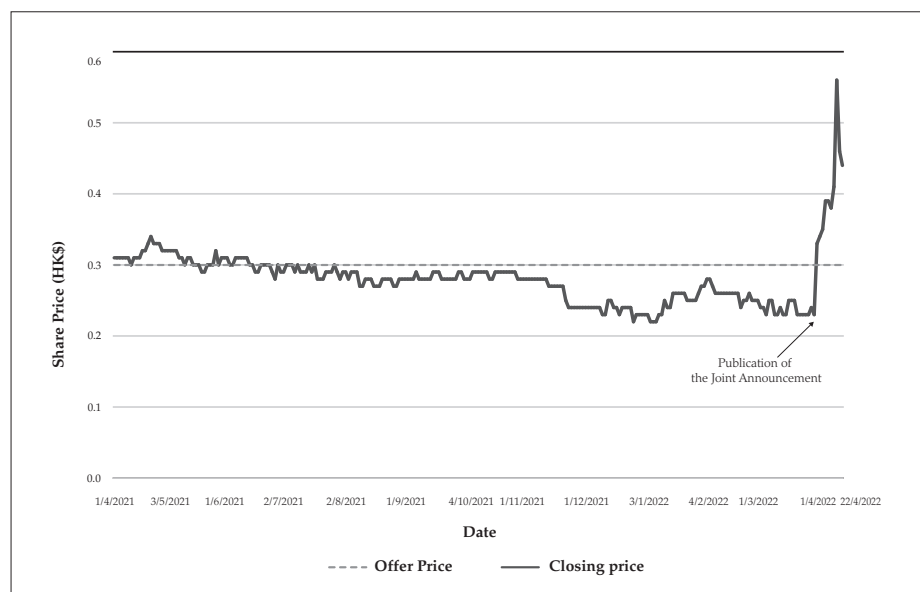
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (ii) a premium of approximately 8.70% over the closing price of HK\$0.023 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a premium of approximately 7.76% over the average closing price of approximately HK\$0.0232 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a premium of approximately 5.49% over the average closing price of approximately HK\$0.0237 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a premium of approximately 3.16% over the average closing price of approximately HK\$0.0242 per Share, being the average closing price of the Shares as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day;
- (vi) a discount of approximately 7.41% to the audited consolidated net assets per Share of approximately HK\$0.027 as at 31 March 2021, which was calculated based on 900,000,000 Shares in issue as at the Latest Practicable Date; and
- (vii) a discount of approximately 7.41% to the unaudited consolidated net assets per Share of approximately HK\$0.027 as at 30 September 2021, which was calculated based on 900,000,000 Shares in issue as at the Latest Practicable Date.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

6.1 Historical price performance of the Shares

We have reviewed the daily closing price of the Shares as quoted on the Stock Exchange during the period commencing from 1 April 2021 up to 4 April 2022, i.e. immediately before the publication of the Joint Announcement (both days inclusive) (the “**Pre-announcement Period**”) and from 7 April 2022 to the Latest Practicable Date (both days inclusive) (the “**Post-announcement Period**”) (the Pre-Announcement Period and the Post-announcement Period are collectively referred to as the “**Review Period**”). We consider that the duration of the Review Period covering approximately one year prior to the Offer Period, (i) is appropriate for reviewing the recent financial position of the Group which covers the annual results for FY2021; (ii) represents a reasonable period to provide a general overview of the recent price performance of the Shares for conducting an analysis against the Offer Price; and (iii) is sufficient and a common market practice. The following chart sets out the daily closing prices of the Shares as quoted on the Stock Exchange during the Review Period:



Source: the Stock Exchange web-site (www.hkex.com.hk)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(i) Pre-Announcement Period

As illustrated by the above chart, during the Pre-announcement Period, the closing prices of the Shares ranged from HK\$0.034 on 23 April 2021 to HK\$0.022 at late December 2021 and early January 2022 with an average of HK\$0.02754. During the Pre-announcement Period, the closing prices of the Shares fluctuated and shown a gradual downward trend. After the publication of a profit warning announcement for the year ended 31 March 2021 on 29 July 2021, the closing price of the Shares slightly dropped from HK\$0.029 on 29 July 2021 to HK\$0.028 on 30 July 2021 and then fluctuated between HK\$0.029 and HK\$0.027 notwithstanding the announcements of the Company (i) dated 13 September 2021 in respect of a disclosable and connected transaction involving early settlement of rents in exchange for rent concessions; (ii) dated 1 November 2021 for a positive profit alert for the six months ended 30 September 2021; and (iii) dated 12 November 2021 in respect of the interim results of the Company for the six months ended 30 September 2021.

On 25 November 2021, the closing price of the Shares dropped to HK\$0.025, i.e. equal to the Offer Price, for the first time in the Pre-Announcement Period from HK\$0.027 on 24 November 2021. We have discussed with and understand from the Board that it is not aware of the reason for the drop. We noted that save for the two announcements dated 1 November 2021 and dated 12 November 2021 as mentioned in the preceding paragraph, the Company had not issued other material announcements in November 2021.

We noted that for the period from 25 November 2021 to the end of the Pre-Announcement Period (both days inclusive) ("**Late Pre-Announcement Period**"):

- (a) the closing prices of the Shares were equal to or below HK\$0.025 for 68 trading days out of the total 89 trading days (representing approximately 76.4% out of the total number of trading days); and
- (b) the Shares were traded at a discount to the unaudited consolidated net assets per Share of the Company as at 30 September 2021 of approximately HK\$0.027 ("**NAV**") for 84 trading days out of the total 89 trading days (representing approximately 94.4% out of the total number of trading days) and the discounts ranged from approximately 3.7% to approximately 18.5%.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

During the Late Pre-Announcement Period, the Company published announcements (i) dated 7 February 2022 in respect of an update on its profitability, (ii) dated 11 February 2022 in respect of the unaudited results for the nine months ended 31 December 2021; and (iii) dated 18 February 2022 in respect of a discloseable and connected transaction involving renewal of tenancy agreements.

(ii) Post-announcement Period

Trading in the Shares was halted on 6 April 2022. On 7 April 2022 (i.e. the first trading day immediately after the publication of the Joint Announcement), closing price of the Shares materially increased by approximately 43.5% from HK\$0.023 on 4 April 2022 to HK\$0.033 and maintained at a relatively high level since then.

As at the Latest Practicable Date, closing price of the Shares was HK\$0.044. We note that besides the Joint Announcement, the Company had not published other material announcements at the relevant time. From the above observation, we consider that the increase in the closing prices of the Shares during the Post-announcement Period reflected the market's speculation on and response to the change of controlling Shareholder and therefore, the recent market price of the Shares may not be sustained after the close of the Offer.

On the basis that (i) the Offer Price is equal to the purchase price per Sale Share under the Sale and Purchase Agreement; (ii) during the Pre-announcement Period, the closing price of the Shares shown a gradual downward trend and the Offer Price is within the range of the closing prices of the Shares; (iii) for the Late Pre-announcement Period, the closing prices of the Shares were equal to or lower than the Offer Price for 68 trading days out of the total 89 trading days (representing approximately 76.4% out of the total number of trading days); and (iv) during the Late Pre-announcement Period, the Shares were traded at a discount to the NAV for 94.4% out of the total number of trading days with a range from approximately 3.7% to approximately 18.5% and the discount of the Offer Price to the NAV of approximately 7.41% falls within the aforesaid range; (v) the increase in the closing prices of the Shares during the Post-announcement Period reflected the market's speculation on and response to the change of controlling Shareholder and may not be sustained after the close of the Offer; we are of the view that the Offer Price is fair and reasonable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

6.2 Historical trading liquidity of the Shares

The table below sets out the trading volume of the Shares for the Pre-announcement Period and the Post-announcement Period:

