HM INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
（於開曼群島註冊成立的有限公司）

Stock Code 股份代號: 8416

2024
ANNUAL REPORT
年度報告

Characteristics of GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange")

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.

This report, for which the directors (the "Directors") of HM International Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company and its subsidiaries (collectively, the "Group"). The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Yu Chi Ming
Mr. Chan Wai Lin
Ms. Chan Wai Chung Caroline

Independent Non-executive Directors

Mr. Ng Jack Ho Wan
Mr. Choi Hon Ting Derek
Ms. Chow Yuen Kwan (appointed on 31 December 2024)
Mr. Wan Chi Wai Anthony (resigned on 31 December 2024)

COMPANY SECRETARY

Mr. Lau Fai Lawrence

COMPLIANCE OFFICER

Mr. Chan Wai Lin

AUTHORISED REPRESENTATIVES

Mr. Yu Chi Ming
Mr. Chan Wai Lin

AUDIT COMMITTEE

Mr. Ng Jack Ho Wan (Chairman)
Mr. Choi Hon Ting Derek
Ms. Chow Yuen Kwan (appointed on 31 December 2024)
Mr. Wan Chi Wai Anthony (resigned on 31 December 2024)

REMUNERATION COMMITTEE

Mr. Choi Hon Ting Derek (Chairman)
Ms. Chow Yuen Kwan (appointed on 31 December 2024)
Mr. Yu Chi Ming
Mr. Wan Chi Wai Anthony (resigned on 31 December 2024)

NOMINATION COMMITTEE

Ms. Chow Yuen Kwan (Chairlady) (appointed on 31 December 2024)
Mr. Ng Jack Ho Wan
Mr. Chan Wai Lin
Mr. Wan Chi Wai Anthony (resigned on 31 December 2024)

INDEPENDENT AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants
31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

REGISTERED OFFICE

Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

35th Floor, Dah Sing Financial Centre
248 Queen's Road East, Wan Chai
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Bank of China Tower
1 Garden Road
Central, Hong Kong

Citibank, N.A., Hong Kong Branch
21/F Citi Tower
One Bay East
83 Hoi Bun Road
Kwun Tong, Kowloon
Hong Kong

Hang Seng Bank Limited
Head Office
83 Des Voeux Road Central
Hong Kong

WEBSITE

www.hetermedia.com

STOCK CODE

8416

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of HM International Holdings Limited (the "Company"), I am hereby pleased to present the audited results of the Company and its subsidiaries (collectively referred as, the "Group") for the year ended 31 December 2024 for your review

OVERVIEW

The year 2024 has been one of the most challenging in our company's history. While we entered the year with cautious optimism, unforeseen macroeconomic headwinds, prolonged market volatility, and a sharp contraction in Hong Kong's IPO and capital markets activity severely impacted our performance. Despite our best efforts, we still recorded a loss alongside a decrease in revenue. There is a loss attributable to owners of the Company for the year approximately HK$7.7 million, as compared with profit attributable to owners of the Company for the year ended 31 December 2023. The revenue was approximately HK$158.9 million for the year as compared with approximately HK$178.6 million for the year ended 31 December 2023. The reversal from profit to loss was mainly attributable to (i) the decrease of sales mainly in financial printing solution section ; (ii) one-off office removal expenses approximately HK$3.2 million; and (iii) impairment loss on goodwill amounting to approximately HK$3.1 million. These results are undoubtedly disappointing, but they have also served as a catalyst for change, prompting us to take decisive actions to reposition our company for long-term sustainability and growth.

Adapting to a Changing Landscape

The financial printing industry in Hong Kong has faced mounting pressures, including evolving client demands, technological advancements, and a highly competitive market. In response to these challenges, we have undertaken a series of strategic initiatives to streamline our operations and reduce costs. One of the most significant steps we have taken is the reallocation of our office space to a more cost-efficient location. This move not only enhances our financial sustainability but also positions us to better manage future uncertainties.

Leveraging opportunities in the Greater Bay Area

Qianhai is a key hub in the Greater Bay Area, offering proximity to mainland China's vast market, advanced infrastructure, and favorable policies for innovation, technology, and finance. In October 2024, we established a new company named 軒達科技信息咨詢服務(深圳)有限公司 as a strategic move. These factors collectively provide a strong foundation for the company to thrive and achieve long-term success in the dynamic Greater Bay Area.

A New Chapter: Refreshed Brand Identity

In line with our efforts to reinvigorate the company, we are proud to unveil our new logo and refreshed brand identity. The Company has adopted the new logo in October 2024. This transformation symbolizes not only our evolution as a company but also our dedication to embracing new opportunities and challenges. The new design embodies a modern, minimal, and vibrant identity that aligns seamlessly with our new tagline: "People with Uplifting Attitude."

This new chapter in our journey underscores our adaptability and forward-thinking approach. It is a testament to our resilience and our unwavering commitment to delivering value to our clients and stakeholders. We believe that this refreshed brand identity will enable us to connect more effectively with our clients, inspire confidence, and foster a renewed sense of pride among our team members.

CHAIRMAN'S STATEMENT

OUTLOOK

As we look to the future, we remain optimistic and committed to exploring various business opportunities. We will continue to leverage the potential of the Greater Bay Area and Southeast Asia, seeking new markets and partnerships that can drive our growth. Our focus on these regions will enable us to diversify our revenue streams and mitigate the impact of market volatility.

Furthermore, we will continue to improve our cost-effectiveness. By optimizing our operations and investing in technology, we aim to enhance our financial performance and ensure long-term sustainability. Our commitment to innovation and adaptability will remain at the forefront of our strategy as we navigate the evolving landscape of the financial printing industry.

ACKNOWLEDGMENT

On behalf of the Board of Directors of the Company, I hereby wish to extend my gratitude to all employees and the Directors for the hard work they contributed, as well as the support to our Group from all the shareholders. We will adhere to advanced development concepts, follow development trends, grasp market opportunities, and make a continuous effort to create greater value for our shareholders and make new contributions to the community.

Yu Chi Ming
Chairman

Hong Kong 17 March 2025

BUSINESS REVIEW

During the Reporting Period, we continued to offer a wide range of services, including financial printing services for corporations listed on the Stock Exchange of Hong Kong ("Stock Exchange") and marketing collateral printing services for fund houses and insurance companies. The business of the Company faced headwinds during the Reporting Period, with listed companies and financial institutions reducing their spending on printing services due to economic uncertainties and a shift toward digital solutions. The Company experienced a decline in both completed jobs and sales revenue during the Reporting Period, The number of completed jobs decreased by approximately 3.7% and this decline was accompanied by an approximately 11% drop in sales revenue of the Group compared to the year ended 31 December 2023. For the year ended 31 December 2024, the Group recorded a loss attributable to owners of the Company approximately HK$7.7 million compared to the profit approximately to HK$6.3 million for the year ended 31 December 2023.

FUTURE PROSPECTS

To navigate the challenging environment, the Company are committed to accelerate the transition into digital services. This shift is critical to aligning with the growing preference for digital over traditional printed materials among listed companies, fund houses and insurance firms. By offering integrated digital solutions, the Company aims to capture new revenue streams and reduce its reliance on traditional printing services. In response to the financial pressures experienced in the Reporting Period, the Company will focus on streamlining operations and reducing fixed costs. While uncertainties remain, the Company's focus on innovation and adaptability positions it well to capitalize on emerging opportunities and overcome industry headwinds. With a clear strategy and disciplined execution, the year of 2025 could mark a turning point for the Company's recovery and long-term success.

FINANCIAL REVIEW

Revenue

The Group's revenue for the Reporting Period was approximately HK$158.9 million compared to approximately HK$178.6 million for the year ended 31 December 2023, representing a decrease of approximately 11%. The decrease primarily due to the decrease in revenue from (i) financial printing services, which decreased by approximately HK$17.9 million, or 13.5%, from approximately HK$132.8 million for the year ended 31 December 2023, to approximately HK$114.9 million for the Reporting Period; and (ii) other services decreased by approximately HK$5.2 million, or approximately 27.7% from approximately HK$18.8 million for the year ended 31 December 2023 to approximately HK$13.6 million for the Reporting Period.

Gross Profit and Gross Profit Margin

The Group's gross profit decreased by approximately HK$5.9 million, or approximately 9.4%, from approximately HK$62.8 million for the year ended 31 December 2023 to approximately HK$56.9 million for the Reporting Period. It was mainly due to the decrease in revenue. The Group's gross profit margin for the Reporting Period and the year ended 31 December 2023 were approximately 35.8% and 35.1% respectively.

Other income and (losses)/gains

The Group recorded other income approximately HK$4.6 million for the year ended 31 December 2023 while it recorded other losses approximately HK$1.6 million for the Reporting Period. The losses for the Reporting Period was mainly attributable to the recognition of the impairment losses on goodwill . The other income for the year ended 31 December 2023 was mainly due to the gain on disposal of an associate.

Selling Expenses

The Group's selling expenses decreased by approximately HK1.5 million, or approximately 12.7%, from approximately HK$12.0 million for the year ended 31 December 2023 to approximately HK$10.5 million for the Reporting Period. The decrease was mainly attributable to the decrease in employee benefits expense which is directly related to the revenue.

Administrative Expenses

The Group's administrative expenses increased by approximately HK$5.5 million, or approximately 11.4%, from approximately HK$48.4 million for the year ended 31 December 2023 to approximately HK$53.9 million for the Reporting Period. The increase was mainly due to the one-off office removal expenses approximately HK$3.2 million.

Finance Costs

Finance costs increased by approximately HK$266,000 from approximately HK$695,000 for the year ended 31 December 2023 to approximately HK$961,000 for the Reporting Period. Such increase was mainly due to the increase in finance costs on lease liabilities.

Taxation

The Group's income tax expense shifted from an expense of approximately HK$61,000 for the year ended 31 December 2023 to an income of approximately HK$155,000 for the Reporting Period, which was mainly due to the adjustments of deferred tax .

(Loss)/ Profit for the year and Net (Loss)/ Profit Margin

Loss after tax of the Group was approximately HK$9.9 million for the Reporting Period, compared to profit after tax approximately HK$6.5 million for the year ended 31 December 2023. The turnaround was mainly due to i). the decrease in Group's revenue as compared to the year ended 31 December 2023; ii).one-off office removal expenses approximately HK$3.2 million; and (iii) impairment loss on goodwill amounting to approximately HK$3.1 million . There is no profit margins for the Reporting Period (2023: approximately 3.6%) .

FINANCIAL RESOURCES, LIQUIDITY AND GEARING RATIO

As at 31 December 2024,

(a) the Group's total assets decreased to approximately HK$121.6 million (2023: approximately HK$141.1 million) while the total equity decreased to approximately HK$72.5 million (2023: approximately HK$89.8 million);

(b) the Group's current assets decreased to approximately HK$97.0 million (2023: approximately HK$129.6 million) while the current liabilities decreased to approximately HK$36.1 million (2023: approximately HK$50.6 million);

(c) the Group had approximately HK$64.6 million in cash and bank balances (2023: approximately HK$90.6 million), which included cash and bank balances in Renminbi ("RMB") of approximately RMB6.5 million, in US dollars ("USD") of approximately USD0.6 million, in Taiwan dollars ("TWD") of approximately TWD1.5 million, in Singapore dollars ("SGD") of approximately SGD79,000, in Euro dollars ("EUR") of approximately EUR1.9 million, and approximately HK$36.6 million, and the current ratio of the Group was approximately 2.7 times (2023: approximately 2.6 times);

(d) the Group had total leases liabilities of approximately HK$17.2 million (2023: approximately HK$6.5 million); and

(e) the gearing ratio (calculated based on debts including payables incurred not in the ordinary course of business divided by total equity as at the respective period end and multiplied by 100%) of the Group was 24.8% (2023: 8.4%). The increase of gearing ratio was primarily driven by the finance lease liability for the new leases for certain office premises.

CAPITAL COMMITMENT

As at 31 December 2024 and 2023, the Group did not have any material capital commitment.

SIGNIFICANT INVESTMENTS

As at 31 December 2024, the Group did not hold any significant investments (2023: nil).

CONTINGENT LIABILITIES

As at 31 December 2024, the Group did not have any significant contingent liabilities (2023: nil).

SEGMENTAL INFORMATION

Segmental information is presented for the Group in Note 5 to the Consolidated Financial Statements.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2024, the Group had 117 employees (2023: 130) in Hong Kong, 9 employees (2023: 9) in PRC, 20 employees (2023: 18) in Taiwan, and 9 employees (2023: 13) in Singapore. We believe that hiring, motivating and retaining qualified employees are crucial to our success as a reliable financial printer. Total staff costs (including Directors' emoluments) were approximately HK$68.4 million for the Reporting Period (2023: approximately HK$71.1 million). The remuneration packages of the Group's employees include fees, salaries, retirement benefit scheme contributions and other benefits. The remuneration policies of the Group, including promotion, bonus, salary increment and other benefits, are formulated based on the Group's operating results, employees' individual performance, working experience, respective responsibilities, merit, qualifications and competence, as well as comparable to the prevailing market practice, standards and statistics. The remuneration policies of the Group are reviewed by the management of the Group regularly. The dedication and hard work of the Group's staff during the Reporting Period are generally appreciated and recognised.

The Group adopted a share option scheme (the "Share Option Scheme") on 15 December 2016 to provide incentives to the Directors and eligible employees.

The Group adopted a share award scheme (the "Share Award Scheme") on 4 July 2022 with the purposes and objectives to (i) recognise and reward the contributions of eligible participants to the growth and development of the Group and give incentives to them in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group.

For details of the Share Option Scheme and the Share Award Scheme, please refer to the sections headed "SHARE OPTION SCHEME" and "SHARE AWARD SCHEME", respectively, below in the chapter named "REPORT OF DIRECTORS".

INDEBTEDNESS AND CHARGES ON GROUP'S ASSETS

As at 31 December 2024 and 2023, the Group did not have any asset pledged to secure general banking facilities.

NOTIFIABLE TRANSACTIONS DURING THE REPORTING PERIOD

Save for the major transaction disclosed below under the section headed "MAJOR TRANSACTION DURING THE REPORTING PERIOD", during the Reporting Period, the Company has not carried out any notifiable transactions.

MAJOR TRANSACTION DURING THE REPORTING PERIOD

On 4 March 2024, a lease was entered into between HeterMedia Services Limited ("**HSL**") (a wholly-owned subsidiary of the Company) as lessee, and Jetwise Investment Limited (an independent third party) as lessor, for the leasing of the office premises located at the whole of 35th Floor of Dah Sing Financial Centre, No. 248 Queen's Road East, Wan Chai, Hong Kong ("**Premises**") for a term of five years commencing from 1 April 2024 and expiring on 31 March 2029 (both days inclusive) (the "**Lease**"). The monthly rent of the Premises is HK$333,554 from 1 April 2024 to 31 March 2027 and HK $370,615 from 1 April 2027 to 31 March 2029 with a rent-free period of four months from 1 April 2024 to 31 July 2024. The monthly rent is exclusive of the relevant rates, management fees, air-conditioning charges and other utility charges, which shall be paid and discharged punctually by HSL during the term of the Lease, including the said rent-free period. The Group commenced to use the Premises as the Group's headquarters and principal place of business from 22 June 2024.

For the details of right-of-use asset recognised by the Company under the Lease, please refer to Note 15 to the Consolidated Financial Statements.

For details of the above-mentioned major transaction during the Reporting Period, please refer to the announcement of the Company dated 4 March 2024 and the circular of the Company dated 25 March 2024.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the Reporting Period, the Group has not carried out any material acquisitions or disposal of subsidiaries and associated companies.

CHANGE IN THE COMPOSITION OF THE BOARD

On 31 December 2024, Mr. Wan Chi Wai Anthony resigned from the positions of an independent non-executive Director, a member of each of the audit committee (the “Audit Committee”) and the remuneration committee (the “Remuneration Committee”) of the Company, and the chairman of the nomination committee (the “Nomination Committee”) of the Company due to his personal endeavors. Upon the resignation of Mr. Wan Chi Wai Anthony, Ms. Chow Yuen Kwan was appointed as an independent non-executive Director, a member of each of the Audit Committee and the Remuneration Committee, and the chairlady of the Nomination Committee with effect from 31 December 2024. As Ms. Chow Yuen Kwan was appointed to fill the vacancy of Mr. Wan Chi Wai Anthony, she would hold office until the first general meeting of the Company after her appointment and be subject to re-election at such meeting; and thereafter would be subject to retirement by rotation and re-election at the Company’s annual general meeting in accordance with the articles of association of the Company. Ms. Chow Yuen Kwan has entered into a letter of appointment with the Company for a term of three years, which may be terminated by either party by giving not less than three months’ written notice.

FOREIGN CURRENCY EXPOSURE

The Group’s businesses are mainly operated in Hong Kong. The sales and purchases are mainly denominated in HK$ and customers rarely request to settle our billing by other foreign currencies such as USD and RMB.

The Group’s assets, liabilities and transactions are mainly denominated in HK$. Only a little portion of the Group’s deposits with bank are denominated in USD, SGD, EUR and TWD (which are freely convertible into HK$), and RMB (which is not freely convertible currency in the international market). The Directors are of the view that the Group’s operating cash flow and liquidity are not subject to significant foreign exchange rate risks and, therefore, no hedging arrangements were made during the Reporting Period. However, the Group will review and monitor the relevant foreign exchange risk from time to time based on its business development requirements and may enter into foreign exchange hedging arrangements when applicable.

DIRECTORS, SENIOR MANAGEMENT AND COMPANY SECRETARY

Executive Directors	Profile
Yu Chi Ming Chairman & Executive Director	Mr. Yu Chi Ming ("Mr. Yu"), aged 66, is an executive Director, the chairman of our Group and a member of the Remuneration Committee of the Company. He is mainly responsible for formulating the overall financial and strategic planning of our Group. Mr. Yu has more than 30 years of experience in the printing industry. Mr. Yu obtained a Diploma in Management for Executive Development from The Chinese University of Hong Kong in September 1991. From April 1982 to February 1992, he was the production supervisor at Speedflex Asia Limited, a financial pre-press services provider, and was subsequently promoted to the position of general manager of production, mainly responsible for managing its printing factory. In January 1992, Mr. Yu was appointed as a director of Sunland Printing Limited ("Sunland") and he resigned from the role in September 2014. Since March 2000, Mr. Yu has been the chairman of HeterMedia Services Limited ("HM Services"). Mr. Yu is currently a director of each of HM Immediate Holdings Limited ("HM Immediate"), HM Services, HM Too Limited ("HM Too"), HM Too (Asia) Limited ("HM Asia"), HM Language Services Limited ("HM Language"), Talesis Limited, i.Link Group Limited ("i.Link") and WordFlow Limited, all of which are subsidiaries of the Company. Mr. Yu is also a director of HM Ultimate Holdings Limited, the controlling shareholder of the Company.

DIRECTORS, SENIOR MANAGEMENT AND COMPANY SECRETARY

Executive Directors	Profile
Chan Wai Lin Chief Executive Officer, Executive Director & Compliance Officer	Mr. Chan Wai Lin ("Mr. Chan"), aged 52, is an executive Director, the Chief Executive Officer of our Group, the Compliance Officer and a member of the Nomination Committee of the Company. He is mainly responsible for overall business management and making overall operational decisions of our Group. He joined our Group in November 2012 as a director of HM Too. Mr. Chan has over 15 years of experience in the financial printing industry. In December 1998, Mr. Chan obtained a degree of Bachelor of Arts in Economics from the University of Missouri, USA. In December 2000, he obtained a degree of Master of Arts in Finance from Webster University, USA. Mr. Chan also obtained a degree of Master of Business Administration from Webster University, USA, in August 2001. Mr. Chan worked at State Street – Kansas City (formerly known as IFTC (Investors Fiduciary Trust Company)) as fund accountant/portfolio administrator in March 1999 and as financial analyst from May 2000 to March 2001. He was mainly responsible for preparing financial reports and conducting ad hoc analysis on profitability of new fund accounts. Mr. Chan was employed by RR Donnelley Roman Financial Limited, a financial printer, from March 2002 to March 2008 and his last position was head of office in the business process outsourcing department. He was mainly responsible for developing production strategies, planning projects and developing and implementing procedures and systems. In March 2008, Mr. Chan was appointed as director of Dragon Globe Holdings Limited (formerly known as Xuanda Group Limited; HeterMedia Group Limited (軒達資訊集團有限公司); and HeterMedia Holdings Limited (軒達資訊控股有限公司)) ("HMG"), until May 2012. From June 2012 to November 2012, he was appointed as executive director of Williams Lea Asia, Limited responsible for strategic sourcing in Asia excluding Japan. Mr. Chan is currently a director of each of HM Immediate, HM Services, HM Too, HM Asia, HM Language, Talesis Limited, WordFlow Limited, i.Link and HDH Corporate Services Limited, all of which are subsidiaries of the Company. Mr. Chan is also a director of HM Ultimate Holdings Limited, the controlling shareholder of the Company.