Month/Period	Total volume of the Shares traded	No. of trading days	Average daily trading volume of the Shares (the "Average Daily Volume") (Note 1)	Percentage of the Average Daily Volume to total number of issued Shares as at the Latest Practicable Date (Note 2)	Percentage of the Average Daily Volume to the then total number of issued Shares held by the public as at the Latest Practicable Date (Note 3)
<i>Pre-announcement Period</i>					
2021					
April	44,360,000	19	2,334,737	0.259%	0.593%
May	54,000,000	20	2,700,000	0.300%	0.686%
June	34,040,000	21	1,620,952	0.180%	0.412%
July	23,720,000	21	1,129,524	0.126%	0.287%
August	11,960,000	22	543,636	0.060%	0.138%
September	20,660,000	21	983,810	0.109%	0.250%
October	8,040,000	18	446,667	0.050%	0.113%
November	52,400,000	22	2,381,818	0.265%	0.605%
December	24,600,000	22	1,118,182	0.124%	0.284%
2022					
January	12,540,000	21	597,143	0.066%	0.152%
February	23,020,000	17	1,354,118	0.150%	0.344%
March	11,980,000	23	520,870	0.058%	0.132%
April (up to the Last Trading Day)	60,000	2	30,000	0.003%	0.008%
<i>Post-announcement Period</i>					
April (from 7 April 2022 up to the Latest Practicable Date)	477,960,000	10	44,796,000	4.977%	11.376%

Source: The official website of the Stock Exchange

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Notes:

1. Average Daily Volume is calculated by dividing the total trading volume of the Shares for the month/period by the number of trading days during the month/period.
2. The calculation is based on the Average Daily Volume divided by the total issued share capital of the Company at the end of the month/period or as at the Latest Practicable Date, as applicable.
3. The calculation is based on the Average Daily Volume divided by the total issued share capital of the Company held by the public at the end of each month or as at the Latest Practicable Date, as applicable.
4. The number of the issued Shares and public float have remained unchanged throughout the Review Period, where the number of the issued Shares is 900,000,000 and public float is 393,780,000 Shares.

(i) Pre-Announcement Period

Trading of the Shares was relatively inactive. The Average Daily Volume for the respective month or period during the Pre-announcement Period ranged from 30,000 Shares to 2,700,000 Shares, representing approximately 0.008% to 0.686% of the total number of Shares held by the public. Regarding the fluctuations in the trading volume of the Shares in the Pre-announcement Period, especially the relatively higher in the trading volume of the Shares in April, May and November 2021, we had enquired with and were advised by the Board that save and except for the announcements of the Company published from time to time, the Company is not aware of any specific reason for the fluctuations. We noted that the Company had not issued any announcement in April and May 2021 whereas for November 2021, the surge in the trading volume of the Shares mainly took place on 25 and 26 November 2021, which was approximately 10 days after the Company's publication of its interim results for the six months ended 30 September 2021 in which the Group recorded net profit of HK\$55,854 versus net loss of HK\$9,946 of the same period last year.

During the Pre-announcement Period, none of the Shares were traded for 52 days out of 249 trading days in total (representing approximately 20.9% out of the total number of trading days).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(ii) Post-announcement Period

During the Post-announcement Period, there was a material increase in the Average Daily Volume, representing approximately 4.977% of the total issued Shares and approximately 11.376% of the total number of Shares held by the public. As besides the Joint Announcement, the Company had not published other material announcements at the relevant time, we consider that the increase in the trading volume of the Shares is mainly attributable to the completion of the Sale and Purchase Agreement involving the transfer of 354,354,000 Shares on 4 April 2022.

Taking into consideration that the trading volume of the Shares was thin in general during the Pre-announcement Period and none of the Shares were traded for 52 days out of 249 trading days in total (representing approximately 20.9% out of the total number of trading days), it is uncertain that the overall liquidity of the Shares could be maintained in the near future and that there would be sufficient liquidity in the Shares for the Independent Shareholders to dispose of a significant number of Shares in the open market, especially those with large volume of Shares, without exerting a downward pressure on the Share price. The Offer provides an exit alternative for the Independent Shareholders who would like to realise their investments in the Shares, especially for those holding a large block of the Shares, at the Offer Price.

Nonetheless, Independent Shareholders should also take into account of their individual risk preference and tolerance level before making any investment decision in relation to the Shares. If any Independent Shareholders who, after reading through the Composite Document and this letter, would like to realise their investments in the Shares are able to dispose of their Shares in the open market and/or identify potential purchaser(s) to acquire their Shares at a price higher than the Offer Price and the net proceeds from the sale of their Shares would exceed the net amount receivable under the Offer, those Independent Shareholders may consider not accepting the Offer but selling their Shares in the open market and/or to such potential purchaser(s) (either in all or in part), as they wish to do so and as they think fit having regard to their own circumstances together with the relevant risks and uncertainties based on their individual risk preference and tolerance level.

6.4 *Comparison with other comparable companies*

In assessing the fairness and reasonableness of the Offer Price, we have attempted to perform a price-to-earnings ratios (the “**P/E Ratios**”) analysis, which is one of the most widely used and accepted methods for valuing a business with recurring income. Given the Company was loss making in the past four financial years, we consider that it is not feasible to assess the Offer Price using the P/E Ratio approach. In addition, as the Group did not declare or distribute any dividend for the last financial year, we consider that the price-to-dividends approach is not applicable in assessing the fairness or reasonableness of the Offer Price in this case. Nevertheless, taking into account the nature of the business of the Company and as advised by the Company, the total assets of the Company mainly comprise of property, plant and equipment, right-of-use assets, inventories, trade and other receivables, prepayments and deposits, and cash and cash equivalents, we consider a price-to-book ratio (the “**P/B**”) analysis is an appropriate alternative approach to assess the fairness and reasonableness of the Offer Price.

Since more than 90% of the revenue of the Group for FY2021 was generated from provision of printing services, we have conducted a search on the GEM of the Stock Exchange and identified four companies (the “**Identified Companies**”), being an exhaustive list of comparable companies, which are listed on the GEM of the Stock Exchange and have more than 90% of the revenue generated from printing business. In view of the similarity of the industry and business nature between the Identified Companies (the “**Comparable Companies**”) and those of the Company, we consider the Comparable Companies are fair and representative sample for comparison to the Company. We have compared the respective P/B ratios of the Comparable Companies with those of the Company, details of which are set out in the table below. Shareholders should note that the principal activities, market capitalizations, profitability and financial positions of each of the Comparable Companies are not identical which may affect how they are actually valued and their respective market multiple valuations in the market. Therefore, the comparison with the Comparable Companies set out in this letter is solely for general reference in assessing the fairness and reasonableness of the Offer Price.

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Company Name	Principal business	Market capitalisation (HK\$'000) (Note 1)	Net asset value (HK\$'000) (Note 2)	P/B (time) (Note 3)
Linocraft Holdings Limited (Stock code: 8383)	Provision of offset printing services and packaging solutions	82,400	122,900 (Note 4)	0.67
Prosperous Printing Company Limited (Stock code: 8385)	Provision of printing services	28,800	130,285	0.22
HM International Holdings Limited (Stock code: 8416)	Provision of integrated printing services	34,000	85,246	0.40
EDICO Holdings Limited (Stock code: 8450)	Provision of financial printing services	50,000	67,918	0.74
			Maximum	0.74
			Minimum	0.22
			Average	0.51
			Median	0.53
The Company (8448)		22,500 (Note 5)	24,325	0.93 (Note 6)

Source: website of the Stock Exchange

Notes:

1. The market capitalisation is calculated based on the closing share price and number of issued shares of the respective companies as at the Latest Practicable Date.
2. The net asset value refers to the consolidated net assets attributable to equity shareholders as disclosed in their respective latest published annual reports or interim reports.
3. The P/B ratios of the Comparable Companies are calculated based on their respective market capitalisation divided by the consolidated net assets attributable to equity shareholders as disclosed in their respective latest published annual reports or interim reports.
4. This company's reporting currency is Renminbi ("RMB"), which has been converted into HK\$ based on RMB1 = HK\$1.2034.
5. The implied market capitalisation of the Company ("**Implied Market Capitalisation**") is calculated based on the Offer Price and number of issued shares of the Company as at the Latest Practicable Date (i.e. 900,000,000 Shares).
6. The P/B ratio of the Company is calculated based on the Implied Market Capitalisation divided by the unaudited consolidated net assets of the Company as at 30 September 2021.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As shown in the above table, the Comparable Companies were traded at P/Bs ranging from approximately 0.22 time to 0.74 time. The implied P/B of the Company of 0.93 time (based on the Offer Price of HK\$0.025) is hence higher than the market range between 0.22 time and 0.74 time and the average and median P/Bs of the Comparable Companies of 0.51 time and 0.53 time, respectively. Since the implied P/B of the Company (based on the Offer Price) is higher than the market range and the average and median P/Bs of the Comparable Companies, we consider the Offer Price is fair and reasonable.

RECOMMENDATION

Having considered the principal factors and reasons as discussed above, in particular:

- (i) the Company was loss making for the past four financial years and there is uncertainty on the future prospect of the Group in view of the persistency of the COVID-19 pandemic, the proposed material change in members of the Board and the Offeror has not yet formulated a concrete plan for the Group;
- (ii) during the Pre-announcement Period, the closing price of the Shares shown a gradual downward trend and the Offer Price is within the range of the closing prices of the Shares;
- (iii) for the Late Pre-announcement Period, the closing prices of the Shares were equal to or below the Offer Price for approximately 76.4% out of the total number of trading days; and
- (iv) during the Late Pre-announcement Period, the Shares were traded at a discount to the NAV for 94.4% out of the total number of trading days and the range of the discounts was from approximately 3.7% to approximately 18.5% and the discount of the Offer Price to the NAV of approximately 7.41% falls within the aforesaid range;
- (v) the increase in the closing prices of the Shares during the Post-announcement Period reflected the market's speculation on and response to the change of controlling Shareholder and may not be sustained after the close of the Offer;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (vi) the trading volume of the Shares was thin in general during the Pre-announcement Period and none of the Shares were traded for approximately 20.9% out of the total number of trading days;
- (vii) the disposal of large block of Shares held by the Independent Shareholders in the open market would likely to trigger price slump of the Shares in view of the thin trading volume of the Shares in the Pre-announcement Period; and hence there is no guarantee that the current Share prices will sustain after the end of the Offer Period. Accordingly, the Offer provides an exit alternative for the Independent Shareholders who would like to realise their investments in the Shares; and
- (viii) as set out in the sub-section headed “Comparison with other comparable companies” of this letter, the implied P/B of the Company (based on the Offer Price) is higher than the market range and the average and median P/Bs of the Comparable Companies;

we consider that the terms of the Offer (including the Offer Price) are fair and reasonable so far as the Independent Shareholders are concerned.

However, having said that, we noted that the price of the Shares has been traded substantially higher than the Offer Price (i.e. HK\$0.025 per Share) since the publication of the Joint Announcement. As such, we would like to remind the Independent Shareholders who, after reading through the Composite Document and this letter, would like to realise part or all of their investments in the Shares to closely monitor the market price and liquidity of the Shares during the Offer Period and may, instead of accepting the Offer, consider selling their Shares in the open market should such sale proceeds, net of all transaction costs, exceed the amount receivable under the Offer. The Independent Shareholders who believe that they will not be able to sell the Shares in the market at a price higher than the Offer Price because of their size of the shareholding may consider the Offer as an alternative exit of their investments.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Independent Shareholders who, after reading through the Composite Document and this letter, wish to retain some or all of their investments in the securities of the Company, are reminded to monitor the development of the Group, in particular the Offeror's business strategy, and any announcements of the Company during and after the Offer Period.

Yours faithfully,
For and on behalf of
Proton Capital Limited

Alvin H. Y. Leung
Managing Director

Josephine Lau
Director – Corporate Finance

Notes:

1. Mr. Alvin H. Y. Leung has been a responsible officer of Type 6 (advising on corporate finance) regulated activities since 2003. Mr. Leung has years of experience in corporate finance and investment banking and has participated in and completed various advisory transactions in respect of mergers and acquisitions, connected transactions and transactions subject to the compliance to the Takeovers Code of listed companies in Hong Kong.
2. Ms. Josephine Lau has been a responsible officer of Type 6 (advising on corporate finance) regulated activities since 2003. Mr. Lau has years of experience in corporate finance and investment banking and has participated in and completed various advisory transactions in respect of mergers and acquisitions, connected transactions and transactions subject to the compliance to the Takeovers Code of listed companies in Hong Kong.

1. PROCEDURES FOR ACCEPTANCE OF THE OFFER

To accept the Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms of the Offer.

- (a) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name, and you wish to accept the Offer in respect of your Shares (whether in full or in part), you must send the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), by post or by hand, to the Registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong marked "Universe Printshop Holdings Limited – General Offer" on the envelope as soon as possible but in any event so as to reach the Registrar by not later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce with the consent of the Executive in accordance with the Takeovers Code.
- (b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Offer in respect of your Shares (whether in full or in part), you must either:
 - (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares with the nominee company, or other nominee, and with instructions authorising it to accept the Offer on your behalf and requesting it to deliver the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares to the Registrar by no later than 4:00 p.m. on the Closing Date; or

- (ii) arrange for the Shares to be registered in your name by the Company through the Registrar, and deliver the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares to the Registrar by no later than 4:00 p.m. on the Closing Date; or
 - (iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
 - (iv) if your Shares have been lodged with your investor participant's account maintained with CCASS, give your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.
- (c) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the Offer in respect of your Shares, you should nevertheless complete and sign the Form of Acceptance and deliver it to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will constitute an irrevocable authority to the Offeror and/or Sorrento Securities and/or their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Registrar on your behalf and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the Offer, as if it was/they were delivered to the Registrar with the Form of Acceptance.

- (d) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Offer in respect of your Shares, the Form of Acceptance should nevertheless be completed, signed and delivered to the Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares or that it is/they are not readily available. If you find such document(s) or if it/they become(s) available, the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares should be forwarded to the Registrar as soon as possible thereafter. If you have lost the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title in respect of your Shares, you should also write to the Registrar for a letter of indemnity which, when completed in accordance with the instructions given should be provided to the Registrar. The Offeror shall have the absolute discretion to decide whether any Shares in respect of which the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title is/are not readily available and/or is/are lost will be taken up by the Offeror.
- (e) Acceptance of the Offer will be treated as valid only if the completed and signed Form of Acceptance is received by the Registrar by not later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce with the consent of the Executive in accordance with the Takeovers Code and the Registrar has recorded that the Form of Acceptance and any relevant documents as required by Note 1 to Rule 30.2 of the Takeovers Code have been so received, and is:
- (i) accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares and, if that/those share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant Share(s) in blank or in favour of the acceptor executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares; or

- (ii) from a registered Shareholder or his/her personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under another subparagraph of this paragraph (e)); or
 - (iii) certified by the Registrar or the Stock Exchange.
- (f) If the Form of Acceptance is executed by a person other than the registered Independent Shareholder, appropriate documentary evidence of authority (for example, grant of probate or certified copy of a power of attorney) to the satisfaction of the Registrar must be produced.
- (g) In Hong Kong, seller's ad valorem stamp duty payable by the Shareholders who accept the Offer and calculated at a rate of 0.13% of the market value of the Offer Shares or the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is the higher, will be deducted from the amount payable by the Offeror to the relevant Shareholders on the acceptance of the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the Shareholders who accept the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).
- (h) No acknowledgement of receipt of any Form of Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

2. SETTLEMENT UNDER THE OFFER

Provided that a valid Form of Acceptance and the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the relevant Shares as required by Note 1 to Rule 30.2 of the Takeovers Code are complete and in good order in all respects and have been received by the Registrar by not later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce with the consent of the Executive in accordance with the Takeovers Code, a cheque for the amount (rounding up to the nearest Hong Kong cent) representing the cash consideration due to each of the Independent Shareholders who accepts the Offer less seller's ad valorem stamp duty in respect of the Offer Shares tendered by it/him/her under the Offer will be despatched to such Independent Shareholder by ordinary post at its/his/her own risk as soon as possible but in any event within seven (7) Business Days following the date on which all the relevant documents which render such acceptance complete and valid are received by the Registrar in accordance with the Takeovers Code.

Settlement of the consideration to which any accepting Independent Shareholder is entitled under the Offer will be implemented in full in accordance with its terms of the Offer (save with respect of the payment of the seller's ad valorem stamp duty in respect of the Offer) without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Independent Shareholder.

No fraction of a Hong Kong cent will be payable and the amount of cash consideration payable to an Independent Shareholder who accepts the Offer will be rounded up to the nearest Hong Kong cent.