DIRECTORS, SENIOR MANAGEMENT AND COMPANY SECRETARY

Executive Directors	Profile
Chan Wai Chung Caroline Chief Operations Officer & Executive Director	Ms. Chan Wai Chung Caroline ("Ms. Chan"), aged 51, is an executive director of the Company since 11 January 2021 and the chief operations officer of our Group since 1 January 2015 and is responsible for overall business operation and management of our Group. Ms. Chan is primarily responsible for supervising the day-to-day operations of our business units. Ms. Chan joined our Group in August 2010. Ms. Chan graduated from the Deakin University in Australia in 1996, with a degree in Bachelor of Commerce. Ms. Chan obtained a degree of Master of Business Administration jointly issued by the University of Sydney, Australia and the University of New South Wales, Australia, in 2003 and a degree of Master of Environmental and Business Management from the University of Newcastle, Australia, in 2005. In 2010, Ms. Chan earned a degree of Master of Arts in Computer-Aided Translation from The Chinese University of Hong Kong. Ms. Chan was awarded a master degree in Corporate Environmental Governance from The University of Hong Kong in 2020 and has become the IEMA* Graduate Members since 14 December 2021. Ms Chan has earned an Executive Diploma in Anti-Money Laundering and Counter Terrorist Financing issued by The University of Hong Kong School of Professional and Continuing Education (HKU SPACE) at November 2021. Between September 1999 and January 2000, Ms. Chan was a customer service supervisor of Roman Financial Press Limited, where she was mainly responsible for the daily operations of the international customer service department. During January 2001 to February 2008, Ms. Chan was employed by RR Donnelley Roman Financial Limited with her last position held as financial services service delivery supervisor in the service delivery department. She was mainly responsible for staff training. Ms. Chan is currently a director of HDH Corporate Services Limited, a wholly-owned subsidiary of the Company. * The Institute of Environmental Management and Assessment (IEMA) is the largest professional body for environmental practitioners in the United Kingdom and worldwide, with nearly 15,000 members. https://www.iema.net/

DIRECTORS, SENIOR MANAGEMENT AND COMPANY SECRETARY

Independent Non-Executive Directors	Profile
Choi Hon Ting Derek Independent Non-Executive Director	Mr. Choi Hon Ting Derek ("Mr. Choi") (formerly known as Choi Kwan Wai Derek), aged 56, is an independent non-executive Director, the chairman of the Remuneration Committee and a member of the Audit Committee of the Company. He is mainly responsible for overseeing the management independently and providing independent judgment on the issues of strategy, performance, resources and standard of conduct of our Company. He joined our Group on 15 December 2016. Mr. Choi has over 30 years of experience in the trading of specialised engineering equipment. Mr. Choi is the co-founder of Symbior Energy Limited, whose principal business activities are mainly investing in energy ventures, where he has been its president, responsible for China business operations since August 2010. Since December 1991, Mr. Choi has worked at Balama Prima Engineering Co., Ltd., the core business of which includes infrastructure environmental conservation and agricultural-related business and he is currently its managing director, responsible for its overall management. 0 Mr. Choi graduated with a degree of Bachelor of Science in Agricultural Engineering from Purdue University, USA in May 1991. Mr. Choi has been appointed as an executive director of D&G Technology Holding Company Limited (stock code: 1301) since 11 September 2014, the issued share of which is listed on the Main Board of the Stock Exchange. Mr. Choi served as an independent non-executive director of IPE Group Limited (Hong Kong stock code: 929) from June 2004 to June 2017. Mr. Choi served as the managing director of Pure Technologies (China) Limited, a company engaged in the development and application of innovative technologies for inspection, monitoring and management of physical infrastructure from May 2010 to September 2018.

DIRECTORS, SENIOR MANAGEMENT AND COMPANY SECRETARY

<table>
<tr><th>Independent
Non-Executive Directors</th><th>Profile</th></tr>
<tr><td>Ng Jack Ho Wan

Independent
Non-Executive
Director</td><td>Mr. Ng Jack Ho Wan (“Mr. Ng”) (formerly known as Ng Ho Wan), aged 48, was appointed as an independent non-executive Director on 15 December 2016. He is also the chairman of the Audit Committee and a member of the Nomination Committee of the Company. He is mainly responsible for overseeing the management independently and providing independent judgment on the issues of strategy, performance, resources and standard of conduct of our Company. He has over 26 years of experience in accounting, auditing, asset management and fund administration. He worked in PricewaterhouseCoopers LLP, Canada from September 1997 until February 2001. He then joined KPMG in Hong Kong and was an audit partner during July 2008 and October 2012, where he was responsible for overseeing audit and advisory projects in the wealth and fund management sectors both in China and Hong Kong. He has been the managing director of Jack H.W. Ng CPA Limited since June 2013.

In May 2000, Mr. Ng graduated from Simon Fraser University, Canada with a degree of Bachelor of Business Administration.

Mr. Ng has been a fellow of the Hong Kong Institute of Certified Public Accountants since May 2010 and also a Chartered Accountant in British Columbia, Canada since February 2001. He was accredited as Certified Information Systems Auditor in January 2007. In September 2007, he was certified as Chartered Financial Analyst by the CFA Institute. He was awarded with a Specialist Certificate in asset management in February 2005.

Mr. Ng was appointed as an independent non-executive director of Zhejiang Cangnan Instrument Group Company Limited (previous stock code: 1743) on 21 June 2018, the company was formerly listed on the Main Board of the Stock Exchange but has withdrawn from listing on 5 July 2021.

Mr. Ng has been appointed as an independent non-executive director of AI X Tech Inc (formerly known as Cheshi Technology Inc.) (stock code: 1490) since 8 December 2020, the issued shares of which is listed on the Main Board of the Stock Exchange.

Mr. Ng has been appointed an independent non-executive director of Shenzhen Dobot Corp Ltd (stock code: 2432) since May 2024, the issued shares of which is listed on the Main Board of the Stock Exchange.</td></tr>
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DIRECTORS, SENIOR MANAGEMENT AND COMPANY SECRETARY

Independent Non-Executive Directors	Profile
Chow Yuen Kwan Independent Non-Executive Director	Ms. Chow Yuen Kwan ("Ms. Chow"), aged 46, was appointed as an independent non-executive Director on 31 December 2024. Ms. Chow is also a member of each of the Audit Committee and the Remuneration Committee, and the chairlady of the Nomination Committee. Ms. Chow has been a partner of Howse Williams since 2021, specialising in initial public offerings, mergers and acquisitions, corporate restructurings and general corporate and commercial matters. From 2004 to 2021, Ms. Chow served as solicitor and held various positions in a number of sizable and international law firms. Ms. Chow obtained a bachelor's degree in laws and a master's degree in international and commercial law from The University of Sheffield, and a postgraduate certificate in laws from The University of Hong Kong. Ms. Chow has been admitted as a solicitor by the High Court of Hong Kong since 2004.

The Directors confirm that they are not related to each of the Directors or any of the senior management, substantial shareholders or controlling shareholders of the Company.

DIRECTORS, SENIOR MANAGEMENT AND COMPANY SECRETARY

Senior Management	Profile
Leung Wai Cheung Chief Financial Officer	Dr. Leung Wai Cheung ("Dr. Leung"), aged 61, has more than 30 years of experience in financial reporting and financial management. Dr. Leung obtained a Bachelor's degree of Commerce from the Curtin University of Technology in 1995, a Postgraduate Diploma in Corporate Administration from The Hong Kong Polytechnic University in 1998, a Master degree in Professional Accounting from The Hong Kong Polytechnic University in 1999, a Doctor degree of Philosophy in Management from the Empresarial University in 2004, a Doctor degree of Educational Management from the Bulacan State University in 2008, a Doctor degree of Business Administration from European University in 2015, a Doctor degree of Philosophy in Forensic Accounting and Auditing from Charisma University in 2020 and a Master of Law in International and Commercial Law from University of Greenwich in 2021, and a Msc in Finance and Strategy from Manchester Metropolitan University in 2023. Dr. Leung has been an associate member of the Hong Kong Institute of Certified Public Accountants since 1993, CPA Australia since 1996, the Chartered Governance Institute in UK & Ireland since 1997, the Hong Kong Chartered Governance Institute since 1997, the Taxation Institute of Hong Kong since 1998 and the Chartered Professional Accountants of British Columbia, Canada since 2017. He has also been a fellow member of the Association of Chartered Certified Accountants in the UK since 1998 and the Institute of Chartered Accountants in England and Wales since 2017. Dr. Leung is currently an independent non-executive director of Mobicon Group Limited (stock code: 1213) and AV Promotions Holdings Limited (stock code: 8419), the issued shares of these two companies are listed on the Stock Exchange. From April 2021 to November 2021, he was also an executive director of Bamboos Health Care Holdings Limited (stock code: 2293), the issued shares of which are listed on the Stock Exchange. He is an adjunct lecturer at the University of Hong Kong School of Professional and Continuing Education and has been teaching diploma/bachelor/postgraduate/master courses and short courses of professional accounting examinations since 2003. Dr. Leung is currently a director of i.Link Group Limited, a non-owned subsidiary of the Company.

DIRECTORS, SENIOR MANAGEMENT AND COMPANY SECRETARY

Company Secretary	Profile
Lau Fai Lawrence Company Secretary	Mr. Lau Fai Lawrence ("Mr. Lau") has over 30 years of experience in accounting, auditing, corporate finance and company secretarial practice. Mr. Lau is currently a certified public accountant (practising) in Hong Kong. Mr. Lau graduated from The University of Hong Kong with a bachelor's degree in business administration and obtained a master's degree in corporate finance from Hong Kong Polytechnic University. Mr. Lau is currently the company secretary of BBMG Corporation (stock code: 2009) and an independent non-executive director of China Energine International (Holdings) Limited (stock code: 1185) and Renco Group Holdings Limited (stock code: 2323), both companies are listed on the Main Board of the Stock Exchange, and an independent non-executive director of Sinopharm Tech Holdings Limited (stock code: 8156), which is listed on GEM of the Stock Exchange. Mr. Lau is currently a director of HDH Corporate Services Limited, a wholly-owned subsidiary of the Company.

The Directors have pleasure in presenting the annual report together with the audited consolidated financial statements of the Group for the year ended 31 December 2024 (the "Reporting Period") (the "Consolidated Financial Statements").

PRINCIPAL ACTIVITIES

The Company is an investment holding company. Its subsidiaries are principally engaged in provision of integrated printing services, concept creation and artwork design, IT and languages services. The principal activities of the Company's subsidiaries are set forth in Note 36 to the Consolidated Financial Statements.

BUSINESS REVIEW

A review of the business of the Group for the Reporting Period and a discussion on the Group's future business development are provided in the Chairman's Statement and Management Discussion and Analysis on pages 6 to 11 of this report. In addition, various financial risks have been disclosed in Note 32 to the Consolidated Financial Statements.

PRINCIPAL RISK AND UNCERTAINTIES

Our Group's financial position, results of operations and business prospects may be affected by a number of risks and uncertainties directly and indirectly pertaining to our Group's business. The following are the key risks and uncertainties identified by our Group.

We generally do not enter into any long-term contracts with our clients. We may not be successful in maintaining our relationship with existing clients or attracting new clients, which may expose us to potential volatility with respect to our business performance.

We provide integrated printing services for corporate clients mainly in the financial and capital markets in Hong Kong. We, in general, do not enter into any long-term contracts with our clients, and we are engaged by our clients on a project-by-project basis. Most of our projects are non-recurring in nature, such as financial printing projects related to fund investment content outputs, and the availability of these projects are subject to the financial market condition.

PRINCIPAL RISK AND UNCERTAINTIES (CONTINUED)

We engage subcontractors to conduct part of the works in our productions and the performance of these subcontractors may affect the quality of our overall services to our clients.

We outsource part of our productions, in particular the printing and binding/packaging works, to our subcontractors. As we do not operate any printing factory, all of our printing and binding/packaging works are outsourced to third party printing houses. Generally, our final content outputs are delivered to our clients' designated locations directly by our subcontracted printing houses or through third party logistic service providers.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group has actively participated in sustainability and social responsibility and recognises the responsibility to protect the environment from its business activities. Details for the environmental policies and performance of the Group for the Reporting Period are set out in the Environmental, Social and Governance Report.

COMPLIANCE WITH LAWS AND REGULATIONS

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, our Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of our Group during the Reporting Period.

RESULTS AND APPROPRIATIONS

The results of the Group for the Reporting Period are set out in the consolidated statement of profit or loss and other comprehensive income on page 57.

No final dividend has been recommended by the Board for the Reporting Period (2023: final dividend of HK$2.0 cents per share).

FINANCIAL SUMMARY

A summary of the published results, assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited Consolidated Financial Statements is set out on page 146 of this report. This summary does not form part of the Consolidated Financial Statements.

RESERVES

Details of movements in reserves of the Group during the Reporting Period are set out in consolidated statement of changes in equity on page 60.

DISTRIBUTABLE RESERVES

The Company had reserves of approximately HK$45.8 million (2023: approximately HK$53.2 million) available for dividend distribution to shareholders of the Company (the “Shareholders”) as at 31 December 2024.

SHARE CAPITAL

Details of movements in share capital of the Company are set out in Note 26 to the Consolidated Financial Statements.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed shares.

SHARE OPTION SCHEME

The Company conditionally adopted the Share Option Scheme on 15 December 2016 which became unconditional upon the listing of the Company on 11 January 2017. Under the terms of the Share Option Scheme, the eligible participants of the Share Option Scheme include employee, adviser, consultant, service provider, agent, client, partner or joint venture partner of the Company or any subsidiary (including any Director of the Company or any subsidiary) who is in full-time or part-time employment with or otherwise engaged by the Company or any subsidiary at the time when an option is granted to such person. The Board may at its discretion grant options to the eligible participants who have contributed or may contribute to the Group as incentive or reward for their contribution to the Group.

According to Chapter 23 of the GEM Listing Rules, the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share schemes of the Company shall not, in the absence of Shareholder's approval, in aggregate exceed 40,000,000 Shares, being 10% of the aggregate number of 400,000,000 Shares in issue on the adoption date of the Share Option Scheme. No service provider sublimit was set under the Share Option Scheme.

The Share Option Scheme shall be valid and effective commencing from the adoption date (i.e. 15 December 2016) until the termination date as provided therein (which being the close of business of the Company on the date which falls 10 years from the date of the adoption of the Share Option Scheme), after which period no further options will be granted but the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options granted or exercised prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme.

During the Reporting Period, no share option was granted or exercised and there is no outstanding share option under the Share Option Scheme.

SHARE OPTION SCHEME (CONTINUED)

Set out below is a summary of the Share Option Scheme:

1.	Purpose of the Share Option Scheme	To enable the Company to grant options to eligible participants, who have contributed or may contribute to the Group as incentive or reward for their contribute to the Group to subscribe for the Shares thereby linking their interest with that of the Group.
2.	Eligible participants to the Share Option Scheme	Any employee (full-time or part-time), director, advisor, consultant, service provider, agent, customer, partner or joint-venture partner of the Company or any subsidiary of the Company, or any person who, in the sole discretion of the Board, has contributed or may contribute to the Group.
3.	Total number of Shares available for issue under the Share Option Scheme and percentage to the issued Shares as at the date of this annual report	40,000,000 Shares (approximately 9.5%).
4.	Maximum entitlement of each participant under the Share Option Scheme	Not exceeding 1% of the total number of Shares in issue for the time being in any 12-month period. Any further grant of share option in excess of such limit must be separately approved by the Shareholders in general meeting.
5.	The period within which an option may be exercised	A period determined by the Board, which shall not be more than ten (10) years after the offer date and shall be subject to the provisions for early termination as contained in the Share Option Scheme.
6.	The vesting period of the options granted	Not less than 12 months.
7.	The amount payable on application or acceptance of the option and the period within which payments or calls must be made	The payment or remittance of HK$1.00 (being the consideration for the grant) within 21 days from the offer date or within such other period of time as may be determined by the Board pursuant to the GEM Listing Rules.
8.	The basis of determining the exercise price	Being determined by the Board and shall be at least the highest of:– (a) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the offer date; (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five consecutive business days immediately preceding the offer date; and (c) the nominal value of a Share on the offer date.
9.	The remaining life of the Share Option Scheme	Approximately 1 year and 9 months as at the date of this annual report.

SHARE AWARD SCHEME

On 4 July 2022, the Board has resolved to adopt the Share Award Scheme. Unless terminated earlier, the Share Award Scheme shall remain valid and effective for a period of 10 years commencing from 4 July 2022. The Share Award Scheme is subject to the administration of the Board or a subcommittee of the Board (the “Committee”) without prejudice to the powers of the trustee (the “Trustee”) as provided under the trust deed (the “Trust Deed”) in accordance with the rules relating to the Share Award Scheme and the terms of the Trust Deed.

The Board or the Committee may, from time to time and at its absolute discretion, select any eligible participant for participation in the Share Award Scheme. The remuneration committee of the Company shall have powers on recommending and/or deciding the selection of the selected participants and the number of the awarded shares (the “Awarded Shares”) to be awarded to the respective selected participants. Pursuant to the terms of the Share Award Scheme, the Awarded Shares may be acquired by the Trustee from (i) the existing market at the prevailing market price or (ii) new shares to be allotted and issued to the Trustee under general mandates or specific mandates granted or to be granted by the shareholders at general meetings from time to time. The Trustee shall transfer the Awarded Shares to the selected participants as soon as practicable subject to such lock-up periods or restrictions on disposal as determined by the Board or the Committee after the latest of (i) the earliest vesting date to which such Awarded Shares relates; (ii) the receipt by the Trustee of the requisite information and documents stipulated by the Trustee; and (iii) where applicable, the date on which the condition(s) and/or performance target(s) (if any) to be attained or paid by the selected participants have been attained or paid and notified to the Trustee by the Board or the Committee in writing.

According to Chapter 23 of the GEM Listing Rules, the maximum number of Shares which may be awarded under the Share Award Scheme and any other share schemes of the Company shall not, in the absence of Shareholder’s approval, in aggregate exceed 40,000,000 Shares, being 10% of the aggregate number of 400,000,000 Shares in issue on the adoption date of the Share Award Scheme. No service provider sublimit was set under the Share Award Scheme.

During the Reporting Period, no Shares were awarded under the Share Award Scheme.

SHARE AWARD SCHEME (CONTINUED)

Set out below is a summary of the Share Award Scheme:

1.	Purpose of the Share Award Scheme	To (i) recognise and reward the contributions of certain eligible participants to the growth and development of the Group and to give incentives to them in order to retain them for the continual operation and development of the Group; and (ii) attract suitable personnel for the further development of the Group.
2.	Eligible participants to the Share Award Scheme	Any employee (full time and part time staff, including any executive Director but excluding any non-executive Director) of the Group or any invested entity held by the Group.
3.	Total number of Shares available for issue under the Share Award Scheme and percentage to the issued Shares as at the date of this annual report	18,585,000 Shares (approximately 4.4%)
4.	Maximum entitlement of each participant under the Share Award Scheme	Not exceeding 1% of the total number of Shares in issue for the time being in any 12-month period. Any further awards in excess of such limit must be separately approved by the Shareholders in general meeting.
5.	The vesting period of the Shares awarded	Not less than 12 months
6.	The amount payable on application or acceptance of the award and the period within which payments or calls must be made	Nil
7.	The basis of determining the purchase price of Shares awarded	Not applicable
8.	The remaining life of the Share Award Scheme	Approximately 7 years and 4 months as at the date of this annual report.

SHARE AWARD SCHEME (CONTINUED)

Details of movement of the Awarded Shares under the Share Award Scheme for the Reporting Period are as follows:

Number and category of participant	Date of award of the Awarded Shares	Vesting date of the Awarded Shares	Number of Awarded Shares unvested as at 1 January 2024	Number of Awarded Shares granted during the Reporting Period	Number of Awarded Shares vested during the Reporting Period	Number of Awarded Shares cancelled during the Reporting Period	Number of Awarded Shares lapsed during the Reporting Period	Number of Awarded Shares forfeited during the Reporting Period	Number of Awarded Shares unvested as at 31 December 2024
Executive Director									
Ms. Chan Wai Chung Caroline	1 April 2023 (Notes 1, 3, 4 and 5)	31 March 2024 (Note 6)	4,000,000	–	1,350,000	–	–	–	2,650,000
Other employees									
14 employees	1 April 2023 (Notes 2, 3, 4 and 5)	31 March 2024 (Note 6)	17,415,000	–	5,795,000	–	–	–	11,620,000
Total			21,415,000	–	7,145,000	–	–	–	14,270,000

Note 1: The Awarded Shares shall, subject to the satisfaction of the vesting conditions and performance targets, be vested in accordance with the following schedule:

(i) approximately 34% of the Awarded Shares were vested on 31 March 2024; and

(ii) approximately 66% of the Awarded Shares shall be vested on 31 March 2025

Vesting conditions: Continue to contribute to the Group's business and continuous performance in her role as an executive Director and discharge her role of governance during the vesting period.

Performance targets: Achievement of targets and goals that benefit the Group's operation and development, namely (i) improving the environmental, social and governance aspects of the Group's business operation; (ii) retaining talented staff that contribute to the growth of the Group; (iii) enhancing workflow efficiency by making use of information technology; (iv) identifying potential acquisition targets that are fit for the Group's business expansion; (v) nurturing relationship with existing subcontractors and forging new partnerships with new subcontractors; and (vi) improving corporate image.

Note 2: The Awarded Shares shall, subject to the satisfaction of the vesting conditions, be vested in accordance with the following schedule:

(i) approximately 34% of the Awarded Shares were vested on 31 March 2024; and

(ii) approximately 66% of the Awarded Shares shall be vested on 31 March 2025

Vesting conditions: Remain employment with the Group and satisfactory performance.

Note 3: The purchase price was nil.

Note 4: The closing price immediately before the date on which the Awarded Shares were awarded on 1 April 2023 was HK$0.129 per Share.

Note 5: The fair value of each Awarded Share as at the date of award was HK$0.129 and was based on the closing price per Share immediately before the date of award (i.e. 31 March 2023) as the date of award was not a business day.

Note 6: The weighted average closing price of Shares immediately before the vesting date was HK$0.118.

OVERVIEW OF ALL SHARE SCHEMES OF THE COMPANY

The number of options and awards available for grant under the scheme mandate of all share schemes of the Company at the beginning of the Reporting Period (i.e. 1 January 2024) was 18,585,000 and at the end of the Reporting Period (i.e. 31 December 2024) was 18,585,000. The Company had not adopted any service provider sublimit under all its share schemes.

The number of Shares that may be issued in respect of options and awards granted under all share schemes of the Company during the Reporting Period was nil. It is therefore not applicable to set out the percentage of such number divided by the weighted average number of Shares in issue for the Reporting Period.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

SUBSIDIARIES

Details of the subsidiaries of the Company as at 31 December 2024 are set out in Note 36 to the Consolidated Financial Statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group for the Reporting Period are set out in Note 14 to the Consolidated Financial Statements.

RELATIONSHIPS WITH STAKEHOLDERS

The Company recognises that employees are our valuable assets. Thus our Group provides competitive remuneration package and long term career development to attract and motivate the employees. Our Group regularly reviews the remuneration package of employees and makes necessary adjustments to conform to the market standard. Our Group also understands that it is important to maintain good relationship with business partners and bank enterprises to achieve its long-term goals. Accordingly, our senior management have kept good communication, promptly exchanged ideas and shared business updates with them when appropriate. During the Reporting Period, there was no material and significant dispute between our Group and its business partners or bank enterprises.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the latest practicable date prior to the issue of this report, the Company has maintained a sufficient public float required under the GEM Listing Rules.

CHARITABLE DONATIONS

During the Reporting Period, the Group made charitable donations totalling approximately HK$57,000 (2023: approximately HK$69,000).

KEY RELATIONSHIPS

Employees

Our Group recognises employees as our valuable assets. We provide competitive remuneration package to attract, motivate and retain appropriate and suitable personnel to serve our Group. We have also adopted an annual review system to assess the performance of our staff, which forms the basis of our decisions with respect to salary raises and promotions.

Customers

Our majority of customers are either corporations listed on the Stock Exchange and/or financial institutions such as fund houses, insurance companies and banks. We will endeavour to accommodate their demands for our services to the extent our resources allow in order to capture more opportunities for larger scale projects in the future.

Suppliers

Our Group encompasses working relationships with suppliers to meet our customers' needs in an effective and efficient manner. All of our major suppliers are our subcontractors. It is our Group's policy to subcontract all printing and binding/packaging works to third parties. Our Group has set up an approved list of suppliers and we select suppliers based on their equipment used, production environment, qualifications and certifications and service/product quality.

MAJOR CLIENTS AND SUPPLIERS

For the Reporting Period, the five largest clients accounted for approximately 16.7% (2023: approximately 16.9%) of the Group's total revenue and the five largest suppliers of the Group accounted for approximately 34.2% (2023: approximately 39.1%) of the Group's total purchase. The largest client of the Group accounted for approximately 6.3% (2023: approximately 5.8%) of the Group's total revenue while the largest supplier of the Group accounted for approximately 9.8% (2023: approximately 13.7%) of the Group's total purchase.

None of the Directors, their close associates, or any substantial Shareholders (which, to the knowledge of the Board, owned more than 5% of the Company's share capital) had a beneficial interest in the Group's five largest customers and suppliers.

RELATED PARTY TRANSACTIONS

Related party transactions of the Group during the Reporting Period are disclosed in Note 34 to the Consolidated Financial Statements. They did not constitute connected transactions or continuing connected transactions, which are required to comply with the disclosure requirements pursuant to the GEM Listing Rules.

CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION

During the Reporting Period, the Group had not entered into any connected transaction and continuing connected transactions pursuant to the relevant requirements of the GEM Listing Rules.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Details of Directors and senior management are set out in the section headed “Directors, Senior Management and Company Secretary” of this report.

DIRECTORS

The Directors who held office during the Reporting Period and up to the date of this report were:

Executive Directors

Mr. Yu Chi Ming
Mr. Chan Wai Lin
Ms. Chan Wai Chung Caroline

Independent Non-executive Directors

Mr. Ng Jack Ho Wan
Mr. Choi Hon Ting Derek
Ms. Chow Yuen Kwan (appointed on 31 December 2024)
Mr. Wan Chi Wai Anthony (resigned on 31 December 2024)

Detailed information of the Directors standing for re-election will be set out in the circular in relation to the forthcoming annual general meeting of the Company to be dispatched together with this annual report to the Shareholders.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2024, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"), as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules, were as follows:

Long Position in the Shares of the Company

Name of Director	Nature of interests	Number of ordinary Shares interested	Approximate percentage* of shareholding
Yu Chi Ming ("Mr. Yu")	Interests held jointly with another person; interest held by a controlled corporation *(Note)*	217,760,000	51.67%
Chan Wai Lin ("Mr. Chan")	Interests held jointly with another person; interest held by a controlled corporation *(Note)*	217,760,000	51.67%
Chan Wai Chung Caroline	Beneficial owner	8,050,000	1.91%

Note: HM Ultimate Holdings Limited ("HM Ultimate") is beneficially owned as to 70.2% by Mr. Yu and 29.8% by Mr. Chan. Mr. Yu and Mr. Chan together control all the 217,760,000 Shares held by HM Ultimate.

* *The percentage represents the number of ordinary Shares involved divided by the total number of issued Shares as at 31 December 2024.*

Long Position in the Shares of the Associated Corporations of the Company

Name of Director	Name of associated corporation	Nature of interests	Number of ordinary shares held	Percentage** of shareholding
Yu Chi Ming	HM Ultimate	Beneficial owner	702	70.2%
Chan Wai Lin	HM Ultimate	Beneficial owner	298	29.8%

** *The percentage represents the number of ordinary shares involved divided by the total number of issued shares of the associated corporation as at 31 December 2024.*

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (CONTINUED)

Save as disclosed above, as at 31 December 2024, none of the Directors or the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors are aware, as at 31 December 2024, the following persons/entities other than a Director or chief executive of the Company had interests or short positions in the Shares or underlying Shares, as recorded in the register of the Company required to be kept under section 336 of the SFO:

Long Position in the Shares of the Company

Name of shareholder	Nature of interests	Number of ordinary Shares interested	Approximate percentage*** of shareholding
HM Ultimate *(Note 1)*	Beneficial owner	217,760,000	51.67%
Wong Mee Che Lilian	Interest of spouse *(Note 2)*	217,760,000	51.67%
Tang Wai Kwan May	Interest of spouse *(Note 3)*	217,760,000	51.67%
Tse Kam Wing Walter ("Mr. Tse")	Beneficial owner	72,285,000	17.15%
Wong Yuk Sim Kathy	Interest of spouse *(Note 4)*	72,285,000	17.15%

Note 1: HM Ultimate is beneficially owned as to 70.2% by Mr. Yu and 29.8% by Mr. Chan. Mr. Yu and Mr. Chan together control all the Shares held by HM Ultimate.

Note 2: Ms. Wong Mee Che Lilian is the spouse of Mr. Yu. Ms. Wong Mee Che Lilian is deemed to be interested in the same number of Shares in which Mr. Yu is interested by virtue of the SFO.

Note 3: Ms. Tang Wai Kwan May is the spouse of Mr. Chan. Ms. Tang Wai Kwan May is deemed to be interested in the same number of Shares in which Mr. Chan is interested by virtue of the SFO.

Note 4: Ms. Wong Yuk Sim Kathy is the spouse of Mr. Tse. Ms. Wong Yuk Sim Kathy is deemed to be interested in the same number of Shares in which Mr. Tse is interested by virtue of the SFO. Mr. Tse resigned as a director of the Company on 31 December 2020.

*** *The percentage represents the number of ordinary Shares involved divided by the total number of issued Shares as at 31 December 2024.*

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY (CONTINUED)

Save as disclosed above, as at 31 December 2024, other than the Directors whose interests are set out in the above paragraph headed "Directors' and chief executive's interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations", no person had any interest or short position in the Shares or underlying Shares recorded in the register required to be kept under section 336 of the SFO.

EMOLUMENTS OF THE DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of emoluments of the Directors and of the five highest paid individuals in the Group are set out in Note 10 and Note 11 to the Consolidated Financial Statements respectively.

DIRECTORS' SERVICE AGREEMENTS

Each of the Directors is appointed for a term of three years.

None of the Directors being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company and/or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from the share option as disclosed in the section headed "Share Option Scheme" of this report, during the Reporting Period, no rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company were granted to any directors or their respective spouse or minor children, or were any such rights exercised by them; nor was the Company, or any of its subsidiaries or the holding company a party to any arrangement which enabled the Directors to acquire such rights in any other body corporate.

CONFIRMATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules from each of the independent non-executive Directors and the Company considers such Directors to be independent.

CONTROLLING SHAREHOLDER'S INTERESTS IN CONTRACTS

Save as disclosed in Note 34 to the Consolidated Financial Statements, there was no contract of significance between the Company or any of its subsidiaries on the one hand, and a controlling Shareholder or any of its subsidiaries on the other, subsisting during or at the end of the Reporting Period.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as the related party transactions disclosed in Note 34 to the Consolidated Financial Statements, no transactions, arrangements and contracts of significance in relation to the Group's business to which the Company or its subsidiaries or any related company was a party and in which a Director or his connected entities had a material interest, whether directly or indirectly, subsisted during or at the end of the Reporting Period.

DIRECTORS’ INTEREST IN COMPETING BUSINESS

During the Reporting Period, none of the Directors or the controlling Shareholders or their respective close associates (as defined in the GEM Listing Rules) of the Company had an interest in a business which competed with or might compete with the business of the Group.

NON-COMPETITION UNDERTAKING BY THE CONTROLLING SHAREHOLDERS

Each of the controlling Shareholders, namely HM Ultimate, Mr. Yu Chi Ming, and Mr. Chan Wai Lin, entered into the Deed of Non-Competition in favour of the Company on 15 December 2016 (the “Deed”), details of which have been set out in the Prospectus. The Company has received an annual confirmation from the controlling Shareholders in respect of their compliance with the non-competition undertakings under the Deed throughout the Reporting Period. The independent non-executive Directors have also reviewed the compliance and enforcement of the non-competition undertakings under the Deed by the controlling Shareholders and confirmed that the controlling Shareholders have not been in breach of the Deed throughout the Reporting Period.

PLEDGE OF SHARES BY CONTROLLING SHAREHOLDERS

For the Reporting Period, there was no pledge of shares by the controlling Shareholders.

PERMITTED INDEMNITY PROVISION

Pursuant to the Company’s articles of association, every Director shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, cost, charges, losses, damages and expenses incurred or sustained by him as a Director provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty attached to him. The Company has arranged appropriate insurance cover in respect of legal action against the Directors.

EQUITY-LINKED AGREEMENTS

Save for the Scheme as set out in this report, no equity-linked agreements were entered into by the Group, or existed during the Reporting Period.

FINANCIAL ASSISTANCE AND GUARANTEES TO AFFILIATED COMPANIES

For the Reporting Period, there was no financial assistance or guarantee to affiliated companies by the Company which is subject to disclosure.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the Reporting Period.

TAX RELIEF

The Company is not aware of any relief on taxation available to the Shareholders by reason of their holdings of the Shares. If the Shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or exercising of any rights in relation to the Shares, they are advised to consult their professional advisers.

COMPANY SECRETARY

Mr. Lau Fai Lawrence is the company secretary of our Company. Please refer to Mr. Lau's biography in the section headed "Directors, Senior Management and Company Secretary" for details.

COMPLIANCE OFFICER

Mr. Chan Wai Lin, who is also an executive Director, is the compliance officer of our Company. Please refer to Mr. Chan's biography in the section headed "Directors, Senior Management and Company Secretary" for details.

REVIEW BY AUDIT COMMITTEE

As at the date of this annual report, the audit committee (the "Audit Committee") consists of three members who are Mr. Ng Jack Ho Wan, Mr. Choi Hon Ting Derek and Ms. Chow Yuen Kwan. Mr. Ng Jack Ho Wan is the chairman of the Audit Committee. The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed the auditing, internal control and financial reporting matters, including review of the Consolidated Financial Statements.

EVENTS AFTER THE REPORTING DATE

As from 31 December 2024 to the date of this annual report, save as disclosed in this annual report, the Board is not aware of any significant events requiring disclosure that have occurred.

AUDITORS

The Consolidated Financial Statements were audited by HLB Hodgson Impey Cheng Limited, the auditors, who shall retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting. The Board has taken the recommendation of the Audit Committee that a resolution for the re-appointment of HLB Hodgson Impey Cheng Limited, as the independent external auditors of the Company will be proposed at the forthcoming annual general meeting. There is no change in auditors since the date of the Listing.

On behalf of the Board
HM International Holdings Limited
Yu Chi Ming
Chairman

Hong Kong, 17 March 2025

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining good corporate governance standards. The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has in place a corporate governance framework and has established a set of policies and procedures based on the Corporate Governance Code (the "CG Code") contained in Appendix C1 of the GEM Listing Rules. Such policies and procedures provide the infrastructure for enhancing the Board's ability to implement governance and exercise proper oversight on business conduct and affairs of the Company.

The Board is of the view that throughout the Reporting Period, the Company has complied with all the code provisions set out in the CG Code. Key corporate governance principles and practices of the Company are summarised below.

A. The Board

A1. Responsibilities and Delegation

The Company is headed by an effective Board which is responsible for the leadership, control and management of the Company and oversees the Group's business, strategic decision and performances in the attainment of the objective of ensuring effective functioning and growth of the Group and enhancing value to investors. All the Directors carry out their duties in good faith, take decisions objectively and act in the interests of the Company and the Shareholders at all times.

All Directors have full and timely access to all relevant information of the Group as well as the advice and services of the company secretary and senior management, with a view to ensuring compliance with Board procedures and all applicable laws and regulations. Any Director may request for independent professional advice in appropriate circumstances at the Company's expenses for discharging his/her duties, upon reasonable request made to the Board.

The Board reserves for its decision on all major matters of the Company, including the approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters.

The Chief Executive Officer and senior management of the Company are delegated the authority and responsibilities by the Board for the day-to-day management and operation of the Group. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the above-mentioned officers. The Board has the full support of the senior management to discharge its responsibilities.

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against Directors and senior management arising out of corporate activities. The insurance coverage would be reviewed on an annual basis.

A2. Board Composition

The composition of the Board during the Reporting Period and up to the date of this report is as follows:

Executive Directors:

Mr. Yu Chi Ming	(Chairman of the Board and Member of the Remuneration Committee)
Mr. Chan Wai Lin	(Chief Executive Officer and Member of the Nomination Committee)
Ms. Chan Wai Chung Caroline	(Chief Operations Officer)

Independent Non-executive Directors:

Mr. Choi Hon Ting Derek	(Chairman of the Remuneration Committee and Member of the Audit Committee)
Mr. Ng Jack Ho Wan	(Chairman of the Audit Committee and Member of the Nomination Committee)
Ms. Chow Yuen Kwan (appointed on 31 December 2024)	(Chairlady of the Nomination Committee and Member of the Audit Committee and the Remuneration Committee)
Mr. Wan Chi Wai Anthony (resigned on 31 December 2024)	(Former Chairman of the Nomination Committee and Former Members of the Audit Committee and the Remuneration Committee before resignation)

The biographical information of the Directors is set out in the section headed "Directors, Senior Management and Company Secretary" in this annual report.

None of the members of the Board is related to one another.

As at the date of this annual report, the Board comprises two female Directors, therefore, the Company is currently in compliance with GEM Listing Rule 17.104 that came into effect on 1 January 2022 on promoting board gender diversity. The Company is committed to promote gender diversity for its board composition. As at the date of this annual report, the Company has maintained a board gender diversity comprising a mix of 4 males (67%) and 2 female (33%). The Board is of the view that the existing gender diversity in respect of the Board is sufficient, and that the nomination policy of the Company can ensure that there will be a pipeline of potential successors to the Board which continues the existing gender diversity in the Board. The Board is mindful of the objectives for the factors for assessing the candidacy of the Board members, and will ensure that any successors to the Board shall follow the gender diversity policy. Similar considerations shall also be in place to assess the candidacy of the senior management team from time to time. The Group is determined to maintain gender diversity and equality in terms of the whole workforce, and to procure the senior management team to achieve gender equality in terms of the gender ratio within a medium-term time frame. The Company expects the above is achievable with suitable effort in promoting the gender diversity culture, which the Group has been advocating for so.

A3. Chairman and Chief Executive Officer

The positions of Chairman of the Board and Chief Executive Officer of the Company are held by Mr. Yu Chi Ming and Mr. Chan Wai Lin respectively. The Chairman provides leadership and is responsible for formulating the overall financial and strategic planning of the Group. The Chief Executive Officer focuses on the Company's overall business management and making overall operational decisions. During the Reporting Period, the Chairman had a meeting with the independent non-executive directors, without the presence of the other directors.

A4. Independent Non-executive Directors

Throughout the Reporting Period, the Board has met the requirements of the GEM Listing Rules of having a minimum of three independent non-executive directors (representing at least one-third of the Board) with at least one of them possessing appropriate professional qualifications or accounting or related financial management expertise.

The members of the Board have skills and experience appropriate for the business requirements and objectives of the Group. Each executive Director is responsible for different business and functional division of the Group in accordance with his expertise. The independent non-executive Directors bring different business and financial expertise, experiences and independent judgment to the Board and they are invited to serve on the Board committees. Through participation in Board meetings, taking the lead in managing issues involving potential conflicts of interests, the independent non-executive Directors have made contributions to the effective direction of the Company and provided adequate checks and balances to safeguard the interests of both the Group and the Shareholders. The Group has established mechanism to ensure independent views and input are available to the Board.

The Company has received written annual confirmation from each independent non-executive Director of his independence pursuant to the requirements of the GEM Listing Rules. The Company considers all independent non-executive Directors to be independent in light of the independence guidelines set out in the GEM Listing Rules.

A5. Appointment and Re-election of Directors

All Directors are appointed for a specific term. Each executive Director is engaged on a service contract for an initial term of 3 years, which is renewable thereafter and is subject to termination by either party by giving to the other not less than 3 months' notice in writing. Each of the independent non-executive Directors is appointed for an initial term of 3 years, which is renewable thereafter and is subject to termination by either party by giving to the other not less than 3 months' notice in writing.