3. ACCEPTANCE PERIOD AND REVISIONS

- (a) Unless the Offer has previously been revised or extended with the consent of the Executive, to be valid, the Form of Acceptance must be received by the Registrar in accordance with the instructions printed thereon by 4:00 p.m. on the Closing Date. The Offer is unconditional.
- (b) The Offeror and the Company will jointly publish an announcement on the Stock Exchange's website no later than 7:00 p.m. on the Closing Date stating the results of the Offer and whether the Offer has been extended, revised or has expired.
- (c) If the Offer is extended, the Offeror will issue an announcement in relation to any extension of the Offer, which will state either the next closing date or, a statement that the Offer will remain open until further notice. In the latter case, at least fourteen (14) days' notice in writing must be given, before the Offer is closed, to those Independent Shareholders who have not accepted the Offer.
- (d) If, in the course of the Offer, the Offeror revises the terms of the Offer, all Independent Shareholders, whether or not they have already accepted the Offer, will be entitled to accept the revised Offer under the revised terms. A revised Offer must be kept open for at least fourteen (14) days following the date on which the revised Offer document is posted.
- (e) If the Closing Date is extended, any reference in this Composite Document and in the Form of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the Closing Date of the Offer as so extended.
- (f) Any acceptance of the relevant revised Offer shall be irrevocable unless and until the Independent Shareholders who accept the Offer become entitled to withdraw their acceptance under the paragraph headed "6. Right of Withdrawal" below and duly do so.

4. NOMINEE REGISTRATION

To ensure equality of treatment of all Independent Shareholders, those registered Independent Shareholders who hold Shares as nominee on behalf of more than one beneficial owner should, as far as practicable, treat the holding of such beneficial owner separately. It is essential for the beneficial owners of the Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offer.

5. ANNOUNCEMENT

- (a) As required by Rule 19 of the Takeovers Code, by 6:00 p.m. (or such later time as the Executive may in exceptional circumstances permit) on the Closing Date, the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the expiry, revision or extension of the Offer. The Offeror must publish an announcement in accordance with the requirements of the GEM Listing Rules on the Stock Exchange's website by 7:00 p.m. on the Closing Date stating the results of the Offer and whether the Offer has been revised, extended, or has expired. The announcement will state the following:
- (i) the total number of Offer Shares and rights over the Offer Shares for which acceptances of the Offer have been received;
 - (ii) the total number of Shares and rights over Shares held, controlled or directed by the Offeror or parties acting in concert with it before the Offer Period;
 - (iii) the total number of Shares and rights over Shares acquired or agreed to be acquired during the Offer Period by the Offeror or parties acting in concert with it;
 - (iv) details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or any person acting in concert with it has borrowed or lent (save for any borrowed Shares which have been either on lent or sold); and

- (v) the percentages of the issued share capital of the Company and the percentages of voting rights of the Company represented by these numbers.
- (b) In computing the total number of Shares represented by acceptances as of the Closing Date, only valid acceptances that are completed and in good order, and which have been received by the Registrar no later than 4:00 p.m. on the Closing Date, being the latest time and date for acceptance of the Offer, shall be included.
- (c) As required under the Takeovers Code, all announcements in relation to the Offer which the Executive and the Stock Exchange have confirmed that they have no further comments, will be made in accordance with the requirements of the Takeovers Code and the GEM Listing Rules, where appropriate.

6. RIGHT OF WITHDRAWAL

- (a) Acceptance of the Offer tendered by the Independent Shareholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in paragraph (b) below. Where a right of withdrawal becomes available, an acceptor may withdraw his acceptance of the Offers by lodging a notice in writing signed by the acceptor (or his agent duly appointed in writing and evidence of whose appointment is produced together with the notice) to the Registrar.
- (b) If the Offeror is unable to comply with the requirements set out in the paragraph headed "5. Announcement" above, the Executive may, pursuant to Rule 19.2 of the Takeovers Code, require that the Independent Shareholders who have tendered acceptances of the Offer be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements set out in that paragraph are met.

In such case, if the Independent Shareholder(s) withdraw(s) their acceptance(s), the Offeror shall, as soon as possible but in any event within ten (10) days thereof, return by ordinary post the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the Shares lodged with the Form(s) of Acceptance to the relevant Independent Shareholder(s).

7. OVERSEAS SHAREHOLDERS

The making of the Offer to the Overseas Shareholders may be affected by the laws of the relevant jurisdictions in which they are resident. The Overseas Shareholders should observe any applicable legal or regulatory requirements. The Overseas Shareholders should obtain appropriate legal advice regarding the implications of the Offer in the relevant jurisdictions with a view to observing any applicable legal or regulatory requirements. It is the responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection therewith, including but not limited to the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required and the compliance with all other necessary formalities or regulatory or legal requirements. The Overseas Shareholders will also be fully responsible for the payment of any transfer or other taxes and duties by the accepting Overseas Shareholders payable in respect of all relevant jurisdictions. The Offeror and the parties acting in concert with it, the Company, Sorrento Capital, Sorrento Securities, Octal Capital, Proton Capital, the Registrar, their respective ultimate beneficial owners, directors, officers, advisers, associates, agents and any persons involved in the Offer shall be entitled to be fully indemnified and held harmless by the Overseas Shareholders for any taxes and duties they may be required to pay. Acceptance of the Offer by the Overseas Shareholders will constitute a representation and warranty by such person that the local laws and requirements have been complied with and such person is permitted under all applicable laws and regulations to receive and accept the Offer, and any revision thereof, and such acceptance shall be valid and binding in accordance with all applicable laws and regulations. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty. The Overseas Shareholders should consult their professional advisers if in doubt.

8. TAX IMPLICATIONS

Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of their acceptance of the Offer. It is emphasised that none of the Offeror and the parties acting in concert with it, the Company, Sorrento Capital, Sorrento Securities, Octal Capital, Proton Capital, the Registrar, their respective ultimate beneficial owners, directors, officers, advisers, associates, agents or any persons involved in the Offer is in a position to advise the Independent Shareholders on their individual tax implications nor accepts responsibility for any taxation effects on, or liabilities of, any person or persons as a result of their acceptance or rejection of the Offer.

9. GENERAL

- (a) All communications, notices, Forms of Acceptance, share certificates, transfer receipts, other documents of title and/or any satisfactory indemnity or indemnities required in respect thereof and remittances to settle the consideration payable under the Offer to be delivered by or sent to or from the Independent Shareholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of the Company, the Offeror and the parties acting in concert with it, Sorrento Capital, Sorrento Securities, Octal Capital, Proton Capital and any of their respective agents nor the Registrar or other parties involved in the Offer accepts any liability for any loss in postage or any other liabilities that may arise as a result thereof.
- (b) The provisions set out in the Form of Acceptance form part of the terms and conditions of the Offer.
- (c) The accidental omission to despatch this Composite Document and/or Form of Acceptance or any of them to any person to whom the Offer is made will not invalidate the Offer in any way.
- (d) The Offer is and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong.
- (e) Due execution of the Form of Acceptance will constitute an authority to the Offeror and/or Sorrento Securities and/or such person or persons as any of them may direct, to complete and execute any document on behalf of the person or persons accepting the Offer and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror and/or such person or persons as it may direct the Shares in respect of which such person or persons has accepted the Offer.
- (f) Acceptance of the Offer by any person or persons will be deemed to constitute a representation and warranty by such person or persons to the Offeror and Sorrento Securities that the Shares are sold to the Offeror free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attached to them as at the Latest Practicable Date or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made, being the date of despatch of this Composite Document. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty.

- (g) Reference to the Offer in this Composite Document and in the Form of Acceptance shall include any extension or revision thereof.
- (h) This Offer is made in accordance with the Takeovers Code.
- (i) In making their decision, the Independent Shareholders must rely on their own examination of the Offeror, the Group and the terms of the Offer, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Form of Acceptance, shall not be construed as any legal or business advice on the part of the Company, the Offeror and parties acting in concert with it, Sorrento Capital, Sorrento Securities, Octal Capital, Proton Capital, the Registrar or any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other persons involved in the Offer. The Independent Shareholders should consult their own professional advisers for professional advice.
- (j) Unless otherwise expressly stated in this Composite Document and/or the Form of Acceptance, no person other than the Offeror and the accepting Independent Shareholders may enforce any terms of the Offer that will arise out of complete and valid acceptances under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong).
- (k) The English texts of this Composite Document and the Form of Acceptance shall prevail over their respective Chinese texts for the purpose of interpretation in case of inconsistency.