A5. Appointment and Re-election of Directors (Continued)

According to clause 108 of the articles of association of the Company (the "Articles"), one-third of the Directors for the time being (if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation at each annual general meeting (the "AGM") provided that every Director shall be subject to retirement by rotation at least once every three years and that any Directors so to retire shall be those who have been longest in office since their last re-election or appointment. The retiring Directors should be eligible for re-election at the relevant AGM. In addition, pursuant to clause 112 of the Articles, any new Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of Shareholders after his/her appointment, whereas any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following AGM. The Director appointed by the Board as aforesaid shall be eligible for re-election at the relevant general meeting.

At the forthcoming annual general meeting for the year ended 31 December 2024 to be held on 9 May 2025 (the "2024 AGM"), Mr. Chan Wai Lin and Mr. Choi Hon Ting Derek shall retire by rotation pursuant to Article 108 as stated in the foregoing paragraph. Both of the retiring Directors, being eligible, will offer themselves for re-election at the 2024 AGM. The Board and the Nomination Committee recommended their re-appointment. The circular of the Company, sent together with this annual report, contains detailed information of these two Directors as required by the GEM Listing Rules.

In accordance with Article 112, as Ms. Chow Yuen Kwan was appointed by the Board an independent non-executive Director to fill the vacancy on the resignation of Mr. Wan Chi Wai Anthony on 31 December 2024, Ms. Chow Yuen Kwan shall hold office only until the first general meeting of the Company after her appointment and shall then be eligible for re-election. Thus, Ms. Chow Yuen Kwan shall retire at the 2024 AGM and offer herself for re-election. The Nomination Committee has recommended to the Board on the re-election of Ms. Chow Yuen Kwan. The Board believes that Ms. Chow Yuen Kwan can bring in diversified perspectives to the operations of the Board and enhance the diversity of the composition of the Board.

A6. Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Each newly appointed Director shall receive a formal induction on the first occasion of his/her appointment to ensure that he/she has appropriate understanding of the business and operations of the Group and that he/she is fully aware of his/her responsibilities and obligations under the GEM Listing Rules and relevant regulatory requirements.

The existing Directors are continually updated with legal and regulatory developments, and the business and market changes to facilitate the discharge of their responsibilities. Trainings and professional development for Directors are arranged whenever necessary. In addition, relevant reading materials on new or changes to salient laws and regulations applicable to the Group are provided to Directors from time to time for their reference and studying.

A6. *Continuous Professional Development of Directors (Continued)*

The Directors are required to submit to the Company details of the training they received in each financial year for the Company's maintenance of proper training records of the Directors. According to the training records currently maintained by the Company, during the Reporting Period, the Directors have complied with the code provisions of the CG Code on participation in continuous professional training as follows:

	Type of training	
	Attending training on regulatory development, directors' duties or other relevant topics	Reading regulatory updates or corporate governance related materials or materials relevant to directors' duties
Executive Directors		
Mr. Yu Chi Ming	✓	✓
Mr. Chan Wai Lin	✓	✓
Ms. Chan Wai Chung Caroline	✓	✓
Independent Non-executive Directors		
Mr. Choi Hon Ting Derek	✓	✓
Mr. Ng Jack Ho Wan	✓	✓
Ms. Chow Yuen Kwan (appointed on 31 December 2024)	✓	✓
Mr. Wan Chi Wai Anthony (resigned on 31 December 2024)	✓	✓

A7. Directors' Attendance Records at Meetings

The attendance records of each Director at the Board and Board committee meetings and the general meetings of the Company held during the Reporting Period are set out below:

Name of Director	Attendance/Number of Meetings				
	Board	Audit Committee	Remuneration Committee	Nomination Committee	Annual General Meeting
Executive Directors:					
Mr. Yu Chi Ming	4/4	4/4	1/1	N/A	1/1
Mr. Chan Wai Lin	4/4	4/4	N/A	1/1	1/1
Ms. Chan Wai Chung Caroline	4/4	4/4	N/A	N/A	1/1
Independent Non-executive Directors:					
Mr. Choi Hon Ting Derek	4/4	4/4	1/1	N/A	1/1
Mr. Ng Jack Ho Wan	4/4	4/4	N/A	1/1	1/1
Ms. Chow Yuen Kwan (appointed on 31 December 2024)	0/0	0/0	0/0	0/0	0/0
Mr. Wan Chi Wai Anthony (resigned on 31 December 2024)	1/4	1/4	1/1	1/1	0/1

In addition, the Chairman of the Board held one meeting with the independent non-executive Directors without the presence of executive Directors during the Reporting Period.

A8. Directors' and Employees' Securities Transactions

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "Required Standard of Dealings") as its own code of conduct regarding Directors' dealings in the securities of the Company.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Required Standard of Dealings throughout the Reporting Period.

The Company has also established written guidelines (the "Employees Written Guidelines") on terms no less exacting than the Required Standard of Dealings for securities transactions by employees who are likely to possess inside information of the Company and/or its securities. Throughout the Reporting Period, no incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

In case when the Company is aware of any restricted period for dealings in the Company's securities, the Company will notify its Directors and relevant employees in advance.

A9. Corporate Governance Functions

The Board is responsible for performing the functions set out in the code provisions of the CG Code.

During the Reporting Period, the Board has reviewed and monitored the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Required Standard of Dealings and Employees Written Guidelines, and the Company's compliance with the CG Code and disclosure in this corporate governance report.

B. BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Board committees are posted on the Company's website and the website of the Stock Exchange and are available to Shareholders upon request. All the Board committees should report to the Board on their decisions or recommendations made.

All Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expenses.

B1. Audit Committee

The Company has met the GEM Listing Rules requirements regarding the composition of the Audit Committee throughout the Reporting Period. The Audit Committee consists of three members, being all the three independent non-executive Directors, namely Mr. Ng Jack Ho Wan (chairman of the Committee), Mr. Choi Hon Ting Derek and Ms. Chow Yuen Kwan (appointed on 31 December 2024). Mr. Wan Chi Wai Anthony resigned as a member of the Audit Committee on 31 December 2024. Mr. Ng Jack Ho Wan possesses appropriate professional qualifications or accounting or related financial management expertise. None of the Audit Committee members is a former partner of the Company's existing external auditors.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, risk management and internal control systems, effectiveness of the internal audit function, scope of audit and relationship with external auditors, and arrangements to enable employees of the Company to raise concerns, in confidence, about possible improprieties in financial reporting, internal control or other matters of the Company.

The Audit Committee has reviewed the Consolidated Financial Statements.

B1. Audit Committee (Continued)

During the Reporting Period, the Audit Committee held 4 regular meetings to review and discuss the Group's consolidated financial statements, results announcements and reports for the year ended 31 December 2023, for the three months ended 31 March 2024, for the six months ended 30 June 2024 and for the nine months ended 30 September 2024; the significant issues on the financial reporting, operational and compliance controls, the effectiveness of the risk management and internal control systems and internal audit function; re-appointment of external auditors and relevant scope of works; and arrangements for employees to raise concerns, in confidence, about possible improprieties.

The attendance records of each Audit Committee member are set out in the above section A7 headed "Directors' Attendance Records at Meetings".

The Audit Committee also met the external auditors once without the presence of the executive Directors.

B2. Remuneration Committee

The Remuneration Committee consists of three members, being two independent non-executive Directors, Mr. Choi Hon Ting Derek (chairman of the Committee) and Ms. Chow Yuen Kwan (appointed on 31 December 2024), and one executive Director, Mr. Yu Chi Ming. Mr. Wan Chi Wai Anthony resigned as a member of the Remuneration Committee on 31 December 2024. Throughout the Reporting Period, the Company has met the GEM Listing Rules requirements of having the majority of the Remuneration Committee members being independent non-executive Directors as well as having the Committee chaired by an independent non-executive Director.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The primary functions of the Remuneration Committee include reviewing and making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, the remuneration policy and structure for all Directors and senior management; and establishing formal and transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his associates will participate in deciding his own remuneration.

During the Reporting Period, the Remuneration Committee held one meeting to review and make recommendations to the Board on the remuneration policy and structure of the Company and the remuneration packages of the Directors and other related matters.

The attendance records of each Remuneration Committee member are set out in the above section A7 headed "Directors' Attendance Records at Meetings".

B2. Remuneration Committee (Continued)

Pursuant to code provision of the CG Code, the annual remuneration of the members of the senior management, other than the Directors, by band for the Reporting Period is set out below:

Remuneration band (HK$)	Number of individuals
500,001-1,000,000	2

B3. Nomination Committee

The Nomination Committee comprises three members, being two independent non-executive Directors, Ms. Chow Yuen Kwan (chairlady of the Nomination Committee and appointed on 31 December 2024) and Mr. Ng Jack Ho Wan, and one executive Director, Mr. Chan Wai Lin. Mr. Wan Chi Wai Anthony resigned as the chairman of the Nomination Committee on 31 December 2024. Throughout the Reporting Period, the Company has met the GEM Listing Rules requirements of having a majority of the Nomination Committee members being independent non-executive Directors and having the Nomination Committee chaired by an independent non-executive Director.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code. The principal responsibilities of the Nomination Committee are to review the structure, size and composition (including the skills, knowledge, experience and diversity perspectives) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; identify qualified and suitable individuals to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; assess the independence of independent non-executive Directors; and make recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the Chief Executive of the Company.

The Company also recognises and embraces the benefit of having a diverse Board to enhance the quality of its performance. To comply with the GEM Listing Rules, a Board diversity policy was adopted by the Company, pursuant to which the Nomination Committee is responsible for monitoring the implementation of the Board diversity policy and assessing the Board composition under diversified perspectives (including but not limited to gender, age, cultural and educational background, or professional experience). The Nomination Committee shall report its findings and make recommendation to the Board, if any. Such policy and objectives will be reviewed from time to time to ensure their appropriateness in determining the optimum composition of the Board.

In selecting candidates for directorship of the Company, the Nomination Committee would make reference to certain criteria such as the Company's needs, the diversity on the Board, the gender, integrity, experience, skills and professional knowledge of the candidate and the amount of time and effort that the candidate will devote to discharge his/her duties and responsibilities. External recruitment professionals might be engaged to carry out selection process when necessary.

B3. Nomination Committee (Continued)

The Company has also adopted the director nomination policy. Such policy, devising the criteria and process of selection and performance evaluation, provides guidance to the Board on nomination and appointment of directors of the Company. The Board believes that the defined selection process is good for corporate governance in ensuring the Board continuity and appropriate leadership at Board level, and enhancing better Board effectiveness and diversity as well as in compliance with the applicable rules and regulations.

During the Reporting Period, the Nomination Committee has held one meeting in which the Committee members had reviewed the structure, size and composition of the Board to ensure that it has a balance of gender, expertise, skills and experience appropriate to the requirements for the business of the Group; recommended the reappointment of the retiring Directors standing for re-election at the Company's annual general meeting held on 9 May 2024; and assessed the independence of the existing independent non-executive Directors.

The Board will take opportunities to increase the proportion of female members over time when selecting and making recommendation on suitable candidates for Board appointments. The Board would ensure that appropriate balance of gender diversity is achieved with reference to stakeholders' expectation and international and local recommended best practices, with the ultimate goal of bringing the Board to gender parity. The Board also aspires to having an appropriate proportion of directors who have direct experience in the Group's core markets, with different ethnic backgrounds, and reflecting the Group's strategy.

The attendance records of each Nomination Committee member are set out in the above section A7 headed "Directors' Attendance Records at Meetings".

C. RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness to safeguard the interests of the Shareholders and the assets of the Group. The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems on an ongoing basis. At the same time, the Group endeavours to identify risks, control impact of the identified risks and facilitate implementation of coordinated mitigating measures. The risk management and internal control systems are compatible with the Committee of Sponsoring Organisations of the Treadway Commission (COSO) – Integrated Framework 2013 principles. They are designed to manage rather than eliminate the risk of failures in order to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Group has established a risk management policy which sets out the process of identification, evaluation and management of the principal risks affecting the business.

1. Each division is responsible for identifying and assessing principal risks within the division on a quarterly basis establishing mitigation plans to manage the risks identified;

2. The management is responsible for overseeing the Group's risk management and internal control activities, attending quarterly meetings with each division to ensure principal risks are properly managed, and new or changing risks are identified and documented;

C. RISK MANAGEMENT AND INTERNAL CONTROLS (CONTINUED)

3. The Board is responsible for reviewing and approving the effectiveness and adequacy of the Group's risk management and internal controls systems.

The risk management framework, coupled with our internal controls, ensures that the risks associated with our different business units are effectively controlled in line with the Group's risk appetite.

Our independent internal control consultant has performed an assessment on our internal control systems including reviewing guidelines and policies which are implemented through our operational process. An internal audit function is set up to examine key issues in relation to the financial and operational matters/practices and to provide its findings and any recommendations for improvement to the Audit Committee.

The Board has the responsibility to maintain the adequacies of resources, and to enhance qualifications and experiences of staff by providing training programs. The Board concluded that the Group's risk management and internal control systems were in place and effective.

With respect to the monitoring and disclosure of inside information, the Group has adopted a disclosure policy which provides a general guide to the Company's Directors, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorised access and use of inside information are strictly prohibited.

D. DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors have acknowledged their responsibility for preparing the Consolidated Financial Statements.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other disclosures required under the GEM Listing Rules and other regulatory requirements. The management has provided such explanation and information to the Board as necessary to enable the Board to make an informed assessment of the financial information and position of the Group put forward to the Board for approval.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the external auditors of the Company about their reporting responsibilities on the Consolidated Financial Statements is set out in the section headed "Independent Auditors' Report" in this annual report.

There is no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of external auditors.

E. DIVERSITY AT WORKFORCE

The Company believes creating a culture of diversity and inclusion helps the employees to unleash their potentials. The Company values staff diversity in the workplace, and therefore provide equal opportunities for all applicants and employees regardless of race, colour, national origin, religion, gender, marital status, age, sexual orientation, and disability. The Company is committed to treating all employees with fairness and respect. Employees are hired based on their abilities and merits. The Company treats everyone the same regardless of their background, religions, races and gender etc. The promotion within the Company is completely based on the performance of the individual but nothing else.

As at 31 December 2024, the gender ratio of the Company’s and its controlling subsidiaries’ workforce (including directors, senior management and other staff) was 104% male to 100% female (31 December 2023: 98% to 100%). As a result of the Company's sustained efforts, the male-to-female ratio across the Company and its controlling subsidiaries' workforce (including directors, senior management, and other staff) achieved a balanced 1:1 ratio. This milestone reflects the tangible progress of the Company's ongoing commitment to creating a workplace free from gender discrimination

F. AUDITORS’ REMUNERATION

An analysis of the remuneration paid to the external auditors of the Company, HLB Hodgson Impey Cheng Limited, in respect of their services for the Reporting Period is set out below:

Service Category	Fees Paid/Payable (HK$)
Audit Services	820,000
Non-audit Services	53,000
Total	873,000

G. COMPANY SECRETARY

Mr. Lau Fai Lawrence (“Mr. Lau”) has been appointed as the Company’s secretary with effect from 14 August 2020.

For the Reporting Period, Mr. Lau has undertaken not less than 15 hours of relevant professional training in compliance with Rule 5.15 of the GEM Listing Rules.

H. COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Company engages with Shareholders through various communication channels. Shareholders' meetings provide an opportunity for communication between the Board and the Shareholders. Board members and senior staff will be available to answer questions raised by the Shareholders at general meetings of the Company, where the Board and the Company can solicit and understand the views of the Shareholders and stakeholders. The Company will also invite representatives of the auditors to attend its AGM to answer Shareholders' questions about the conduct of the audit, the preparation and content of the auditors' report, the accounting policies and auditors' independence, if any.

The Board has reviewed the implementation and effectiveness of the Shareholders' communication policy, and having considered the multiple channels of communication and engagement in place, it is satisfied that the shareholders' communication policy has been implemented during the Reporting Period and is effective.

In addition, the Company maintains a website at www.hetermedia.com as a communication platform with its Shareholders and investors, where information and updates on the Company's business developments and operations and other information are available for public access.

Shareholders may send their enquiries or requests for publicly available information and comments and suggestions to the Company via the following contact details:

Address:	35th Floor, Dah Sing Financial Centre 248 Queen's Road East, Wan Chai Hong Kong (For the attention of the Board of Directors)
Fax:	+852.3102.0908
Email:	enquiry@hetermedia.com

Normally, the Company will not handle verbal or anonymous enquiries. Enquiries and requests will be dealt with by the Company in an informative and timely manner. The Company recognises the importance of the Shareholders' privacy and will not disclose Shareholders' information without their consent, unless required by law to do so. Shareholders may call the Company at +852.2121.1551 for any assistance.

Shareholders should direct their questions about their shareholdings by mail to the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or by telephone at +852.2980.1333, which has been appointed by the Company to deal with Shareholders for share registration and related matters.

I. SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, separate resolution is proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the GEM Listing Rules and poll results will be posted on the website of the Stock Exchange as well as the Company's website after each general meeting.

Shareholders may put forward proposals at general meetings by requesting an extraordinary general meeting ("EGM").

Pursuant to the Articles, an EGM can be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the secretary of the Company at the Company's principal place of business in Hong Kong (currently 35th Floor, Dah Sing Financial Centre, 248 Queen's Road East, Wan Chai, Hong Kong) for the purpose of requiring an EGM to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself/herself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

With respect to the Shareholders' right in proposing persons for election as Directors, please refer to the procedures available on the website of the Company.

J. CONSTITUTIONAL DOCUMENTS

There was no change in the memorandum and articles of association of the Company ("Memorandum and Articles of Association") during the Reporting Period.

An up-to-date version of such Memorandum and Articles of Association is available on the website of the Stock Exchange and the Company's website. Shareholders may refer to the Articles of Association for further details of the rights of Shareholders.

K. POLICIES RELATING TO SHAREHOLDERS

The Company has in place a Shareholders' communication policy to ensure that Shareholders' views and concerns are appropriately addressed. Such Policy is regularly reviewed to ensure its effectiveness.

Pursuant to new Rule 16.04A1 of the GEM Listing Rules and the Articles of Association, on 29 February 2024, the Company started to disseminate the corporate communications of the Company (the "Corporate Communications") to its shareholders electronically and only send corporate communications in printed form to the shareholders upon request. For details of the arrangement for the dissemination of Corporate Communications to shareholders, please refer to the announcement and letters to registered and non-registered shareholders of the Company dated 29 February 2024.

K. POLICIES RELATING TO SHAREHOLDERS (CONTINUED)

The Company has adopted a dividend policy on payment of dividends. The Company does not have any predetermined dividend payout ratio. Depending on the financial conditions of the Company and the Group and the conditions and factors as set out in the dividend policy, dividends may be proposed and/or declared by the Board for a financial year or period and any final dividend for a financial year will be subject to the Shareholders' approval.

L. ANTI-CORRUPTION AND WHISTLE-BLOWING POLICIES

The Group has established the Anti-Bribery and Corruption Policy and Whistle-blowing System for the Board members, management, employees and third parties who represent the Group, such as suppliers, contractors and business partners, to ensure the Group and the relevant stakeholders will uphold the highest standards of professional integrity. The Whistle-blowing System not only can further strengthen the internal control environment of the Group, it also acts as a channel for the staff of the Group to report any illegal behaviours, and is dedicated to external stakeholders to report any suspected misconduct, malpractice or illegal acts.

INDEPENDENT AUDITORS' REPORT

國衛會計師事務所有限公司
HODGSON IMPEY CHENG LIMITED

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

TO THE MEMBERS OF
HM INTERNATIONAL HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of HM International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 57 to 145, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition	
Refer to Note 4 and Note 5 to the consolidated financial statements.	
The Group recognised revenue of approximately HK$158,890,000 from provision of integrated printing services for the year ended 31 December 2024. Revenue from provision of integrated printing services is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation using input method as the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Management used significant judgements and estimations to determine the progress towards complete satisfaction of the performance obligation at the reporting date.	Our procedures in relation to revenue recognition mainly included but not limited to: • Inspecting quotations and agreements with customers to understand the terms of the provision of integrated printing services to assess the Group's revenue recognition criteria with reference to the requirements of the prevailing accounting standards; • Assessing the Group's revenue recognition is based on a reasonable measurement of the value of performance completed to date of the individual contract as a percentage of total transaction price; and • Checking the accuracy of the incurred costs to date and assessing judgements and estimates about budgeted costs to complete and expected gross profits. Based on the procedures performed, we consider the revenue recognition to be supported by the available evidence.

OTHER INFORMATION IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion, solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

AUDITORS’ RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors’ report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement director on the audit resulting in this independent auditors’ report is Mr. Kwok Kin Leung.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Kwok Kin Leung
Practising Certificate Number: P05769

Hong Kong, 17 March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
Revenue	5	**158,890**	178,624
Cost of sales		**(102,014)**	(115,867)
Gross profit		**56,876**	62,757
Other income and (losses)/gains - net	6	**(1,618)**	4,556
Selling expenses		**(10,472)**	(11,998)
Administrative expenses		**(53,890)**	(48,431)
Share of profit of an associate		**-**	60
Share of profit of a joint venture	18	**-**	296
Finance costs	7	**(961)**	(695)
(Loss)/Profit before tax		**(10,065)**	6,545
Income tax credit/(expense)	8	**155**	(61)
(Loss)/Profit for the year	9	**(9,910)**	6,484
Other comprehensive income/(expense)			
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising on translating of foreign operations		**3**	(243)
Reclassification of cumulative translation reserve upon disposal of an associate		**-**	(147)
Share of other comprehensive income of an associate, net of related income tax		**-**	18
Other comprehensive income/(expense) for the year, net of income tax		**3**	(372)
Total comprehensive (expense)/income for the year		**(9,907)**	6,112
(Loss)/Profit for the year attributable to:			
Owners of the Company		**(7,720)**	6,265
Non-controlling interests		**(2,190)**	219
		(9,910)	6,484
Total comprehensive (expense)/income for the year attributable to:			
Owners of the Company		**(7,718)**	6,032
Non-controlling interests		**(2,189)**	80
		(9,907)	6,112
		HK cents	*HK cents*
(Loss)/Earnings per share			
Basic	13	**(1.90)**	1.56
Diluted	13	**(1.90)**	1.52

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
Non-current assets			
Property, plant and equipment	*14*	**8,881**	1,659
Right-of-use assets	*15*	**15,418**	6,331
Intangible assets	*16*	**240**	3,583
Deferred tax assets	*25*	**-**	23
		24,539	11,596
Current assets			
Contract assets	*19*	**4,158**	3,354
Trade and other receivables	*20*	**27,875**	35,142
Current tax assets		**392**	481
Cash and bank balances	*21*	**64,603**	90,576
		97,028	129,553
Total assets		**121,567**	141,149
Current liabilities			
Contract liabilities	*19*	**8,814**	19,437
Trade and other payables	*22*	**22,140**	23,745
Bank borrowings	*23*	**850**	1,065
Lease liabilities	*24*	**4,238**	6,088
Current tax liabilities		**75**	258
		36,117	50,593
Net current assets		**60,911**	78,960
Total assets less current liabilities		**85,450**	90,556

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
Non-current liabilities			
Lease liabilities	*24*	**12,922**	422
Deferred tax liabilities	*25*	**-**	290
		12,922	712
Net assets		**72,528**	89,844
Capital and reserves			
Share capital	*26*	**4,214**	4,214
Reserves	*27*	**72,520**	87,647
Equity attributable to owners of the Company		**76,734**	91,861
Non-controlling interests		**(4,206)**	(2,017)
Total equity		**72,528**	89,844

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 17 March 2025 and are signed on its behalf by:

Mr. Yu Chi Ming
Director

Mr. Chan Wai Lin
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Attributable to owners of the Company										
	Share capital *HK$'000* *(Note 26)*	Share premium *HK$'000*	Shares held under the share award scheme *HK$'000* *(Note(b))*	Special reserve *HK$'000* *(Note (a))*	Share option reserve *HK$'000*	Share award reserve *HK$'000*	Translation reserve *HK$'000*	Retained earnings *HK$'000*	Sub-total *HK$'000*	Non-controlling interests *HK$'000*	Total equity *HK$'000*
Balance at 1 January 2023	4,000	36,009	–	138	211	–	30	50,997	91,385	(2,137)	89,248
Profit for the year	–	–	–	–	–	–	–	6,265	6,265	219	6,484
Exchange differences arising on translating of foreign operations	–	–	–	–	–	–	(104)	–	(104)	(139)	(243)
Reclassification of cumulative translation reserve upon disposal of an associate	–	–	–	–	–	–	(147)	–	(147)	–	(147)
Share of other comprehensive income of an associate	–	–	–	–	–	–	18	–	18	–	18
Total comprehensive (expense)/income for the year	–	–	–	–	–	–	(233)	6,265	6,032	80	6,112
Acquisition of a subsidiary (Note 30)	–	–	–	–	–	–	–	–	–	40	40
Issue of shares for the share award scheme (Note 28)	214	1,820	(2,034)	–	–	–	–	–	–	–	–
Lapse of share options (Note 28)	–	–	–	–	(211)	–	–	211	–	–	–
Equity-settled share award scheme (Note 28)	–	–	–	–	–	765	–	–	765	–	765
Dividends paid	–	(6,321)	–	–	–	–	–	–	(6,321)	–	(6,321)
Balance at 31 December 2023 and 1 January 2024	**4,214**	**31,508**	**(2,034)**	**138**	**–**	**765**	**(203)**	**57,473**	**91,861**	**(2,017)**	**89,844**
Loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(7,720)**	**(7,720)**	**(2,190)**	**(9,910)**
Exchange differences arising on translating of foreign operations	**–**	**–**	**–**	**–**	**–**	**–**	**2**	**–**	**2**	**1**	**3**
Total comprehensiveincome/ (expense) for the year	**–**	**–**	**–**	**–**	**–**	**–**	**2**	**(7,720)**	**(7,718)**	**(2,189)**	**(9,907)**
Vest of share award (Note 28)	**–**	**–**	**678**	**–**	**–**	**(678)**	**–**	**–**	**–**	**–**	**–**
Equity-settled share award scheme (Note 28)	**–**	**–**	**–**	**–**	**–**	**1,019**	**–**	**–**	**1,019**	**–**	**1,019**
Dividends paid	**–**	**(8,428)**	**–**	**–**	**–**	**–**	**–**	**–**	**(8,428)**	**–**	**(8,428)**
Balance at 31 December 2024	**4,214**	**23,080**	**(1,356)**	**138**	**–**	**1,106**	**(201)**	**49,753**	**76,734**	**(4,206)**	**72,528**

Note:

(a) Special reserve represents the difference between the nominal value of the shares issued by the Company in exchange for the nominal value of the share capital of its subsidiaries arising from the reorganisation in prior years.

(b) The amount represents payments by the Group to the trustee of the Share Award Scheme (as defined in Note 28), net off with the vested portion to selected employees who have been awarded shares under the Share Award Scheme. Details of the Share Award Scheme is set out in Note 28.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	2024 *HK$'000*	2023 *HK$'000*
Cash flows from operating activities		
(Loss)/Profit before tax	**(10,065)**	6,545
Adjustments for:		
Finance costs	**961**	695
Bank interest income	**(1,019)**	(577)
Share of profit of an associate	**-**	(60)
Share of profit of a joint venture	**-**	(296)
Depreciation of property, plant and equipment	**2,026**	1,541
Depreciation of right-of-use assets	**9,127**	9,787
Amortisation of intangible assets	**325**	1,125
Provision for impairment losses on trade receivables	**413**	371
Impairment losses on goodwill	**3,146**	3,431
Net losses on disposals of property, plant and equipment	**42**	3
Gain on early termination of lease	**-**	(355)
Gain on disposal of an associate	**-**	(6,388)
Loss on disposal of a joint venture	**-**	198
Share-based payment expense	**1,019**	765
	5,975	16,785
Movements in working capital		
Increase in contract assets	**(850)**	(1,989)
Decrease in trade and other receivables	**6,704**	4,309
(Decrease)/Increase in contract liabilities	**(10,612)**	14,379
(Decrease)/Increase in trade and other payables	**(1,448)**	3,993
Changes in amount due from/to a joint venture	**-**	(2,262)
Cash (used in)/generated from operations	**(231)**	35,215
Income tax paid - net	**(206)**	(1,093)
Net cash (used in)/generated from operating activities	**(437)**	34,122

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

		2024 *HK$'000*	2023 *HK$'000*
Cash flows from investing activities			
Interest received		**1,019**	577
Proceeds on disposal of property, plant and equipment		**19**	1
Net cash outflow on acquisition of a subsidiary		**-**	(1,907)
Net cash inflow on disposal of an associate		**-**	15,253
Net cash inflow on disposal of a joint venture		**-**	1,200
Payments for property, plant and equipment		**(9,315)**	(1,000)
Payments for intangible assets		**(129)**	(60)
Withdrawal of pledged bank deposits		**-**	1,507
Net cash (used in)/generated from investing activities		**(8,406)**	15,571
Cash flows from financing activities			
Dividend paid		**(8,428)**	(6,321)
Repayments of borrowings		**(215)**	(665)
Repayments of lease liabilities		**(7,545)**	(9,873)
Interest paid		**(961)**	(695)
Net cash used in financing activities		**(17,149)**	(17,554)
Net (decrease)/increase in cash and cash equivalents		**(25,992)**	32,139
Cash and cash equivalents at the beginning of year		**90,576**	58,585
Effect of foreign exchange rate changes		**19**	(148)
Cash and cash equivalents at the end of year		**64,603**	90,576
Analysis of balances of cash and cash equivalents			
Cash and bank balances	*21*	**64,603**	90,576

1. GENERAL

The Company was incorporated in the Cayman Islands on 13 January 2016 as an exempted company with limited liability. Its parent and ultimate holding company is HM Ultimate Holdings Limited, a company incorporated in the British Virgin Islands ("BVI") and owned by Mr. Yu Chi Ming ("Mr. Yu") and Mr. Chan Wai Lin ("Mr. Chan"). The Company has been registered as a non-Hong Kong company under Part 16 of the Companies Ordinance (Cap. 622). Its shares were initially listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The address of the registered office of the Company is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and the principal place of business is 35/F, Dah Sing Financial Centre, 248 Queen's Road East, Wan Chai, Hong Kong. The Company is an investment holding company. The Group is principally engaged in the provision of integrated printing services (including provision of financial printing services, marketing collateral printing services and other services).

The consolidated financial statements are presented in Hong Kong Dollars ("HK$"), which is also the functional currency of the Company and all values are rounded to the nearest thousand ("HK$'000") unless otherwise stated.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11[3]
Amendments to HKAS 21	Lack of Exchangeability[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2025.
3 Effective for annual periods beginning on or after 1 January 2026.
4 Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRSs memtioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to *HKAS 7 Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation to the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are accounted for in accordance with HKFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 Inventories or value in use in HKAS 36 Impairment of Assets.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.1 Basis of preparation of consolidated financial statements (continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3.2 Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Basis of consolidation (continued)

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interest in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

Except for certain recognition exemptions, the identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the *Framework for the Preparation and Presentation of Financial Statements* (replaced by the *Conceptual Framework for Financial Reporting* issued in October 2010).

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income Taxes and HKAS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below);

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets* Held for Sale and Discontinued Operations are measured in accordance with that standard; and

- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Business combinations (continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under HKFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Business combinations (continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained, unless the Group can demonstrate that some other method better reflects the goodwill associated with the operation disposed of.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described below.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Investment in an associate and a joint venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associate and joint venture are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of an associate and joint venture used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Changes in net assets of the associate/joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Investment in an associate and a joint venture (continued)

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of HKFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate or joint venture.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good and service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

Contract assets arise when the Group has right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration. i.e. only the passage of time is required before payment of that consideration is due.

Contract liabilities arise when the Group has obligation to transfer goods and services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Revenue is measured based on the consideration specified in a contract with customer. The Group recognises revenue when it transfers control of service to a customer.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Revenue from contracts with customers (continued)

The Group recognises revenue from provision of integrated printing services (including provision of financial printing services, marketing collateral printing services and other services) which arise from contracts with customers.

Provision of integrated printing services (including financial printing services, marketing collateral printing services and other services)

The Group provides integrated printing services (including provision of financial printing services, marketing collateral printing services and other services) under contracts with customers. Such contracts are entered into before the services begin. Revenue from provision of financial printing services, marketing collateral printing services and other services is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation using input method as the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as lessee

<u>Allocation of consideration to components of a contract</u>

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group also applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Leases (continued)

The Group as lessee (continued)

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of properties and equipment that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 Financial Instruments ("HKFRS 9") and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Leases (continued)

The Group as lessee (continued)

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.-

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statements of financial position.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Leases (continued)

The Group as lessee (continued)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group’s interest in an associate.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Foreign currencies (continued)

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK$) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as a deduction from the carrying amount of the relevant asset in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Government grants (continued)

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under “Other income and (losses)/gains - net”.

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans including the LSP under the Hong Kong Employment Ordinance, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. In determining the present value of the Group’s defined benefit obligations and the related current service cost and, where applicable, past service cost, the Group attributes benefit to periods of service under the plan’s benefit formula. However, if an employee’s service in later years will lead to a materially higher level of benefit than earlier years, the Group attributes the benefit on a straight-line basis from:

(a) the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service) until

(b) the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the consolidated statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Employee benefits (continued)

Retirement benefit costs (continued)

Past service cost is recognised in profit or loss in the period of a plan amendment or curtailment and a gain or loss on settlement is recognised when settlement occurs. When determining past service cost, or a gain or loss on settlement, an entity shall remeasure the net defined benefit liability or asset using the current fair value of plan assets and current actuarial assumptions, reflecting the benefits offered under the plan and the plan assets before and after the plan amendment, curtailment or settlement, without considering the effect of asset ceiling (i.e. the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan).

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. However, if the Group remeasures the net defined benefit liability or asset before plan amendment, curtailment or settlement, the Group determines net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the benefits offered under the plan and the plan assets after the plan amendment, curtailment or settlement and the discount rate used to remeasure such net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period resulting from contributions or benefit payments.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Employee benefits (continued)

Retirement benefit costs (continued)

When the formal terms of the plans specify that there will be contributions from employees or third parties, the accounting depends on whether the contributions are linked to service, as follows:

- If the contributions are not linked to services (for example contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they are reflected in the remeasurement of the net defined benefit liability or asset.

- If contributions are linked to services, they reduce service costs. For the amount of contribution that is dependent on the number of years of service, the Group reduces service cost by attributing the contributions to periods of service using the attribution method required by HKAS 19 paragraph 70 for the gross benefits.

For LSP obligation, the Group accounts for the employer MPF contributions expected to be offset as a deemed employee contribution towards the LSP obligation in terms of HKAS 19.93(a) and it is measure on a net basis. The estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

Share-based payments

Equity-settled share-based payment transactions

<u>Share options granted to employees</u>

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payment reserve will be transferred to retained earnings.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Share-based payments (continued)

Equity-settled share-based payment transactions (continued)

Share award granted to employees

When the trustee of the share award scheme purchases the Company's shares from the open market, the consideration paid, including any directly attributable incremental costs, is presented as shares held under the share award scheme and deducted from total equity.

When the Company issues and allots new ordinary shares to the trustee of the share award scheme to be held on trust for the awardees, the fair value at the issue and allotment date, including any directly attributable incremental costs, is presented as shares held under the share award scheme and deducted from total equity.

The fair value of services received determined by reference to the fair value of shares awarded at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share award reserve). At the end of each reporting period, service and non-market performance vesting conditions are included in the estimation about the number of share awards that are expected to vest, the Group revises its estimate of the number of share awards that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share award reserve.

When the trustee transfers the Company's shares to grantees upon vesting, the related costs of the granted shares vested are reversed from shares held for share award scheme. Accordingly, the related expense of the granted shares is reversed from the share award reserve. The difference arising from such transfer is debited/credited to retained profits.

When the share award scheme is cancelled during the vesting period, the Group accounts for the cancellation as an acceleration of vesting, and recognises immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period. The amount previously recognised in share award reserve will also be transferred to retained profits.

Taxation

Income tax credit/expense represents the sum of current and deferred income tax credit/expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "loss/profit before tax" because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Taxation (continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates and interest in a joint venture, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Taxation (continued)

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the lease liabilities, and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Property, plant and equipment, including buildings held for use in the production or supply of goods or services or for administrative purposes, are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value-in-use. In assessing value- in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill (continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value-in- use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Interest expense is recognised on an effective interest basis.

Interest income which are derived from the Group's ordinary course of business are presented as revenue.

Financial assets

All financial assets are recognised and derecognised on a trade date basis where the purchase or sale of a financial asset is under a contract whose terms require delivery of financial asset within the time frame established by the market concerned.

All recognised financial assets are required to be subsequently measured at amortised cost or fair value on the basis of the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

<u>Classification of financial assets</u>

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Amortised cost and effective interest rate

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit loss ("ECL"), through the expected life of the financial assets, or, where appropriate, a shorter period, to the gross carrying amount of the financial assets on initial recognition.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial instruments, other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Impairment of financial assets

The Group recognises a loss allowance for ECL on financial assets and other assets which are subject to impairment assessment under HKFRS 9 (including contract assets, trade and other receivables and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

The Group always recognises lifetime ECL for trade receivables and contract assets and assesses the lifetime ECL for trade receivables and contract assets on a collective basis for portfolio that shares similar economic risk characteristics.

For all other financial instruments, the Group measures the loss allowance equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether the credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

Significant increase in credit risk (continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A financial asset is determined to have low credit risk if (i) it has a low risk of default; (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify where there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in the credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or

- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

Measurement and recognition of ECL (continued)

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exceptions of trade receivables and contract assets where the correspondence adjustment is recognised through a loss allowance account.

Where ECL is measured on a collective basis to cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments; and
- Past-due status; and
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the ‘Other income and (losses)/gains - net’ line item (Note 6) as part of the net foreign exchange gains/(losses);

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Foreign exchange gains and losses (continued)

- For debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the 'Other income and (losses)/gains - net' line item (Note 6) as part of the net foreign exchange gains/(losses). As the foreign currency element recognised in profit or loss is the same as if it was measured at amortised cost, the residual foreign currency element based on the translation of the carrying amount (at fair value) is recognised in other comprehensive income in the fair value through other comprehensive income/revaluation reserve;

- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other income and (losses)/gains - net' line item as part of the gain/(loss) from changes in fair value of financial assets (Note 6);

- For equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the fair value through other comprehensive income/revaluation reserve.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is contingent consideration of an acquirer in a business combination to which HKFRS 3 applies.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables, bank borrowings and lease liabilities are subsequently measured at amortised cost, using the effective interest method.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'Other Income and (losses)/gains - net' line item in profit or loss (Note 6) as part of net foreign exchange gains/(losses) for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk, foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person:

   (i) has control or joint control over the Group;

   (ii) has significant influence over the Group; or

   (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Related parties (continued)

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influence by, that person in their dealings with the entity.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3.2, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revisions affect only that period, or in the period of the revisions and future periods if the revisions affect both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Revenue recognition

The Group recognises contract revenue of a service contract is dependent on management's estimation of the progress of satisfaction of performance obligations of a service contract over time, measured by the value of performance completed to date of the individual contract as a percentage of total transaction price. Because of the nature of the activity undertaken by the Group, the Group reviews and revises the estimates of contract revenue and contract costs, prepared for each service contract as the contract progresses. Budgeted contracts costs are prepared by management on the basis of quotations provided by the vendors involved and the experience of management. In order to keep the budget accurate and up to-date, management conducts periodic reviews of the budgeted contract costs and revises the budgeted contract costs as appropriate.

Significant judgement is required in estimating the value of performance completed, contract revenue and contract costs which may have an impact on percentage of completion of the service contract and the corresponding contract revenue and profit to be recognised in an accounting period. In addition, the actual outcome in terms of total revenue or costs may be higher or lower than estimation at the end of the reporting period, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Impairment of trade and other receivables and contract assets

The Group estimates the amount of loss allowance for ECL on trade receivables and contract assets based on the credit risk and past due status of trade receivables. The loss allowance amount is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit loss. The assessment of the credit risk involves high degree of estimation and uncertainty. The information about the ECL on trade receivables and contract assets are disclosed in Note 32(b).

Impairment assessment for goodwill

The Group tests whether goodwill have suffered any impairment in accordance with the accounting policy stated in Note 3.2. Determining whether goodwill are impaired requires an estimate of the value-in-use of the asset. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the assets and also choose a suitable discount rate in order to calculate the present value of those cash flows. Where the actual future cash flows are less than expected, a material impairment loss may arise.