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The following is a summary of the consolidated financial information of the Group for each of the three years ended 31 March 2019, 2020 and 2021, for the six months ended 30 September 2020 and 2021 and for the nine months ended 31 December 2020 and 2021 as extracted from the published annual reports, interim report and third quarterly report of the Company, respectively:

	For the year ended 31 March			For the six months ended		For the nine months ended	
	2021	2020	2019	30 September		31 December	
	HK\$ (Audited)	HK\$ (Audited)	HK\$ (Audited)	2021 HK\$ (Unaudited)	2020 HK\$ (Unaudited)	2021 HK\$ (Unaudited)	2020 HK\$ (Unaudited)
Revenue	103,132,516	133,428,344	152,725,342	57,864,213	47,866,431	94,174,445	79,267,140
Cost of sales	(82,834,952)	(108,358,978)	(124,389,998)	(44,097,874)	(38,519,800)	(71,424,550)	(62,874,400)
Gross profit	20,297,564	25,069,366	28,335,344	13,766,339	9,346,631	22,749,895	16,392,740
Other income	8,778,429	1,410,863	1,378,546	592,803	6,200,030	953,474	8,501,242
Other gains	919,523	3,249,055	153,119	229,156	919,477	229,156	919,480
Selling and administrative expenses	(30,701,809)	(36,837,245)	(35,859,859)	(13,833,205)	(15,576,775)	(20,755,920)	(23,414,720)
Impairment loss on property, plant and equipment and right-of-use assets	(11,833,694)	(7,729,648)	-	-	-	-	-
Profit/(Loss) from operations	(12,539,987)	(14,837,609)	(5,992,850)	755,093	889,363	3,176,605	2,398,742
Finance cost	(942,792)	(700,315)	(243,747)	(402,136)	(455,681)	(567,334)	(698,458)
Profit/(Loss) before taxation	(13,482,779)	(15,537,924)	(6,236,597)	352,957	433,682	2,609,271	1,700,284
Income tax credit/(expense)	946,463	26,732	901,341	(297,103)	(443,628)	(653,192)	308,660
Profit/(Loss) and total comprehensive income for the period attributable to owners of the Company	(12,536,316)	(15,511,192)	(5,335,256)	55,854	(9,946)	1,956,079	2,008,944
	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>
Earnings/(Loss) per share							
Basic and diluted	(1.39)	(1.72)	(0.59)	0.01	(0.00)	0.22	0.22

Except as disclosed in the above summary, there were no items of income or expenses which are material during each of the three years ended 31 March 2019, 2020 and 2021, the six months ended 30 September 2020 and 2021 and for the nine months ended 31 December 2020 and 2021.

No dividend was paid or proposed by the Company during each of the three years ended 31 March 2019, 2020 and 2021, the six months ended 30 September 2020 and 2021 and for the nine months ended 31 December 2020 and 2021.

The Group did not record any non-controlling interests during each of the three years ended 31 March 2019, 2020 and 2021, the six months ended 30 September 2020 and 2021, and for the nine months ended 31 December 2020 and 2021.

The Group's consolidated financial statements for each of the three years ended 31 March 2019, 2020 and 2021 had been audited by the Company's independent auditor, BDO Limited ("BDO"). No modified or qualified opinion had been issued by BDO in respect of the consolidated financial statements of the Group for each of the three years ended 31 March 2019, 2020 and 2021. Both of the Group's consolidated financial statements for each of the six months ended 30 September 2020 and 2021 and the Group's consolidated financial statements for each of the nine months ended 31 December 2020 and 2021 had been reviewed by the audit committee of the Company and had not been audited.

2. CONSOLIDATED FINANCIAL INFORMATION

The Company is required to set out or refer to in this Composite Document the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in the consolidated financial information of the Group for each of the three years ended 31 March 2019, 2020 and 2021, the six months ended 30 September 2021 and the nine months ended 31 December 2021, together with the notes to the relevant published financial statements which are of major relevance to the appreciation of the above financial information.

The unaudited condensed consolidated financial statements of the Group for the nine months ended 31 December 2021 are set out on pages 10 to 14 of the third quarterly report of the Company for the nine months ended 31 December 2021, which was published on 11 February 2022. The third quarterly report of the Company for the nine months ended 31 December 2021 is posted on the websites of the Stock Exchange and the Company. Please also see below a direct link:

<https://www1.hkexnews.hk/listedco/listconews/gem/2022/0211/2022021100855.pdf>

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2021 are set out on pages 18 to 28 of the interim report of the Company for the six months ended 30 September 2021, which was published on 12 November 2021. The interim report of the Company for the six months ended 30 September 2021 is posted on the websites of the Stock Exchange and the Company. Please also see below a direct link:

<https://www1.hkexnews.hk/listedco/listconews/gem/2021/1112/2021111202148.pdf>

The audited consolidated financial statements of the Group for the year ended 31 March 2021 are set out on pages 50 to 105 of the annual report of the Company for the year ended 31 March 2021, which was published on 30 June 2021. The annual report of the Company for the year ended 31 March 2021 is posted on the websites of the Stock Exchange and the Company. Please also see below a direct link:

"<https://www1.hkexnews.hk/listedco/listconews/gem/2021/0630/2021063000652.pdf>"

The audited consolidated financial statements of the Group for the year ended 31 March 2020 are set out on pages 50 to 115 of the annual report of the Company for the year ended 31 March 2020, which was published on 26 June 2020. The annual report of the Company for the year ended 31 March 2020 is posted on the websites of the Stock Exchange and the Company. Please also see below a direct link:

"<https://www1.hkexnews.hk/listedco/listconews/gem/2020/0626/2020062601658.pdf>"

The audited consolidated financial statements of the Group for the year ended 31 March 2019 are set out on pages 51 to 117 of the annual report of the Company for the year ended 31 March 2019, which was published on 27 June 2019. The annual report of the Company for the year ended 31 March 2019 is posted on the websites of the Stock Exchange and the Company. Please also see below a direct link:

"<https://www1.hkexnews.hk/listedco/listconews/gem/2019/0627/gln20190627325.pdf>"

3. STATEMENT OF INDEBTEDNESS

As at the close of business on 28 February 2022, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Composite Document (the "**Latest Practicable Date**"), the indebtedness of the Group was as follows:

	<i>HK\$</i>
Current	
Lease liabilities	7,578,835
Non-current	
Lease liabilities	<u>4,781,941</u>
Total	<u><u>12,360,776</u></u>

There were no material contingent liabilities as at 28 February 2022.

Save as aforesaid and normal trade and other payables in the ordinary course of business, at the close of business on 28 February 2022, the Group did not have any material outstanding:

- (i) debt securities issued and outstanding, and authorised or otherwise created but unissued, and term loans (whether they are guaranteed, unguaranteed, secured (where the security is provided by the Company or by third parties) or unsecured);
- (ii) other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments (whether they are guaranteed, unguaranteed, secured (where the security is provided by the Company or by third parties) or unsecured);
- (iii) mortgages and charges; or
- (iv) contingent liabilities or guarantees.

4. MATERIAL CHANGE

The Directors confirm that there has been no material change in the financial or trading position or outlook of the Group since 31 March 2021, being the date which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

1. RESPONSIBILITY STATEMENT

This Composite Document includes particulars given in compliance with the Takeovers Code for the purpose of providing information to the Independent Shareholders with regard to the Group and the Offer.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Offeror and parties acting in concert with it (excluding Mr. Chau and Mr. Hsu)), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document the omission of which would make any such statement contained in this Composite Document misleading.

2. SHARE CAPITAL

As at the Latest Practicable Date, the authorised and issued share capital of the Company were as follows:

	HK\$
<i>Authorised share capital:</i>	
2,000,000,000 Shares of HK\$0.01 each	20,000,000
<i>Issued and fully paid share capital:</i>	
900,000,000 Shares of HK\$0.01 each	9,000,000

All of the Shares currently in issue are fully paid up and rank *pari passu* in all respects with each other, including all rights in respect of return of capital, dividends and voting.

As at the Latest Practicable Date, the Company has not issued any Shares since 31 March 2022, being the end of the last financial year of the Company.

The issued Shares are listed on the GEM. No part of the Shares is listed or dealt in, nor is any listing of or permission to deal in the Shares being or proposed to be sought on, any other stock exchange.

As at the Latest Practicable Date, the Company did not have any outstanding options, warrants or securities or derivatives which were convertible or exchangeable into Shares or rights affecting the Shares.