5. REVENUE AND SEGMENT INFORMATION

The Group's revenue represents services income from provision of integrated printing services (included provision of financial printing services, marketing collateral printing services and other services).

Disaggregation of revenue from contracts with customers

The following is an analysis of the Group's revenue from its major services:

	2024 ***HK$'000***	2023 *HK$'000*
Recognised over time:		
– Provision of financial printing services	**114,855**	132,778
– Provision of marketing collateral printing services	**30,431**	27,033
– Provision of other services	**13,604**	18,813
	158,890	178,624

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Performance obligations for contracts with customers

The Group provides integrated printing services (including provision of financial printing services, marketing collateral printing services and other services) to customers. Such services are recognised as a performance obligation satisfied over time as the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation using input method.

Transaction price allocated to the remaining performance obligations for contracts with customers

Provision of financial printing services, marketing collateral printing services and other services are typically provided for a period of one year. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

HKFRS 8 Operating Segments, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the executive directors of the Company, being the chief operating decision maker, for the purpose of resources allocation and performance assessment. On this basis, the Group has determined that it only has one operating segment which is the provision of integrated printing services.

Geographical information

In addition, the Group's revenue is substantially generated in Hong Kong and the Group's assets and liabilities are also substantially located in Hong Kong. Accordingly, the Group does not present separately segment information.

Information about major customers

No individual customer of the Group contributed over 10% of the Group's revenue for the year ended 31 December 2024 and 2023.

6. OTHER INCOME AND (LOSSES)/GAINS - NET

	2024 HK$'000	2023 HK$'000
Bank interest income	**1,019**	577
Government grants	**142**	–
Impairment losses on goodwill	**(3,146)**	(3,431)
Earn-out consideration received from disposed associate	**946**	–
Gain on disposal of an associate	**-**	6,388
Loss on disposal of a joint venture	**-**	(198)
Net losses on disposals of property, plant and equipment	**(42)**	(3)
Gain on early termination of lease	**-**	355
Waiver of amount due to a director of a subsidiary	**266**	–
Net foreign exchange (losses)/gains - net	**(1,422)**	717
Sundry income	**619**	151
	(1,618)	4,556

During the year ended 31 December 2024, the Group recognised government grants of approximately HK$142,000 relates to Jobs Support Scheme provided by the Government of Singapore. All grants are recognised when there is reasonable assurance that the Group is complied with the conditions attaching and that the grants will be received.

7. FINANCE COSTS

	2024 HK$'000	2023 HK$'000
Interest on bank borrowings	**75**	79
Interest on lease liabilities	**886**	616
	961	695

8. INCOME TAX (CREDIT)/EXPENSE

	2024 *HK$'000*	2023 *HK$'000*
Hong Kong Profits Tax		
Current tax		
– Current year	**103**	69
The People's Republic of China (the "PRC") Enterprise Income Tax		
Current tax		
– Current year	**9**	16
Deferred tax *(Note 26)*		
– Current year	**(267)**	(24)
Total income tax recognised in profit or loss	**(155)**	61

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, one of the subsidiaries of the Company subjected to the Hong Kong Profits Tax is calculated at 8.25% on the first HK$2 million of the estimated assessable profits above HK$2 million. Other subsidiaries of the Company are subjected to Hong Kong Profit Tax at the rate of 16.5% for the years ended 31 December 2024 and 2023.

For the years ended 31 December 2024 and 2023, pursuant to relevant PRC tax laws and regulations, the annual taxable income of a small low-profit enterprises that is not more than RMB1 million shall be included in its taxable income at the reduced rate of 12.5%, with the applicable enterprise income tax rate of 20%; and the annual taxable income that is not less than RMB1 million nor more than RMB3 million shall be included in its taxable income at the reduced rate of 25%, with the applicable enterprise income tax rate of 20% for the years ended 31 December 2024 and 2023.

Taxation arising in other jurisdiction is calculated at the rates prevailing in the relevant jurisdiction.

8. INCOME TAX (CREDIT)/EXPENSE (CONTINUED)

The tax (credit)/charge for the year can be reconciled to (loss)/profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2024	2023
	HK$'000	*HK$'000*
(Loss)/Profit before tax	**(10,065)**	6,545
Calculated at the statutory tax rate	**(1,686)**	870
Tax effect of share of profit of an associate	**-**	(10)
Tax effect of share of profit of a joint venture	**-**	(49)
Tax effect of expenses not deductible for tax purpose	**815**	1,618
Tax effect of income not taxable for tax purpose	**(335)**	(1,362)
Income tax at concessionary rate	**(165)**	(151)
Tax effect of tax loss not recognised	**1,911**	227
Utilisation of tax losses previously not recognised	**(693)**	(1,082)
Tax reduction	**(2)**	–
Income tax (credit)/expense for the year	**(155)**	61

9. (LOSS)/PROFIT FOR THE YEAR

(Loss)/Profit for the year has been arrived at after charging:

	2024	2023
	HK$'000	*HK$'000*
Employee benefits expense (including directors' emoluments) *(Note 10)*:		
Salaries, allowances and other benefits in kind	**64,728**	67,319
Contributions to retirement benefits schemes	**3,686**	3,791
Total employee benefits expense	**68,414**	71,110

9. (LOSS)/PROFIT FOR THE YEAR (CONTINUED)

	2024 *HK$'000*	2023 *HK$'000*
Auditors' remuneration	**820**	700
Amortisation of intangible assets (included in cost of sales on the consolidated statement of profit or loss and other comprehensive income)	**325**	1,125
Depreciation of property, plant and equipment	**2,026**	1,541
Depreciation of right-of-use assets	**9,127**	9,787
Donation	**57**	66
Provision for impairment losses on trade receivables	**413**	371
Rental expense from short-term leases	**676**	855

10. DIRECTORS' AND THE CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to each of the directors and the chief executive of the Company for the year were as follows:

Year ended 31 December 2024

	Fees *HK$'000*	Salaries, allowances and other benefits in kind *HK$'000*	Discretionary bonuses *HK$'000*	Contributions to retirement benefits schemes *HK$'000*	Total *HK$'000*
Executive directors					
Mr. Yu	-	962	-	3	965
Mr. Chan *(Note i)*	-	1,280	490	18	1,788
Ms. Chan Wai Chung Caroline *(Note ii)*	-	1,450	380	18	1,848
Independent non-executive directors					
Mr. Choi Hon Ting Derek	200	-	-	-	200
Mr. Ng Jack Ho Wan	200	-	-	-	200
Ms. Chow Yuen Kwan *(Note iii)*	-	-	-	-	-
Mr. Wan Chi Wai Anthony *(Note iv)*	200	-	-	-	200
Total emoluments	600	3,692	870	39	5,201

10. DIRECTORS' AND THE CHIEF EXECUTIVE'S EMOLUMENTS (CONTINUED)

Year ended 31 December 2023

	Fees	Salaries, allowances and other benefits in kind	Discretionary bonuses	Contributions to retirement benefits schemes	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors					
Mr. Yu	–	364	103	18	485
Mr. Chan *(Note i)*	–	932	462	18	1,412
Ms. Chan Wai Chung Caroline *(Note ii)*	–	1,259	378	18	1,655
Independent non-executive directors					
Mr. Choi Hon Ting Derek	200	–	–	–	200
Mr. Ng Jack Ho Wan	200	–	–	–	200
Mr. Wan Chi Wai Anthony	200	–	–	–	200
Total emoluments	600	2,555	943	54	4,152

Notes:

(i) Mr. Chan is also the chief executive of the Company and his emoluments disclosed above including these for services rendered by him as the chief executive.

(ii) Included in the salaries, allowances and other benefits in kind, there was approximately HK$190,000 (2023: approximately HK$143,000) equity-settled share-based payments expense recognised during the year ended 31 December 2024 under the Share Award Scheme *(Note 28)*.

(iii) Ms. Chow Yuen Kwan was appointment as an independent non-executive director on 31 December 2024.

(iv) Mr. Wan Chi Wai Anthony resigned as an independent non-executive director on 31 December 2024.

None of the directors waived any emoluments during the years ended 31 December 2024 and 2023. In addition, no emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

11. EMPLOYEES' EMOLUMENTS

The five highest paid individuals during the year included three (2023: two) directors, details of whose remuneration are set out in Note 10 above. The emoluments of the remaining two (2023: three) highest paid individuals for the year were as follows:

	2024	2023
	HK$'000	*HK$'000*
Salaries, allowances and other benefits in kind	**4,115**	2,906
Discretionary bonuses	**160**	53
Contributions to retirement benefits schemes	**36**	48
	4,311	3,007

The number of the highest paid employees who are not the directors of the Company whose emoluments fell within the following bands is as follows:

	2024	2023
	Number of Individuals	Number of Individuals
Nil to HK$1,000,000	**-**	1
HK$1,000,001 to HK$1,500,000	**3**	2
	3	3

During the years ended 31 December 2024 and 2023, no emoluments were paid by the Group to any of the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

12. DIVIDENDS

Subsequent to the end of the reporting period, no final dividend (2023: HK2.0 cents per share) in respect of the year ended 31 December 2024 have been proposed by the directors of the Company and is subject to approval by shareholders in the forthcoming annual general meeting.

13. (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted (loss)/earnings per share attributable to owners of the Company is based on the following data:

	2024	2023
(Loss)/Earnings		
(Loss)/Profit attributable to owners of the Company *(HK$'000)*	**(7,720)**	6,265
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share *(in thousand)*	**405,369**	400,000
Effect of dilutive potential ordinary shares:		
Share awards *(in thousand)*	**16,046**	13,377
Weighted average number of ordinary shares for the purpose of calculating diluted (loss)/earnings per share *(in thousand)*	**421,415**	413,377
Basic (loss)/earnings per share *(HK cents)*	**(1.90)**	1.56
Diluted (loss)/earnings per share *(HK cents)*	**(1.90)**	1.52

For the years ended 31 December 2024 and 2023, the calculation of the basic (loss)/earnings per share is based on the (loss)/profit attributable to owners of the Company and the weighted average number of ordinary shares issued during the year.

For the year ended 31 December 2024, the diluted loss per share is same as the basic loss per share. The computation of diluted loss per share does not assume the dilutive potential ordinary shares arising from share awards because it would result in a decrease in loss per share.

For the year ended 31 December 2023, the computation of diluted earnings per share does not assume the exercise of the share options because the exercise price of those share options was higher than the average market price of shares.

14. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery HK$'000	Furniture and fixtures HK$'000	Computer equipment HK$'000	Motor vehicles HK$'000	Leasehold improvements HK$'000	Total HK$'000
Cost						
Balance at 1 January 2023	2,543	2,121	5,793	2,331	7,423	20,211
Additions	–	39	961	–	–	1,000
Disposals	–	(65)	(2,950)	–	–	(3,015)
Exchange realignment	–	–	8	–	–	8
Balance at 31 December 2023 and 1 January 2024	2,543	2,095	3,812	2,331	7,423	18,204
Additions	–	1,047	743	–	7,525	9,315
Disposals	–	(2,159)	(769)	–	(7,423)	(10,351)
Exchange realignment	–	(1)	(34)	–	–	(35)
Balance at 31 December 2024	**2,543**	**982**	**3,752**	**2,331**	**7,525**	**17,133**
Accumulated depreciation						
Balance at 1 January 2023	2,543	2,055	4,243	2,331	6,838	18,010
Depreciation expense	–	36	995	–	510	1,541
Eliminated on disposals of assets	–	(65)	(2,946)	–	–	(3,011)
Exchange realignment	–	–	5	–	–	5
Balance at 31 December 2023 and 1 January 2024	2,543	2,026	2,297	2,331	7,348	16,545
Depreciation expense	–	149	971	–	906	2,026
Eliminated on disposals of assets	–	(2,144)	(762)	–	(7,384)	(10,290)
Exchange realignment	–	(1)	(27)	–	(1)	(29)
Balance at 31 December 2024	**2,543**	**30**	**2,479**	**2,331**	**869**	**8,252**
Carrying amount						
Balance at 31 December 2024	**–**	**952**	**1,273**	**–**	**6,656**	**8,881**
Balance at 31 December 2023	–	69	1,515	–	75	1,659

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Plant and machinery	20%
Furniture and fixtures	20%
Computer equipment	20% to 33⅓%
Motor vehicles	30%
Leasehold improvements	20% to 25%

15. RIGHT-OF-USE ASSETS

For both years, the Group leases certain motor vehicles and properties as office premises for its operations. Leases contracts are entered into for fixed terms of 2 to 5 years (2023: 2 to 3.6 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

	Motor vehicles *HK$'000*	Office premises *HK$'000*	Total *HK$'000*
As at 31 December 2024			
Carrying amount	**385**	**15,033**	**15,418**
As at 31 December 2023			
Carrying amount	656	5,675	6,331
For the year ended 31 December 2024			
Depreciation charge	**271**	**8,856**	**9,127**
For the year ended 31 December 2023			
Depreciation charge	249	9,538	9,787

	2024 ***HK$'000***	2023 *HK$'000*
Interest expense *(Note 7)*	**886**	616
Expense relating to short-term leases	**676**	855
Total cash outflow for leases	**9,107**	11,344
Additions to right-of-use assets	**18,235**	905

15. RIGHT-OF-USE ASSETS (CONTINUED)

The Group regularly entered into short-term leases for certain office premises.

The lease agreements do not impose any covenants other than the security interests in the leases assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

16. INTANGIBLE ASSETS

	Goodwill HK$'000 *(Note (i))*	Computer software HK$'000 *(Note (ii))*	Total HK$'000
Cost			
Balance at 1 January 2023	7,481	6,806	14,287
Additions	–	60	60
Arising on acquisition of a subsidiary	3,146	–	3,146
Balance at 31 December 2023 and 1 January 2024	10,627	6,866	17,493
Additions	–	129	129
Written-off	–	(142)	(142)
Exchange realignment	–	(1)	(1)
Balance at 31 December 2024	10,627	6,852	17,479
Accumulated amortisation			
Balance at 1 January 2023	4,050	5,304	9,354
Impairment loss recognised in the year	3,431	–	3,431
Amortisation expense	–	1,125	1,125
Balance at 31 December 2023 and 1 January 2024	7,481	6,429	13,910
Impairment loss recognised in the year	3,146	–	3,146
Written-off	–	(142)	(142)
Amortisation expense	–	325	325
Balance at 31 December 2024	**10,627**	**6,612**	**17,239**
Carrying amount			
Balance at 31 December 2024	**–**	**240**	**240**
Balance at 31 December 2023	3,146	437	3,583

16. INTANGIBLE ASSETS (CONTINUED)

Notes:

(i) For the purpose of impairment testing, goodwill has been allocated to three (2023: three) individual cash-generating unit ("CGU"), representing TILT Pte. Ltd. acquired by the Group during the year ended 31 December 2021 ("CGU 1"), i.Link Group Limited ("i.Link") acquired by the Group during the year ended 31 December 2020 ("CGU 2"), and into23 Limited ("into23") acquired by the Group during the year ended 31 December 2023 ("CGU 3").

The management performed impairment review for the goodwill.

(a) CGU 1
During the year ended 31 December 2023, the recoverable amount of the CGU 1 has been determined based on value-in-use calculation using the cash flow forecast derived from the most recent financial budgets and estimated future cash flows covering a 5-year period as approved by management and using a pre-tax discount rate of 14.1%. During the year ended 31 December 2023, the CGU 1's cash flows beyond the 5-year period are extrapolated at 3% average growth rate. Revenue growth rate are based on the directors' best estimate on the average growth rate of the industry. The key assumptions for the value-in-use calculation are those regarding the discount rates, the budgeted revenue and budgeted expenses during the forecasting periods, which are determined by the management based on the past performance and management's expectations for the market development. During the year ended 31 December 2023, the recoverable amount of the CGU 1 was assessed to be less than the carrying amount due to the challenges and uncertainties resulting from the business environment. The directors of the Company have consequently determined the impairment of goodwill related to CGU 1 amounted to approximately HK$124,000. The impairment loss has been included in other loss in the consolidated statement of profit or loss and other comprehensive income.

(b) CGU 2
During the year ended 31 December 2023, the recoverable amount of the CGU 2 has been determined based on value-in-use calculation using the cash flow forecast derived from the most recent financial budgets and estimated future cash flows covering a 5-year period as approved by management and using a pre-tax discount rate of 17.4%. During the year ended 31 December 2023, the CGU 2's cash flows beyond the 5-year period are extrapolated at 3% average growth rate. Revenue growth rate are based on the directors' best estimate on the average growth rate of the industry. The key assumptions for the value-in-use calculation are those regarding the discount rates, the budgeted revenue and budgeted expenses during the forecasting periods, which are determined by the management based on the past performance and management's expectations for the market development. During the year ended 31 December 2023, the recoverable amount of the CGU 2 was assessed to be less than the carrying amount due to the challenges and uncertainties resulting from the business environment. The directors of the Company have consequently determined the impairment of goodwill related to CGU 2 amounted to approximately HK$3,307,000. The impairment loss has been included in other loss in the consolidated statement of profit or loss and other comprehensive income.

16. INTANGIBLE ASSETS (CONTINUED)

Notes: (continued)

(c) CGU 3
During the year ended 31 December 2024, the recoverable amount of the CGU 3 has been determined based on value-in-use calculation using the cash flow forecast derived from the most recent financial budgets and estimated future cash flows covering a 5-year period as approved by management and using a pre-tax discount rate of 15.2% (2023: 16.9%). During the year ended 31 December 2024, the CGU 3's cash flows beyond the 5-year period are extrapolated at 2.4% (2023: 3.0%) average growth rate. Revenue growth rate are based on the directors' best estimate on the average growth rate of the industry. The key assumptions for the value-in-use calculation are those regarding the discount rates, the budgeted revenue and budgeted expenses during the forecasting periods, which are determined by the management based on the past performance and management's expectations for the market development. During the year ended 31 December 2024, the recoverable amount of the CGU 3 was assessed to be less than the carrying amount due to the challenges and uncertainties resulting from the business environment. The directors of the Company have consequently determined the impairment of goodwill related to CGU 3 amounted to approximately HK$3,146,000 (2023: No impairment loss was recognised in respect of goodwill allocated to this CGU 3 for the year ended 31 December 2023 as the recoverable amount to this CGU 3 exceeded its carrying amount.). The impairment loss has been included in other loss in the consolidated statement of profit or loss and other comprehensive income.

(ii) Computer software have finite useful lives and are amortised on a straight-line basis at $33^{1/3}$% per annum.

17. INTEREST IN AN ASSOCIATE

	2024	2023
	HK$'000	*HK$'000*
Cost of unlisted investment in an associate	-	8,934
Share of post-acquisition profit and other comprehensive income	-	78
Disposal of an associate	-	(9,012)
	-	–

In the prior year, the Group held a 22.85% interest in Wordbee S.A. ("Wordbee") and accounted for the investment as an associate. The Group had representation in the board of directors of Wordbee and participation right in decision making process. Therefore, the Group was able to exercise significant influence over Wordbee and accounted for it as an associate. In October 2023, the Group disposed all of the 22.85% interest in Wordbee to a third party for proceeds of approximately HK$15,253,000. This transaction has resulted in the recognition of a gain in profit or loss, calculated as follows.

	2023
	HK$'000
Proceeds of disposal *(Note (a))*	15,253
Less: carrying amount of the 22.85% investment on the date of loss of significant influence	(9,012)
Plus: reclassification of cumulative translation reserve upon disposal of an associate	147
Gain on disposal of an associate recognised	6,388

17. INTEREST IN AN ASSOCIATE (CONTINUED)

Note:

(a) Based on the sale and purchase agreement, the purchaser is required to pay the additional consideration (the 'Earn-out Consideration") in cash to the Group and other vendors (collectively, the "Vendors") to be determined based on revenue collected by the Wordbee after each of the twelve quarters following the completion of the disposal (the "Earn-out Period").

Subject to the fulfilment of the certain clauses stated in the sale and purchase agreement, the Earn-out Consideration shall be determined and become payable with reference to the following provisions:

The purchaser will pay or cause to be paid to the Vendors a percentage of the Wordbee collected revenue (the "Revenue Earn-out") calculated as follows:

(i) 24% of all revenue actually collected by the Wordbee until such time as the total Revenue Earn-out received by the Vendors is €2,300,000 (equivalent to approximately HK$19,837,000);

(ii) 9% of all revenue actually collected by the Wordbee following such time as the total Revenue Earn-out received by the Vendors exceeds €2,300,000 (equivalent to approximately HK$19,837,000); and

(iii) 4.5% of all revenue actually collected by purchaser, or any of its affiliate(s), on any referrals from the Vendors or any of the companies of the Wordbee's group or Wordbee's subsidiaries to such entity (the "Referral"), provided that to be entitled to a Referral the Vendors or the company (as applicable) actively arranges a meeting with such prospect; provided further that such Referral amount is subject to sales commission rules of the relevant entity of the purchaser or any of its affiliate(s) and shall not be payable in the event any representative of the purchaser or any of its affiliate(s) has a then-current relationship with such potential client, which means having an existing contact or has made outreach to such prospect within 1 year of the date of such Referral, in the following proportions:

86.9565% of the Revenue Earn-out (regardless of the source of any Referral paid under subsection (iii) above) shall be paid to the Vendors.

The above Earn-out Consideration will be received by the Group based on the pro rata of the 22.85% disposed interest in Wordbee, and the total consideration including the initial consideration already received by the Group and the pro rata portion of the Earn-out Consideration is subject to a maximum cap of €3,000,000 (equivalent to approximately HK$25,874,000). The management determines that the future Earn-out Consideration receivable was minimal for the years ended 31 December 2024 and 2023.

The following table illustrates the aggregate financial information of the Group's and the Company's associate:

	2023 *HK$'000*
Profit for the year of an associate	263
Share of profit of an associate for the year	60

18. INTEREST IN A JOINT VENTURE

	2024 *HK$'000*	2023 *HK$'000*
Cost of unlisted investment in a joint venture	-	1,102
Share of post-acquisition profit and other comprehensive income	-	296
Disposal of a joint venture	-	(1,398)
	-	–

In the prior year, the Group held a 50% interest in Kinetic Intelligence Translation Company Limited ("Kinetic") and accounted for the investment as a joint venture. In June 2023, the Group disposed all of the 50% interest in Kinetic to a third party for proceeds of approximately HK$1,200,000. This transaction has resulted in the recognition of a loss in profit or loss, calculated as follows.

	2023 *HK$'000*
Proceeds of disposal	1,200
Less: carrying amount of the interest in a joint venture on the date of disposal	(1,398)
Loss on disposal of a joint venture recognised	(198)

The following table illustrates the aggregate financial information of the Group's and the Company's joint venture that are not individually material:

	2023 *HK$'000*
Profit for the year of a joint venture	593
Share of profit of a joint venture for the year	296

19. CONTRACT ASSETS AND CONTRACT LIABILITIES

	2024	2023
	HK$'000	*HK$'000*
Contract assets	**4,158**	3,354
Less: Provision for impairment loss	**-**	–
Contract assets – net	**4,158**	3,354
Contract liabilities	**8,814**	19,437

The contract assets primarily relate to the Group's rights to consideration for completion of financial printing services, marketing collateral printing services and other services but not yet billed under the relevant contracts at the reporting date. The contract liabilities primarily relate to the advanced consideration received from customers. The contract assets are transferred to trade receivables when the rights become unconditional. Remaining rights and performance obligations in a particular contract is accounted for and presented on a net basis, as either a contract asset or a contract liability.

There was no retention held by customers on services contracts at the end of each reporting period.

For the years ended 31 December 2024 and 2023, the Group applies the simplified approach to provide for ECL prescribed by HKFRS 9. The counterparties are grouped based on shared credit risk characteristics. No provision was made against the gross amounts of contract assets.

19. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)

Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current year relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in prior periods.

	2024	2023
	HK$'000	*HK$'000*
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**19,437**	5,051

Typical payment terms which impact on the amount of contract liabilities recognised are as follow:

When the Group receives a deposit before services is rendered, this will give rise to contract liabilities at the beginning of a contract, until the revenue recognised on the relevant contract exceeds the amount of the deposit.

The decrease in contract liabilities was mainly due to the decrease in short-term advances received in relation to the provision of integrated printing services (included provision of financial printing services, marketing collateral printing services and other services).

20. TRADE AND OTHER RECEIVABLES

	2024	2023
	HK$'000	*HK$'000*
Trade receivables	**22,382**	26,926
Less: Provision for impairment losses	**(870)**	(681)
	21,512	26,245
Other receivables and prepayments	**6,363**	8,897
	27,875	35,142

20. TRADE AND OTHER RECEIVABLES (CONTINUED)

The following is an aged analysis of trade receivables presented based on the invoice date:

	2024 HK$'000	2023 HK$'000
0 – 30 days	**13,184**	15,431
31 – 60 days	**2,068**	4,616
61 – 90 days	**1,053**	1,188
91 – 365 days	**5,195**	5,462
Over 365 days	**882**	229
	22,382	26,926

The credit terms granted to customers are varied and are generally the result of negotiations between individual customers and the Group. The credit period was ranging from 30 days to 90 days (2023: 30 days to 90 days).

The management closely monitors the credit quality of trade receivables and considers the trade receivables that are neither past due nor impaired to be of a good credit quality. As at 31 December 2024, included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately HK$9,182,000 (2023: approximately HK$10,691,000) which are past due as at the reporting date. These relate to a number of independent customers for whom there is no significant financial difficulty and based on past experience, the overdue amounts can be recovered.

Impairment assessment on trade receivables subject to ECL model

The Group applies the simplified approach to provide for ECL prescribed by HKFRS 9. The debtors are grouped based on shared credit risk characteristics. For the year ended 31 December 2024, additional provision of approximately HK$413,000 (2023: approximately HK$371,000) was made against the gross amounts of trade receivables.

Details of impairment assessment of trade and other receivables for the years ended 31 December 2024 and 2023 are set out in Note 32.

21. CASH AND BANK BALANCES

Cash and bank balances comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. Bank balances earn interest at floating rates based on daily bank deposit rates.

Included in the Group's bank balances and deposits, approximately HK$1,271,000 (2023: approximately HK$4,773,000) were denominated in Renminbi ("RMB") and deposited in the PRC. The conversion of these RMB denominated balances into foreign currencies and the remittance of funds out of the PRC is subject to the rules and regulations of foreign exchange control promulgated by the government of the PRC.

22. TRADE AND OTHER PAYABLES

	2024	2023
	HK$'000	*HK$'000*
Trade payables	**10,014**	12,822
Other payables and accruals	**11,587**	10,923
Provision for long service payment	**539**	–
	22,140	23,745

The trade payables are non-interest bearing. The credit period was ranging from 30 days to 90 days (2023: 30 days to 90 days). The following is an aged analysis of trade payables presented based on the invoice date:

	2024	2023
	HK$'000	*HK$'000*
0 – 30 days	**7,176**	6,054
31 – 60 days	**1,427**	2,304
61 – 90 days	**883**	3,228
91 – 365 days	**528**	1,034
Over 365 days	**-**	202
	10,014	12,822

23. BANK BORROWINGS

	2024 HK$'000	2023 HK$'000
Bank loans	**850**	1,065

	2024 HK$'000	2023 HK$'000
The carrying amounts of above borrowings that contain a repayment on demand clause (shown under current liabilities) but repayable:		
Within one year	**234**	212
Within a period of more than one year but not exceeding two years	**253**	230
Within a period of more than two years but not exceeding five years	**363**	623
	850	1,065

During the financial year ended 31 December 2023, the Group entered into a loan agreement with a local bank wherein the latter will provide the Group with a credit facility with aggregate principal amount of HK$1,200,000. The loan shall be for a term of 5 years from the date of initial borrowing, with interest of 1.75% per annum over Prime Rate quoted by the bank. Payment shall be in 60 monthly instalments on each principal repayment date commencing at the end of the first month from the date of initial borrowing. The Group's bank loans are guaranteed by the Hong Kong Mortgage Corporation Insurance Limited amounting to HK$1,080,000 and personal guarantee by the director of the subsidiary, with unlimited amount.

24. LEASE LIABILITIES

	2024 HK$'000	2023 HK$'000
Current	**4,238**	6,088
Non-current	**12,922**	422
	17,160	6,510
Lease liabilities payable:		
Within one year	**4,238**	6,088
More than one year but not exceeding two years	**3,631**	237
More than two years but not exceeding five years	**9,291**	185
	17,160	6,510
Less: Amount due for settlement with 12 months shown under current liabilities	**(4,238)**	(6,088)
Amount due for settlement after 12 months shown under non-current labilities	**12,922**	422

The incremental borrowing rates applied to lease liabilities range from 1.98% to 6% (2023: 1.98% to 6%).

25. DEFERRED TAXATION

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2024 ***HK$'000***	2023 *HK$'000*
Deferred tax assets	-	23
Deferred tax liabilities	-	(290)
	-	(267)

The following are the deferred tax assets and liabilities recognised and movements thereon during the current and prior years:

	Provision for loss allowance on trade receivables *HK$'000*	Accelerated tax depreciation *HK$'000*	Right-of-use assets *HK$'000*	Lease liabilities *HK$'000*	Total *HK$'000*
At 1 January 2023	7	284	(387)	387	291
Charged/(credited) to profit or loss *(Note 8)*	23	(47)	278	(278)	(24)
At 31 December 2023 and 1 January 2024	30	237	(109)	109	267
(Credited)/charged to profit or loss *(Note 8)*	(30)	(237)	(83)	83	(267)
At 31 December 2024	**-**	**-**	**(192)**	**192**	**-**

At the end of the reporting period, the Group has estimated unused tax losses of approximately HK$17,592,000 (2023: HK$6,774,000) available for offsetting against future profits. No deferred tax asset has been recognised in respect of these estimated unused tax losses due to unpredictability of future profit streams. The losses may be carried forward indefinitely.

26. SHARE CAPITAL

Details of movements of authorised and issued share capital of the Company during the year ended 31 December 2024 are as follows:

	Number of ordinary shares	HK$
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 January 2023, 31 December 2023,1 January 2024 and 31 December 2024	**5,000,000,000**	**50,000,000**
Issued and fully paid:		
At 1 January 2023	400,000,000	4,000,000
Issue of shares for the share award scheme *(Note 28)*	21,415,000	214,150
At 31 December 2023, 1 January 2024 and 31 December 2024	**421,415,000**	**4,214,150**

	HK$'000
Shown on consolidated statement of financial position at 31 December 2024 and 2023	4,214

The Company issued 21,415,000 ordinary shares of HK$0.01 each on 18 May 2023 to 15 awardees under the share award scheme (the "Awardees"). The new shares issued were held on trust for the Awardees until the end of each vesting period which may differ among the Awardees and be transferred to the Awardees upon satisfaction of the relevant vesting condition under the share award scheme. The new shares rank pari passu with the existing shares in all respects.

27. RESERVES

The amount of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 60 of the consolidated financial statements.

28. SHARE-BASED PAYMENT TRANSACTIONS

Equity-settled share option scheme of the Company

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 15 December 2016 for the primary purpose of providing incentives to directors and eligible employees. Under the Scheme, the Board of Directors of the Company may grant options to eligible employees, including directors of the Group, to subscribe for shares in the Company.

At 31 December 2022, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 900,000, representing 0.22% of the shares of the Company in issue at that date. The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. All of the options granted and remained outstanding under the Scheme were lapsed on 15 March 2023.

Options granted must be taken up within 21 days of the date of offer, upon payment of HK$1 per grant. Options may be exercised at any time from twelve months or twenty-four months of the date of grant of the share option to a period to be notified by the Board to each grantee at the time of making such offer, which shall not expire later than 10 years from the date of grant. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of shares of the Company as stated in the daily quotation sheet of the Stock Exchange on the day of the offer of grant; (ii) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheet for the five trading days immediately preceding the day of the offer of the grant; and (iii) nominal value of shares of the Company.

The Scheme is valid for a period of 10 years commencing on the adoption date of 15 December 2016.

Details of specific categories of options are as follows:

	Date of grant	Vesting period	Exercisable period	Exercise price
Employees Batch 1	16 March 2018	16 March 2018 to 15 March 2019	16 March 2019 to 15 March 2022	HK$0.70
Employees Batch 2	16 March 2018	16 March 2018 to 15 March 2020	16 March 2020 to 15 March 2023	HK$0.70

28. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

Equity-settled share option scheme of the Company (continued)

The following table discloses the details and movements of the Company's share options held by eligible employees of the Group during the year ended 31 December 2023:

	Date of grant	Exercise period	Exercise price per share	Outstanding at 01/01/2023	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at 31/12/2023
Batch 2	16 March 2018	16/03/2020 – 15/03/2023	HK$0.70	900,000	–	–	(900,000)	–
	Exercisable at the end of the year			–				–
	Weighted average exercise price			HK$0.70	–	–	HK$0.70	–

The Group recognised the total expense of nil for the year ended 31 December 2023 in relation to share options granted by the Company.

28. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

Share award scheme of the Company

On 4 July 2022, the board of directors of the Company has adopted a share award scheme as a mean (i) to recognise the contributions by certain employees of the Group and to provide them with incentives in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group (the "Share Award Scheme"). Subject to any early termination as may be determined by the board of directors, the Share Award Scheme shall be valid and effective for a term of ten years commencing on the adoption date. The board of directors of the Company shall not make any further award of awarded shares which will result in the nominal value of the shares awarded by the board of directors of the Company under the Share Award Scheme exceeding 10% of the issued share capital of the Company from time to time. The maximum number of shares which may be awarded to a selected participant under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company from time to time.

The shares to be awarded under the Share Award Scheme (the "Awarded Shares") will either be acquired by the trustee of the Share Award Scheme (the "Trustee") from the open market or be new shares allotted and issued to the Trustee under general mandates granted by shareholders of the Company to the directors at general meetings of the Company from time to time. The Trustee will hold the Awarded Shares in trust for the awardees until such shares are vested with the awardees in accordance with the provisions of the Share Award Scheme. The Trustee shall not exercise the voting rights in respect of any shares held under the trust.

On 18 May 2023, the Group issued and allotted 21,415,000 new ordinary shares for Share Award Scheme to the Trustee. The total amount of the new issued and allotted shares was approximately HK$2,034,000 and has been deducted from equity and such shares were classified as shares held for share award scheme. As at 31 December 2024, there were 14,270,000 (2023: 21,415,000) ordinary shares held through the trustee of the Share Award Scheme.

28. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

Share award scheme of the Company (continued)

During the year ended 31 December 2023, 21,415,000 Awarded Shares were granted to selected participants pursuant to the Share Award Scheme. Details of the Awarded Shares under the Share Award Scheme during the years ended 31 December 2024 and 2023 are as follows:

Category	Date of grant	Vesting period	Outstanding at 01/01/2024	Granted during the year	Vested during the year	Lapsed during the year	Outstanding at 31/12/2024
Executive Director	1 April 2023	01/04/2023 – 31/03/2025	**4,000,000**	**–**	**(1,350,000)**	**–**	**2,650,000**
Employees	1 April 2023	01/04/2023 – 31/03/2025	**17,415,000**	**–**	**(5,795,000)**	**–**	**11,620,000**
			21,415,000	**–**	**(7,145,000)**	**–**	**14,270,000**

Category	Date of grant	Vesting period	Outstanding at 01/01/2023	Granted during the year	Vested during the year	Lapsed during the year	Outstanding at 31/12/2023
Executive Director	1 April 2023	01/04/2023 – 31/03/2025	–	4,000,000	–	–	4,000,000
Employees	1 April 2023	01/04/2023 – 31/03/2025	–	17,415,000	–	–	17,415,000
			–	21,415,000	–	–	21,415,000

The fair value of the Awarded Shares was based on the closing price per share at the date of grant.

The Group recognised an equity-settled share-based payments expense of approximately HK$1,019,000 (2023: approximately HK$765,000) for the Awarded Shares under the Share Award Scheme in profit or loss for the year ended 31 December 2024.

29. RETIREMENT BENEFIT PLANS

Defined contribution plans

The Group operates a Mandatory Provident Fund ("MPF") Scheme under rules and regulations of MPF Schemes Ordinance for all its employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees.

The employees of the Group's subsidiary in the PRC are members of a state-managed retirement benefit scheme operated by the government of the PRC. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

29. RETIREMENT BENEFIT PLANS (CONTINUED)

Defined contribution plans (continued)

As at 31 December 2024 and 2023, there were no forfeited contributions available to offset future employers' contributions to the schemes.

The total expense recognised in consolidated statement of profit or loss and other comprehensive income amounted to approximately of HK$3,686,000 (2023: approximately of HK$3,791,000) represents contributions paid to these plans by the Group at rates specified in the rules of the plans. There were no outstanding contribution as at 31 December 2024 and 2023.

Obligation to pay LSP under Hong Kong Employment Ordinance (Chapter 57)

For the Group's subsidiaries operating in Hong Kong, pursuant to the Employment Ordinance, Chapter 57, the Group has the obligation to pay LSP to qualifying employees in Hong Kong under certain circumstances (e.g. dismissal by employers or upon retirement), subject to a minimum of 5 years employment period, based on the following formula:

Last monthly wages (before termination of employment) × 2/3 × Years of service

Last monthly wages are capped at HK$22,500 while the amount of long service payment shall not exceed HK$390,000. This obligation is accounted for as a post-employment defined benefit plan.

Furthermore, the Mandatory Provident Fund Schemes Ordinance passed in 1995 permits the Group to utilise the Group's mandatory MPF contributions, plus/minus any positive/negative returns thereof, for the purpose of offsetting LSP payable to an employee (the "Offsetting Arrangement').

The Amendment Ordinance was gazetted on 17 June 2022, which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset the LSP. The Abolition will officially take effect on the Transition Date (i.e., 1 May 2025). Separately, the Government of the HKSAR is also expected to introduce a subsidy scheme to assist employers for a period of 25 years after the Transition Date on the LSP payable by employers up to a certain amount per employee per year.

Under the Amendment Ordinance, the Group's mandatory MPF contributions, plus/minus any positive/negative returns, after the Transition Date can continue to be applied to offset the pre-Transition Date LSP obligation but are not eligible to offset the post-Transition Date LSP obligation. Furthermore, the LSP obligation before the Transition Date will be grandfathered and calculated based on the Last monthly wages immediately preceding the Transition Date and the years of service up to that date. The Amendment Ordinance does not have material impact for the Group for the prior periods and current year.

30. ACQUISITION OF A SUBSIDIARY

Acquisition of into23 Limited

In May 2023, the Group entered into a sale and purchase agreement with a third party to acquire 51% of the issued share capital of into23 Limited ("into23"). into23 is principally engaged in provision of translation services. The acquisition has been accounted for as acquisition of business using the acquisition method.

Consideration transferred

	2023 *HK$'000*
Cash	3,188
Contingent consideration arrangement *(Note)*	–
Total	3,188

Note:

Based on the sale and purchase agreement, the Group is required to pay an additional amount of approximately HK$3,188,000 if the amount of the audited profit after tax of into23 for the period of one year from the completion date shall be no less than HK$2,500,000 (the "Net Profit 2024" or (as the case may be) "Net Loss 2024").

The approximately HK$3,188,000 payable shall be adjusted in the following manner (the "Remaining Part of Consideration"): If the Net Profit 2024 was less than HK$2,500,000, the Remaining Part of Consideration is subjected to downward adjustment by: the Remaining Part of Consideration = approximately HK$3,188,000 x (Net Profit 2024/HK$2,500,000). In the case of Net Loss 2024, the Remaining Part of Consideration shall be zero. In any event, the total consideration for the acquisition of into23 shall not exceed HK$6,375,000.

The estimated fair value of this obligation is nil (2023: nil). The fair value of such contingent arrangement amounted to nil as at the end of both reporting periods. The contingent consideration payables represent the fair value of the obligation for the consideration payable in accordance with a sale and purchase agreement and are estimated by independent professional valuers. During the year ended 31 December 2023, the fair value of the contingent consideration payables was estimated by applying income approach at a discount rate of 16%.

Acquisition-related costs amounting to approximately HK$40,000 have been excluded from the consolidated transferred and have been recognised as an expense in the year ended 31 December 2023, within the administrative expenses line item in the consolidated statement of profit or loss and other comprehensive income.

30. ACQUISITION OF A SUBSIDIARY (CONTINUED)

Assets acquired and liabilities recognised at the date of acquisition

	2023 *HK$'000*
Current assets	
Trade and other receivables	581
Cash and bank balances	1,281
Current liabilities	
Trade and other payables	(24)
Bank borrowings	(1,200)
Current tax liabilities	(556)
Net assets	82

The receivables acquired (which principally comprised trade receivables) with a fair value of approximately HK$581,000 at the date of acquisition had gross contractual amounts of approximately HK$581,000. The best estimate at acquisition date of the contractual cash flows not expected to be collected amounted to nil.