3. MARKET PRICES

The table below sets out the closing prices of the Shares quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date:

Date	Closing price per Share (HK\$)
29 October 2021	0.029
30 November 2021	0.024
31 December 2021	0.023
31 January 2022	0.025
28 February 2022	0.025
31 March 2022	0.023
4 April 2022 (being the Last Trading Day)	0.023
22 April 2022 (being the Latest Practicable Date)	0.044

During the Relevant Period, the highest closing price of the Shares quoted on the Stock Exchange was HK\$0.056 per Share (on 20 April 2022) and the lowest closing price of the Shares quoted on the Stock Exchange was HK\$0.022 per Share (on 30 December 2021 and trading days during the period from 7 January 2022 to 11 January 2022).

4. DISCLOSURE OF INTERESTS

(i) Interests and short positions in the securities of the Company and its associated corporations of the Directors and chief executive

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executive of the Company in the Shares, underlying Shares, debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Director or chief executive of the Company was taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange; or (iv) to be disclosed in this Composite Document pursuant to the Takeovers Code, were as follows:

Name	Capacity	Number of Shares held/interested	Approximate percentage of interest
Mr. Chau Man Keung	Beneficial owner	41,366,000 (L) ^(Note 1 and 3)	4.60%
	Deemed interest pursuant to the SFO	464,854,000 (L) ^(Note 2 and 3)	51.65%
	<i>Sub-total</i>	506,220,000 (L) ^(Note 2 and 3)	56.25%
Mr. Hsu Ching Loi	Beneficial owner	110,500,000 (L) ^(Note 1 and 3)	12.28%
	Deemed interest pursuant to the SFO	395,720,000 ^(Note 2 and 3)	43.97%
	<i>Sub-total</i>	506,220,000 (L) ^(Note 2 and 3)	56.25%

Note:

- As at the Latest Practicable Date, Mr. Hsu holds 110,500,000 Shares and Mr. Chau holds 41,366,000 Shares.
- As at the Latest Practicable Date, the Offeror holds 354,354,000 Shares. The Offeror, Mr. Lam, Mr. Chau and Mr. Hsu entered into the Deed of Acting in Concert Undertaking dated 4 April 2022, pursuant to which the parties have agreed to consolidate their respective interests and control directly and/or indirectly in the Company and to vote on any resolution to be passed at any shareholders' meeting of the Company in an unanimous manner. Accordingly, each of them is deemed to be interested in the Shares held by each other pursuant to the SFO. As at the Latest Practicable Date, the Offeror, Mr. Lam, Mr. Chau and Mr. Hsu together control 506,220,000 Shares, representing approximately 56.25% of the total issued share capital of the Company.
- The letter "L" denotes long position in the Shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange; or (iv) to be disclosed in this Composite Document pursuant to the Takeovers Code

(ii) Interests and short positions of substantial Shareholders

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO and, so far as was known to the Directors, the persons (other than a Director and chief executive of the Company) or entities who had an interest or a short position in the Shares or the 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 who were, directly or indirectly, interested in 5% or more of the issued voting shares of any other member of the Group, or in any options in respect of such share capital were as follows:

Name	Capacity	Number of Shares held/interested	Approximate percentage of interest
The Offeror	Beneficial owner	354,354,000(L) ^(Note 1 and 6)	39.37%
	Deemed interest pursuant to the SFO	151,866,000(L) ^(Note 2 and 6)	16.88%
	Sub-total	506,220,000 (L) ^(Note 2 and 6)	56.25%
Mr. Lam Shing Tai	Interest of controlled corporation	354,354,000(L) ^(Note 1 and 6)	39.37%
	Deemed interest pursuant to the SFO	151,866,000(L) ^(Note 2 and 6)	16.88%
	Sub-total	506,220,000 (L) ^(Note 2 and 6)	56.25%
Ms. Siu Man Yam	Interest of spouse	506,220,000 (L) ^(Note 3 and 6)	56.25%
Ms. Ng Lai Nga	Interest of spouse	506,220,000 (L) ^(Note 4 and 6)	56.25%
Ms. Fung Chi Kuen	Interest of spouse	506,220,000 (L) ^(Note 5 and 6)	56.25%

Note:

1. As at the Latest Practicable Date, the Offeror holds 354,354,000 Shares and is wholly owned by Mr. Lam. Mr. Lam is deemed to be interested in the Shares in which Offeror is interested under the SFO.
2. The Offeror, Mr. Lam, Mr. Chau and Mr. Hsu entered into the Deed of Acting in Concert Undertaking dated 4 April 2022, pursuant to which the parties have agreed to consolidate their respective interests and control directly and/or indirectly in the Company and to vote on any resolution to be passed at any shareholders' meeting of the Company in an unanimous manner. Accordingly, each of them is deemed to be interested in the Shares held by each other pursuant to the SFO. As at the Latest Practicable Date, the Offeror, Mr. Lam, Mr. Chau and Mr. Hsu together control 506,220,000 Shares, representing approximately 56.25% of the total issued share capital of the Company.
3. As Ms. Siu Man Yam is the spouse of Mr. Chau, she is deemed to be interested in the Shares in which Mr. Chau is interested under the SFO.
4. As Ms. Ng Lai Nga is the spouse of Mr. Hsu, she is deemed to be interested in the Shares in which Mr. Hsu is interested under the SFO.
5. As Ms. Fung Chi Kuen is the spouse of Mr. Lam, she is deemed to be interested in the Shares in which Mr. Lam is interested under the SFO.
6. The letter "L" denotes long position in the Shares.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person (other than a Director and chief executive of the Company) who had, or was deemed or taken to have, an interest or short position in the Shares and underlying Shares which are required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

5. SHAREHOLDINGS AND DEALINGS IN SECURITIES

As at the Latest Practicable Date:

- (i) none of the Company nor the Directors had any interest in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Offeror, and none of the Company nor the Directors had dealt for value in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Offeror during the Relevant Period;
- (ii) save for Mr. Chau's and Mr. Hsu's interests in the Company as disclosed in the paragraph headed "4. Disclosure of interests" in this appendix, none of the Directors had any interest in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, and save for the disposals by Mr. Chau (as to 239,034,000 Sale Shares), Mr. Leung Yuet Cheong (as to 66,460,000 Sale Shares) and Mr. Wong Man Hin Joe (as to 30,380,000 Sale Shares) under the Sale and Purchase Agreement, none of the Directors had dealt for value in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Relevant Period;

- (iii) none of the subsidiaries of the Company, pension funds of the Company or of any member of the Group, or a person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of acting in concert or who is an associate of the Company by virtue of class (2) of the definition of associate under the Takeovers Code but excluding exempt principal traders and exempt fund managers (as defined under the Takeovers Code) had owned or controlled any of the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, and none of them had dealt for value in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company during the Relevant Period;
- (iv) save for Mr. Chau and Mr. Hsu whose interests in the Company are disclosed in the paragraph headed “4. Disclosure of interests” in this appendix, no person who had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of acting in concert or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of associate had owned or controlled any of the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, and, save for the disposal of 239,034,000 Sale Shares by Mr. Chau under the Sale and Purchase Agreement, none of them had dealt for value in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company during the Relevant Period;
- (v) no relevant securities (as defined in Note 4 to Rule 22 of the Code) of the Company were managed on a discretionary basis by fund managers (other than exempt fund managers) connected with the Company, and none of them had dealt for value in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company during the Relevant Period;
- (vi) save for Mr. Chau and Mr. Hsu who will not accept the Offer pursuant to Mr. Chau’s Irrevocable Undertaking and Mr. Hsu’s Irrevocable Undertaking respectively, no Directors held any beneficial shareholdings in the Company which would otherwise entitle them to accept or reject the Offer; and
- (vii) neither the Company nor any of the Directors had borrowed or lent any of the relevant securities (as defined in Note 4 to Rule 22 of the Code) of the Company, save for any borrowed Shares which had been either on-lent or sold.

6. ARRANGEMENTS AFFECTING DIRECTORS

As at the Latest Practicable Date:

- (i) no benefit (other than statutory compensation) would be given to any Director as compensation for loss of office or otherwise in connection with the Offer;
- (ii) save for the Memorandum of Understanding, the Sale and Purchase Agreement, the Deed of Acting in Concert Undertaking, Mr. Chau's Irrevocable Undertaking and Mr. Hsu's Irrevocable Undertaking, there was no agreement or arrangement between any Director and any other person which was conditional or dependent upon the outcome of the Offer or otherwise connected with the Offer; and
- (iii) save for the Memorandum of Understanding, the Sale and Purchase Agreement, the Deed of Acting in Concert Undertaking, no material contracts had been entered into by the Offeror in which any Director had a material personal interest.

7. SERVICE CONTRACTS AND LETTERS OF APPOINTMENT WITH DIRECTORS

As at the Latest Practicable Date, save as disclosed below, none of the Directors had entered into any service contracts with the Company or any of its subsidiaries or associated companies which (i) (including both continuous and fixed term contracts) have been entered into or amended within 6 months before the commencement of the Offer Period; (ii) are continuous contracts with a notice period of 12 months or more; or (iii) are fixed term contracts with more than 12 months to run irrespective of the notice period:

Director	Commencement date of the service contract/letter of appointment	Expiry date of the service contract/letter of appointment	Amount of fixed annual remuneration/fee payable under the service contract/letter of appointment	Amount of variable remuneration/fee (e.g. commission on profit) payable under the service contract/letter of appointment
Mr. Wan Aaron Chi Keung, BBS, JP	28 March 2021	27 March 2024	HK\$144,000	None
Dr. Sun Yongjing	28 March 2021	27 March 2024	HK\$144,000	None
Mr. Chan Chun Kit	28 March 2021	27 March 2024	HK\$144,000	None

8. MATERIAL CONTRACTS

No contracts which are or may be material (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by any member of the Group) have been entered into by the members of the Group after the date two (2) years before the commencement of the Offer Period up to the Latest Practicable Date.

9. MATERIAL LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and, so far as the Directors are aware, no litigation or claims of material importance is pending or threatened by or against the Company and any of its subsidiaries.

10. QUALIFICATIONS AND CONSENTS OF EXPERT

The following are the qualifications of the expert who has given its report, opinions or advice which are contained or referred to in this Composite Document:

Name	Qualifications
Proton Capital Limited	a corporation licensed by the SFC to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

Proton Capital has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of the text of its letter, advice and/or references to its name, in the form and context in which they appear herein.

11. DOCUMENTS AVAILABLE FOR INSPECTION AND DOCUMENTS ON DISPLAY

Copies of the following documents will be available for inspection (i) at the principal office of the Company at Office F, 12/F, Legend Tower, No. 7 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong during normal business hours from 9:30 a.m. to 5:30 p.m. (on any weekdays, except public holidays); and (ii) on the websites of the Company (<http://www.uprintshop.hk/>) and the SFC (<https://www.sfc.hk>) from the date of this Composite Document up to and including the Closing Date:

- (a) the memorandum and articles of association of the Company;
- (b) the annual report of the Company for the year ended 31 March 2019;

- (c) the annual report of the Company for the year ended 31 March 2020;
- (d) the annual report of the Company for the year ended 31 March 2021;
- (e) the interim report of the Company for the six months ended 30 September 2021;
- (f) the third quarterly report of the Company for the nine months ended 31 December 2021;
- (g) the letter from the Board, the text of which is set out in this Composite Document;
- (h) the letter of recommendation from the Independent Board Committee, the text of which is set out in this Composite Document;
- (i) the letter of advice from the Independent Financial Adviser, the text of which is set out in this Composite Document;
- (j) the Directors' letters of appointment referred to in the paragraph headed "7. Service contracts and letters of appointment with Directors" in this appendix;
- (k) Mr. Chau's Irrevocable Undertaking;
- (l) Mr. Hsu's Irrevocable Undertaking;
- (m) the written consent from the expert referred to in the paragraph headed "10. Qualifications and consents of expert" in this appendix; and
- (n) this Composite Document and the accompanying Form of Acceptance.

12. GENERAL INFORMATION

- (a) The registered office of the Company is Cricket Square Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1108, Cayman Islands.
- (b) The principal place of business in Hong Kong of the Company is Office F, 12/F, Legend Tower, No. 7 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong.

- (c) As at the Latest Practicable Date, the Board comprises Mr. Chau Man Keung, Mr. Hsu Ching Loi, Mr. Wong Man Hin Joe and Mr. Leung Yuet Cheong as executive Directors, and Mr. Wan Aaron Chi Keung, BBS, JP, Mr. Chan Chun Kit and Dr. Sun Yongjing as independent non-executive Directors.
- (d) The Hong Kong branch share registrar of the Company is Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (e) As at the Latest Practicable Date, the registered office of Octal Capital, the financial adviser to the Company, is at 801-805, 8th Floor, Nan Fung Tower, 88 Connaught Road, Central, Hong Kong.
- (f) As at the Latest Practicable Date, the registered office of Proton Capital, the Independent Financial Adviser, is at Room 2503, 25th Floor, China Insurance Group Building, 141 Des Voeux Road Central, Central, Hong Kong.
- (g) The English texts of this Composite Document and the Form of Acceptance shall prevail over the Chinese texts, in case of any inconsistency.

1. RESPONSIBILITY STATEMENT

This Composite Document includes particulars given in compliance with the Takeovers Code for the purpose of giving information with regard to the Offer, the Offeror and the Group.

The sole director of the Offeror (namely, Mr. Lam Shing Tai) accepts full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Group and the Selling Shareholders), and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this Composite Document (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement contained in this Composite Document misleading.

2. MARKET PRICES

The table below shows the closing prices of the Shares quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date:

Date	Closing price per Share HK\$
29 October 2021	0.029
30 November 2021	0.024
31 December 2021	0.023
31 January 2022	0.025
28 February 2022	0.025
31 March 2022	0.023
4 April 2022 (being the Last Trading Day)	0.023
22 April 2022 (being the Latest Practicable Date)	0.044

During the Relevant Period, the highest closing price of the Shares quoted on the Stock Exchange was HK\$0.056 per Share on 20 April 2022 and the lowest closing price of the Shares quoted on the Stock Exchange was HK\$0.022 per Share on 30 December 2021 and trading days during the period from 7 January 2022 to 11 January 2022.

3. DISCLOSURE OF INTERESTS IN SHARES

As at the Latest Practicable Date, details of interests in the Shares, underlying Shares, debentures or other relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company held or controlled by the Offeror, parties acting in concert with it and the sole director of the Offeror were as follows:

Name of Shareholder	Capacity	Number of Shares	Approximate percentage of interest in the Company's share capital
The Offeror (Notes 1 & 2)	Beneficial owner	354,354,000	39.37%
	Deemed interest pursuant to the SFO	<u>151,866,000</u>	<u>16.88%</u>
	<i>Sub-total</i>	<u><u>506,220,000</u></u>	<u><u>56.25%</u></u>
Mr. Lam (Notes 1 & 2)	Interest of controlled corporation	354,354,000	39.37%
	Deemed interest pursuant to the SFO	<u>151,866,000</u>	<u>16.88%</u>
	<i>Sub-total</i>	<u><u>506,220,000</u></u>	<u><u>56.25%</u></u>
Mr. Chau (Notes 2 & 3)	Beneficial owner	41,366,000	4.60%
	Deemed interest pursuant to the SFO	<u>464,854,000</u>	<u>51.65%</u>
	<i>Sub-total</i>	<u><u>506,220,000</u></u>	<u><u>56.25%</u></u>
Mr. Hsu (Notes 2 & 4)	Beneficial owner	110,500,000	12.28%
	Deemed interest pursuant to the SFO	<u>395,720,000</u>	<u>43.97%</u>
	<i>Sub-total</i>	<u><u>506,220,000</u></u>	<u><u>56.25%</u></u>

Notes:

- The Offeror is beneficially wholly owned by Mr. Lam, who is deemed to be interested in 354,354,000 Shares held by the Offeror under the SFO. Mr. Lam is the sole director of the Offeror.