Non-controlling interests

The non-controlling interests (49%) in into23 recognised at the acquisition date was measured by reference to the proportionate share of recognised amounts of net assets of into23 and amounted to approximately HK$40,000.

Goodwill arising on acquisition

	2023 *HK$'000*
Consideration transferred	3,188
Plus: non-controlling interests (49% in into23)	40
Less: recognised amounts of net assets acquired	(82)
Goodwill arising on acquisition *(Note 16)*	3,146

Goodwill arose in the acquisition of into23 because the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies of into23. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

30. ACQUISITION OF A SUBSIDIARY (CONTINUED)

Net cash outflow on acquisition of into23

	2023 *HK$'000*
Cash consideration paid	3,188
Less: cash and cash equivalents acquired	(1,281)
Net cash outflow	1,907

Impact of acquisition on the results of the Group

During the year ended 31 December 2023, included in the profit for the year was loss of approximately HK$211,000 attributable to the additional business generated by into23. Revenue for the year includes approximately HK$3,684,000 generated from into23.

Had the acquisition been completed on 1 January 2023, revenue for the year of the Group would have been approximately HK$179,852,000, and profit for the year ended 31 December 2023 of the Group would have been approximately HK$9,289,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2023, nor is it intended to be a projection of future results.

31. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to owners through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2024.

The capital structure of the Group consists of net debt (which includes bank borrowings and lease liabilities disclosed in Notes 23 and 24), net of cash and cash equivalents and equity attributable to owners of the Company (comprising share capital, reserves and retained earnings).

31. CAPITAL MANAGEMENT (CONTINUED)

Adjusted debt-to-equity ratio

Management of the Group reviews the capital structure regularly taking into account the cost of capital and the risk associated with the capital. The Group will balance its overall capital structure through the issuance of new shares, raise of borrowings or repayment of the existing borrowings.

The adjusted debt-to-equity ratios at the end of each of the reporting period were as follows:

	2024 HK$'000	2023 HK$'000
Debts *(Note (i))*	**18,010**	7,575
Less: cash and bank balances	**(64,603)**	(90,576)
Net debt	**(46,593)**	(83,001)
Equity *(Note (ii))*	**76,734**	91,861
Adjusted debt-to-equity ratio	**N/A**	N/A

Notes:

(i) Debt comprises bank borrowings and lease liabilities as detailed in Notes 23 and 24.

(ii) Equity includes all capital and reserves attributable to owners of the Company.

32. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2024 HK$'000	2023 HK$'000
Financial assets		
Financial assets at amortised cost		
Trade and other receivables	**24,603**	31,668
Cash and bank balances	**64,603**	90,576
	89,206	122,244

32. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (continued)

	2024 *HK$'000*	2023 *HK$'000*
Financial liabilities		
Financial liabilities at amortised cost		
Trade and other payables	**22,140**	23,745
Bank borrowings	**850**	1,065
Lease liabilities	**17,160**	6,510
	40,150	31,320

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, cash and bank balances, trade and other payables, bank borrowings and lease liabilities. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk), credit risk and liquidity risk. The management has been monitoring these risk exposures to ensure appropriate measures are implemented in a timely and effective manner so as to mitigate or reduce such risks.

There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks during both years.

Foreign currency risk management

As the assets and liabilities of the Group are mainly denominated in HK$ as at 31 December 2024 and 2023, the management does not expect significant foreign currency exposure in relation to the exchange rate fluctuation between HK$ and other currencies and the Group's income and operating cash flows are substantially independent of changes in foreign currency exchange.

The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exposure and will consider hedging significant foreign exchange exposure should the need arises.

32. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Interest rate risk management

The Group is exposed to fair value interest rate risk in relation to bank borrowings and fixed-rate lease liabilities. The Group is not exposed to significant cash flow interest rate risk. The Group currently does not have interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

The Group's exposures to interest rates risk on financial liabilities are detailed in the liquidity risk management section of this note.

Credit risk management

The Group's credit risk is primarily attributable to trade and other receivables, contract assets and bank balances. The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties provided by the Group is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position at the end of each of the reporting period.

In order to minimise the credit risk on trade receivables and contract assets, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The credit quality of the debtors is assessed based on their financial position, past experiences and other factors. The Group has policies in place to ensure credit terms are granted to reliable debtors. In addition, the Group reviews the recoverable amount of each individual trade debt by weekly basis and debt instrument at the end of each of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the management of the Group considers that the credit risk is significantly reduced.

For other receivables, management of the Group makes periodic collective as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. The management of the Group believes that there is no material credit risk inherent in the Group's outstanding balances of other receivables.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies or with good reputation.

The Group is also subject to concentration of credit risk arising from its trade receivables as 9% (2023: 22%) of these receivables are due from the Group's largest five customers as at 31 December 2024.

32. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Credit risk management (continued)

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

Impairment of financial assets

The Group's trade receivables are subject to the expected credit loss model.

While bank balances, other receivables and deposits and contract assets are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

Trade receivables

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected credit loss rates are based on the payment profiles of trade receivables over a period of 24 months before 31 December 2024 or 31 December 2023 respectively and the corresponding historical credit losses experienced within this period. The historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified payment pattern, creditworthiness, the past collection history of each customer, the probability of insolvency or significant financial difficulties of the counterparty and default or significant delay in payments to be most relevant factors, and accordingly adjusts the historical credit loss rates based on expected changes in these factors.

32. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Credit risk management (continued)

Impairment of financial assets (continued)

Trade receivables (continued)

On that basis, the loss allowance as at 31 December 2024 and 2023 for trade receivables was determined as follows:

	Within 30 days	Over 31 days and within 60 days	Over 61 days and within 90 days	Over 91 days and within 365 days	Over 365 days	Total
Trade receivables						
As at 31 December 2024						
Weighted average expected credit loss rate	**1.1%**	**2.0%**	**1.8%**	**3.9%**	**100.0%**	
Gross carrying amount *(HK$'000)*	**15,261**	**1,049**	**1,529**	**4,051**	**492**	**22,382**
Loss allowance provision *(HK$'000)*	**173**	**21**	**27**	**157**	**492**	**870**

	Within 30 days	Over 31 days and within 60 days	Over 61 days and within 90 days	Over 91 days and within 365 days	Over 365 days	Total
Trade receivables						
As at 31 December 2023						
Weighted average expected credit loss rate	0.2%	1.9%	3.2%	8.5%	100.0%	
Gross carrying amount *(HK$'000)*	20,229	1,195	1,012	4,266	224	26,926
Loss allowance provision *(HK$'000)*	40	23	32	362	224	681

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engages in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 365 days past due. Impairment losses on trade receivables are presented in administrative expenses in the consolidated statement of profit or loss and other comprehensive income. Subsequent recoveries of amounts previously written off are credited against the same line item.

32. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Credit risk management (continued)

Impairment of financial assets (continued)

Trade receivables (continued)

The movement in lifetime ECL that has been recognised for trade receivables is as follow:

	Trade receivables Life-time ECL (not credit-impaired) *HK$'000*	Trade receivables Life-time ECL (credit-impaired) *HK$'000*	Total *HK$'000*
As at 1 January 2023	301	9	310
Changes due to financial instruments recognised as at 1 January 2023:			
Transfer to credit-impaired	(9)	9	-
Impairment reversed	(292)	(9)	(301)
Impairment recognised	-	215	215
New financial assets originated or purchases	457	-	457
As at 31 December 2023 and 1 January 2024	**457**	**224**	**681**
Changes due to financial instruments recognised as at 1 January 2024:			
Transfer to credit-impaired	**(20)**	**20**	**-**
Impairment reversed	**(437)**	**-**	**(437)**
Impairment recognised	**-**	**472**	**472**
New financial assets originated or purchases	**378**	**-**	**378**
Written-off	**-**	**(224)**	**(224)**
As at 31 December 2024	**378**	**492**	**870**

Liquidity risk management

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents and banking facilities deemed adequate by management to finance the Group's operations and mitigate the effects of unexpected fluctuations in cash flows.

In addition, the Group had aggregate banking facilities of approximately HK$1,200,000 (2023: approximately HK$1,200,000) from a bank for a banking facility for the year ended 31 December 2024. Unused facilities as at 31 December 2024 is nil (2023: nil).

32. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Liquidity risk management (continued)

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are at floating rate, the undiscounted amount is derived from applicable interest rate at the end of each of the reporting period.

	On demand or less than 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total undiscounted cash flows	Total carrying amounts
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 31 December 2024					
Trade and other payables	**22,140**	**-**	**-**	**22,140**	**22,140**
Bank borrowings	**850**	**-**	**-**	**850**	**850**
Leases liabilities	**5,094**	**4,265**	**9,895**	**19,254**	**17,160**
	28,084	**4,265**	**9,895**	**42,244**	**40,150**

	On demand or less than 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total undiscounted cash flows	Total carrying amounts
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 31 December 2023					
Trade and other payables	23,745	–	–	23,745	23,745
Bank borrowings	1,065	–	–	1,065	1,065
Leases liabilities	6,502	252	189	6,943	6,510
	31,312	252	189	31,753	31,320

The table below summarises the maturity analysis of borrowings with a repayment on demand clause based on agreed scheduled repayments set out in the loan agreements. The amounts include interest payments computed using contractual rates or if floating, based on the current rates at the period-end date. As a result, these amounts were greater than the amounts disclosed in the "on demand" time band in the maturity analysis contained in the above table.

32. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Liquidity risk management (continued)

The maturity analysis for the bank borrowings will be repaid in accordance with the scheduled repayment dates set out in the loan agreements without taking into account of repayment on demand clause.

	Maturity analysis – Bank borrowings and interest payable without taking into account of repayment on demand clause of certain bank borrowings, based on scheduled repayments			
	Within 1 year *HK$'000*	1 to 2 years *HK$'000*	2 to 5 years *HK$'000*	Total *HK$'000*
As at 31 December 2024	**288**	**288**	**384**	**960**
As at 31 December 2023	290	290	678	1,258

(c) Fair value measurements of financial instruments

At the end of each of the reporting period, the Group has no financial instruments measured at fair value subsequent to initial recognition on a recurring basis.

During the years ended 31 December 2024 and 2023, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

33. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank borrowings *HK$'000* *(Note 23)*	Lease liabilities *HK$'000* *(Note 24)*	Total *HK$'000*
At 1 January 2023	530	15,837	16,367
Finance costs	79	616	695
Financing cash outflows	(744)	(10,489)	(11,233)
Acquisition of a subsidiary	1,200	–	1,200
Gain on early termination of lease	–	(355)	(355)
New leases entered	–	905	905
Exchange adjustments	–	(4)	(4)
At 31 December 2023 and 1 January 2024	**1,065**	**6,510**	**7,575**
Finance costs	**75**	**886**	**961**
Financing cash outflows	**(290)**	**(8,431)**	**(8,721)**
New leases entered	**–**	**18,235**	**18,235**
Exchange adjustments	**–**	**(40)**	**(40)**
At 31 December 2024	**850**	**17,160**	**18,010**

(b) Major non-cash transaction

1) During the years ended 31 December 2024 and 2023, the Group entered into certain leases contracts, and the additions to right-of-use assets and lease liabilities related to these leases contracts are recognised as major non-cash transaction. For more details, please refer to Note 15.

2) During the years ended 31 December 2024 and 2023, the Group adopted the equity-settled share option scheme and share award scheme, which included as major non-cash transaction. For more details, please refer to Note 28.

34. SIGNIFICANT RELATED PARTY TRANSACTIONS

During the year, the Group entered into the following significant related party transactions:

(i) The Group entered into the following significant related party transactions with related parties based on the terms mutually agreed by both parties during the reporting period:

Name of related party	Nature of transaction	2024 *HK$'000*	2023 *HK$'000*
Kinetic	Translation cost	-	2,297

(ii) Compensation of key management personnel

The directors of the Company are identified as key management personnel of the Group and the remuneration of key management during the reporting period is set out in Note 10.

35. PLEDGE OF ASSETS

At the end of each of the reporting period, the Group did not have any assets being pledged to secure general banking facilities.

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31 December 2024 are set out as follows:

Name of company	Place of incorporation and kind of legal entity	Issued and fully paid share capital	Percentage of equity attributable to the Company		Principal activities and place of operation
			2024	2023	
HM Services	Hong Kong, limited liability company	Ordinary shares HK$10,000	**100% (indirect)**	100% (indirect)	Provision of integrated printing services in Hong Kong
HM Too	Hong Kong, limited liability company	Ordinary share HK$1	**100% (indirect)**	100% (indirect)	Provision of commercial printing services in Hong Kong
HM Too (Asia) Limited	Hong Kong, limited liability company	Ordinary shares HK$10,000	**100% (indirect)**	100% (indirect)	Provision of procurement services to the Group in Hong Kong
HM Language Services Limited	Hong Kong, limited liability company	Ordinary shares HK$100,000	**100% (indirect)**	100% (indirect)	Provision of translation services in Hong Kong
軒達資訊服務(北京)有限公司 (HM (Beijing) Limited*)	PRC, limited liability company	Registered capital RMB100,000	**100% (indirect)**	100% (indirect)	Provision of integrated printing services in the PRC
i.Link	Hong Kong, limited liability company	Ordinary shares HK$5,000	**70% (indirect)**	70% (indirect)	Provision of financial printing services in Hong Kong

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Particulars of the Company's principal subsidiaries as at 31 December 2024 are set out as follows:

Name of company	Place of incorporation and kind of legal entity	Issued and fully paid share capital	Percentage of equity attributable to the Company		Principal activities and place of operation
			2024	2023	
Talesis Limited	Hong Kong, limited liability company	Ordinary shares HK$10,000	**55% (indirect)**	55% (indirect)	Provision of IT services in Hong Kong
into23	Hong Kong, limited liability company	Ordinary shares HK$1,615,000	**51% (indirect)**	51% (indirect)	Provision of translation services in Hong Kong

*	English translation of the name of a Chinese company is provided for identification purpose only.

The above table lists the subsidiaries of the Group which, in the opinion of the directors, principally affect the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length. All these subsidiaries are private limited companies.

The table below shows details of non-wholly-owned subsidiary of the Group that has material non-controlling interest:

Name of company	Place of incorporation and kind of legal entity	Issued and fully paid share capital	Percentage of equity attributable to the Company		Principal activities and place of operation
			2024	2023	
i. Link	Hong Kong, limited liability company	Ordinary shares HK$5,000	**70%**	70%	Provision of financial printing in Hong Kong

The non-controlling interests in respect of the other non-wholly-owned subsidiaries are not material for both years.

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Summarised financial information on subsidiary with material non-controlling interests

Summarised financial information in respect of the Group's subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Summarised statement of financial position

	2024	2023
	HK$'000	*HK$'000*
Current assets	**10,961**	11,317
Non-current assets	**195**	1,716
Current liabilities	**(14,201)**	(19,227)
Non-current liabilities	**-**	–
Net liabilities	**(3,045)**	(6,194)

Summarised statement of profit or loss and other comprehensive income

	2024	2023
	HK$'000	*HK$'000*
Revenue	**39,523**	44,509
Profit for the year	**3,150**	3,610
Other comprehensive income for the year	**-**	–
Total comprehensive income for the year	**3,150**	3,610
Total comprehensive income allocated to non-controlling interest	**945**	1,083

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Summarised financial information on subsidiary with material non-controlling interests (continued)

Summarised statement of cash flows

	2024	2023
	HK$'000	*HK$'000*
Net cash inflow from operating activities	**221**	3,731
Net cash inflow from investing activities	**9**	1,208
Net cash outflow from financing activities	**(1,374)**	(2,425)
Net cash (outflow)/inflow	**(1,144)**	2,514

The information above is the amount before inter-company eliminations.

None of the subsidiaries had issued any listed securities at the end of the reporting period.

37. EVENTS AFTER THE END OF THE REPORTING PERIOD

Except as disclosed elsewhere in these consolidated financial statements, the Group has no significant event after the end of the reporting period up to the date of this report.

38. CAPITAL COMMITMENTS

The Group did not have any significant capital commitment as of 31 December 2024 (31 December 2023: Nil).

39. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2024 were approved for issue by the Board of Directors on 17 March 2025.

40. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2024 HK$'000	2023 HK$'000
Non-current asset		
Investment in a subsidiary	**23,917**	23,917
Current assets		
Prepayments	**441**	251
Amounts due from subsidiaries	**23,965**	24,229
Cash and bank balances	**2,168**	9,270
	26,574	33,750
Total assets	**50,491**	57,667
Current liabilities		
Trade and other payables	**290**	268
Amount due to a subsidiary	**208**	–
	498	268
Net current assets	**26,076**	33,482
Net assets	**49,993**	57,399
Capital and reserves		
Equity attributable to owners of the Company		
Share capital	**4,214**	4,214
Reserves	**45,779**	53,185
Total equity	**49,993**	57,399

The Company's statement of financial position was approved and authorised for issue by the Board of Directors on 17 March 2025 and are signed on its behalf by:

Mr. Yu Chi Ming
Director

Mr. Chan Wai Lin
Director

40. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

Movement in the Company's reserves

	Share premium *HK$'000*	Shares held under the share award scheme *HK$'000*	Special reserve *HK$'000* *(Note)*	Share option reserve *HK$'000*	Share award reserve *HK$'000*	Accumulated losses *HK$'000*	Total *HK$'000*
At 1 January 2023	36,009	–	23,917	211	–	(545)	59,592
Loss for the year	–	–	–	–	–	(637)	(637)
Total comprehensive income for the year	–	–	–	–	–	–	–
Loss and total comprehensive expense for the year	–	–	–	–	–	(637)	(637)
Issue of shares for the share award scheme	1,820	(2,034)	–	–	–	–	(214)
Equity-settled share award scheme	–	–	–	–	765	–	765
Lapse of share options *(Note 28)*	–	–	–	(211)	–	211	–
Dividend paid	(6,321)	–	–	–	–	–	(6,321)
At 31 December 2023 and 1 January 2024	**31,508**	**(2,034)**	**23,917**	**–**	**765**	**(971)**	**53,185**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**3**	**3**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Loss and total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**3**	**3**
Equity-settled share award scheme	**–**	**–**	**–**	**–**	**1,019**	**–**	**1,019**
Vest of share award *(Note 28)*	**–**	**678**	**–**	**–**	**(678)**	**–**	**–**
Dividend paid	**(8,428)**	**–**	**–**	**–**	**–**	**–**	**(8,428)**
At 31 December 2024	**23,080**	**(1,356)**	**23,917**	**–**	**1,106**	**(968)**	**45,779**

Note: Special reserve represents the difference between the fair value of the shares of HM Immediate Holdings Limited acquired pursuant to the reorganisation in prior years over the nominal value of the Company's share issued in exchange therefore.

FINANCIAL SUMMARY

	Year ended 31 December				
	2024	2023	2022	2021	2020
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Results					
Revenue	**158,890**	178,624	190,286	172,804	119,519
Cost of sales	**(102,014)**	(115,867)	(121,749)	(108,942)	(75,924)
Gross profit	**56,876**	62,757	68,537	63,862	43,595
Other income and (losses)/gains - net	**(1,618)**	4,556	1,308	(1,863)	8,780
Selling expenses	**(10,472)**	(11,998)	(14,413)	(14,308)	(11,524)
Administrative expenses	**(53,890)**	(48,431)	(47,833)	(43,403)	(41,926)
Share of profit/(loss) of an associate	**–**	60	(535)	1,128	(502)
Share of profit of a joint venture	**–**	296	1,000	102	–
Finance costs	**(961)**	(695)	(696)	(1,684)	(3,117)
(Loss)/Profit before tax	**(10,065)**	6,545	7,368	3,834	(4,694)
Income tax credit/(expense)	**155**	(61)	(230)	86	(311)
(Loss)/Profit for the year	**(9,910)**	6,484	7,138	3,920	(5,005)
(Loss)/Profit for the year attributable to:					
Owners of the Company	**(7,720)**	6,265	7,103	3,884	(4,527)
Non-controlling interests	**(2,190)**	219	35	36	(478)
	(9,910)	6,484	7,138	3,920	(5,005)
Assets and Liabilities					
Total assets	**121,567**	141,149	133,196	127,399	128,782
Total liabilities	**49,039**	51,305	43,948	42,153	47,984
Total capital and reserves	**72,528**	89,844	89,248	85,246	80,798

The summary of the consolidated results and the assets, liabilities and non-controlling interests of the Group for the last five financial years as extracted from the published audited consolidated financial statements.

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