2. The Offeror, Mr. Lam (the sole ultimate beneficial owner of the Offeror), Mr. Chau (an executive Director and the chairman of the Board) and Mr. Hsu (an executive Director) entered into the Deed of Acting in Concert Undertaking dated 4 April 2022, pursuant to which the parties have agreed to consolidate their respective interests and control directly and/or indirectly in the Company and to vote on any resolution to be passed at any shareholders' meeting of the Company in an unanimous manner. Accordingly, each of them is deemed to be interested in the Shares held by each other pursuant to the SFO. As at the Latest Practicable Date, the Offeror, Mr. Lam, Mr. Chau and Mr. Hsu together control 506,220,000 Shares, representing approximately 56.25% of the total issued share capital of the Company.
3. On 4 April 2022, Mr. Chau gave Mr. Chau's Irrevocable Undertaking to the Offeror that in respect of the 41,366,000 Shares held by him, (i) he will not accept the Offer or sell any of such 41,366,000 Shares to the Offeror or the parties acting in concert with it under the Offer; (ii) he will not take any other action to make such 41,366,000 Shares available for acceptance under the Offer; and (iii) he will hold such 41,366,000 Shares until, and shall not sell, transfer, dispose of or create or agree to create any encumbrance of or otherwise create any interests on such 41,366,000 Shares before, the close of the Offer. Mr. Chau's Irrevocable Undertaking will cease only upon the close of the Offer.
4. On 4 April 2022, Mr. Hsu gave Mr. Hsu's Irrevocable Undertaking to the Offeror that in respect of the 110,500,000 Shares held by him, (i) he will not accept the Offer or sell any of such 110,500,000 Shares to the Offeror or the parties acting in concert with it under the Offer; (ii) he will not take any other action to make such 110,500,000 Shares available for acceptance under the Offer; and (iii) he will hold such 110,500,000 Shares until, and shall not sell, transfer, dispose of or create or agree to create any encumbrance of or otherwise create any interests on such 110,500,000 Shares before, the close of the Offer. Mr. Hsu's Irrevocable Undertaking will cease only upon the close of the Offer.

Save as disclosed above, (i) as at the Latest Practicable Date, none of the Offeror, its ultimate beneficial owner, its director (being Mr. Lam), and the parties acting in concert with any of them owned, controlled or had any other interest in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company; and (ii) save for (a) the disposal of 239,034,000 Sale Shares by Mr. Chau under the Sale and Purchase Agreement and (b) the Acquisition, none of the Offeror, the ultimate beneficial owner of the Offeror nor the parties acting in concert with any of them (including Mr. Chau and Mr. Hsu) had dealt for value in nor owned any Shares, options, derivatives, warrants or other securities convertible into Shares during the Relevant Period.

4. DEALING AND INTERESTS IN THE COMPANY'S SECURITIES AND OTHER ARRANGEMENTS

As at the Latest Practicable Date:

- (i) save for the Sale Shares acquired by the Offeror, the 41,366,000 Shares held by Mr. Chau Man Keung and the 110,500,000 Share held by Mr. Hsu Ching Loi, none of the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them held, owned or had control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives in respect of such securities of the Company;

- (ii) there was no outstanding derivative in respect of the securities in the Company which was owned, controlled or directed by, or had been entered into by the Offeror, its ultimate beneficial owner and/or any person acting in concert with any of them;
- (iii) save for Mr. Chau's Irrevocable Undertaking and Mr. Hsu's Irrevocable Undertaking, none of the Offeror or parties acting in concert with it had any arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with any person;
- (iv) save for Mr. Chau's Irrevocable Undertaking and Mr. Hsu's Irrevocable Undertaking, there was no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code which existed between the Offeror or any person acting in concert with it or any other associate of the Offeror and any other person;
- (v) save for the Memorandum of Understanding, the Sale and Purchase Agreement, Mr. Chau's Irrevocable Undertaking and Mr. Hsu's Irrevocable Undertaking, there was no agreement or arrangement to which the Offeror is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (vi) save for Mr. Chau's Irrevocable Undertaking and Mr. Hsu's Irrevocable Undertaking, none of the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them had received any irrevocable commitment(s) to accept or reject the Offer;
- (vii) none of the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (viii) there was no agreement, arrangement or understanding that any securities acquired in pursuance of the Offer would be transferred, charged or pledged to any other persons;
- (ix) save for the Memorandum of Understanding, the Sale and Purchase Agreement, the Deed of Acting in Concert Undertaking, Mr. Chau's Irrevocable Undertaking and Mr. Hsu's Irrevocable Undertaking, there was no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them on the one hand, and the Vendors and/or parties acting in concert with any of them on the other hand;

- (x) save for the Memorandum of Understanding, the Sale and Purchase Agreement, the Deed of Acting in Concert Undertaking, Mr. Chau's Irrevocable Undertaking and Mr. Hsu's Irrevocable Undertaking, there was no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (i) any Shareholder; and (ii)(a) the Offeror and/or any party acting in concert with it or (ii)(b) the Company, its subsidiaries or associated companies;
- (xi) save for the Consideration paid by the Offeror to the Vendors under the Sale and Purchase Agreement, there was no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or any parties acting in concert with it to the Vendors or any party acting in concert with any of them in connection with the sale and purchase of the Sale Shares;
- (xii) save for the Memorandum of Understanding, the Sale and Purchase Agreement, the Deed of Acting in Concert Undertaking, Mr. Chau's Irrevocable Undertaking and Mr. Hsu's Irrevocable Undertaking, there was no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror or any person acting in concert with it and any of the Directors, recent directors of the Company, Shareholders or recent shareholders of the Company having any connection with or dependence upon the Offer;
- (xiii) no benefit (other than statutory compensation) was or would be given to any Director as compensation for loss of office or otherwise in connection with the Offer;
- (xiv) no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company was managed on a discretionary basis by any fund managers or principal traders connected with the Offeror or any person acting in concert with it, and no such person had dealt in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Relevant Period; and
- (xv) there were no conditions to which the Offer is subject to.

Save for (i) the disposal of 239,034,000 Sale Shares by Mr. Chau under the Sale and Purchase Agreement and (ii) the Acquisition, none of the Offeror, the ultimate beneficial owner of the Offeror nor the parties acting in concert with any of them (including Mr. Chau and Mr. Hsu) had dealt for value in nor owned any Shares, options, derivatives, warrants or other securities convertible into Shares during the Relevant Period.

5. QUALIFICATIONS AND CONSENTS OF EXPERTS

The following are the qualifications of the experts who have given opinions or advice which are contained or referred to in this Composite Document:

Name	Qualification
Sorrento Capital Limited	a corporation licensed by the SFC to carry out Type 6 (advising on corporate finance) regulated activity under the SFO
Sorrento Securities Limited	a corporation licensed by the SFC to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO

Each of the above experts has given and has not withdrawn their respective written consent to the issue of this Composite Document with the inclusion of the text of its letter, advice and/or references to its name, in the form and context in which they appear herein.

6. MISCELLANEOUS

- (a) The registered office of the Offeror is situated at the office of CCS Trustees Limited, Mandar House, 3rd Floor, Johnson's Ghut, Tortola, British Virgin Islands.
- (b) The correspondence address of the Offeror and Mr. Lam, being the sole director of the Offeror and a principal member of the Offeror's concert group is Flat D & E, 8/F., Southeast Industrial Building, 611-619 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong.
- (c) The correspondence address of Mr. Chau, being a principal member of the Offeror's concert group, is Office F, 12/F, Legend Tower, No. 7 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong.
- (d) The correspondence address of Mr. Hsu, being a principal member of the Offeror's concert group, is Office F, 12/F, Legend Tower, No. 7 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong.
- (e) The main business address of Sorrento Capital is situated at 11/F, The Wellington, 198 Wellington Street, Central, Hong Kong.
- (f) The main business address of Sorrento Securities is situated at 11/F, The Wellington, 198 Wellington Street, Central, Hong Kong.
- (g) The Offeror is a company incorporated in the British Virgin Islands with limited liability on 11 January 2022.

- (h) The English text of this Composite Document and the accompanying Form of Acceptance shall prevail over their respective Chinese texts, in case of any inconsistency.

7. DOCUMENTS AVAILABLE FOR INSPECTION AND DOCUMENTS ON DISPLAY

Copies of the following documents are available for inspection (i) at the principal office of the Company at Office F, 12/F, Legend Tower, No. 7 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong during normal business hours from 9:30 a.m. to 5:30 p.m. (on any weekdays, except public holidays); (ii) on the website of the SFC (<http://www.sfc.hk>); and (iii) on the website of the Company (<http://www.uprintshop.hk>) from the date of this Composite Document up to and including the Closing Date:

- (a) the memorandum and articles of association of the Offeror;
- (b) the letter from Sorrento Securities, the text of which is set out on pages 10 to 22 of this Composite Document;
- (c) the written consents referred to under the paragraph headed "5. Qualifications and Consents of Experts" in this appendix;
- (d) the Memorandum of Understanding;
- (e) the Sale and Purchase Agreement;
- (f) Mr. Chau's Irrevocable Undertaking; and
- (g) Mr. Hsu's Irrevocable Undertaking.