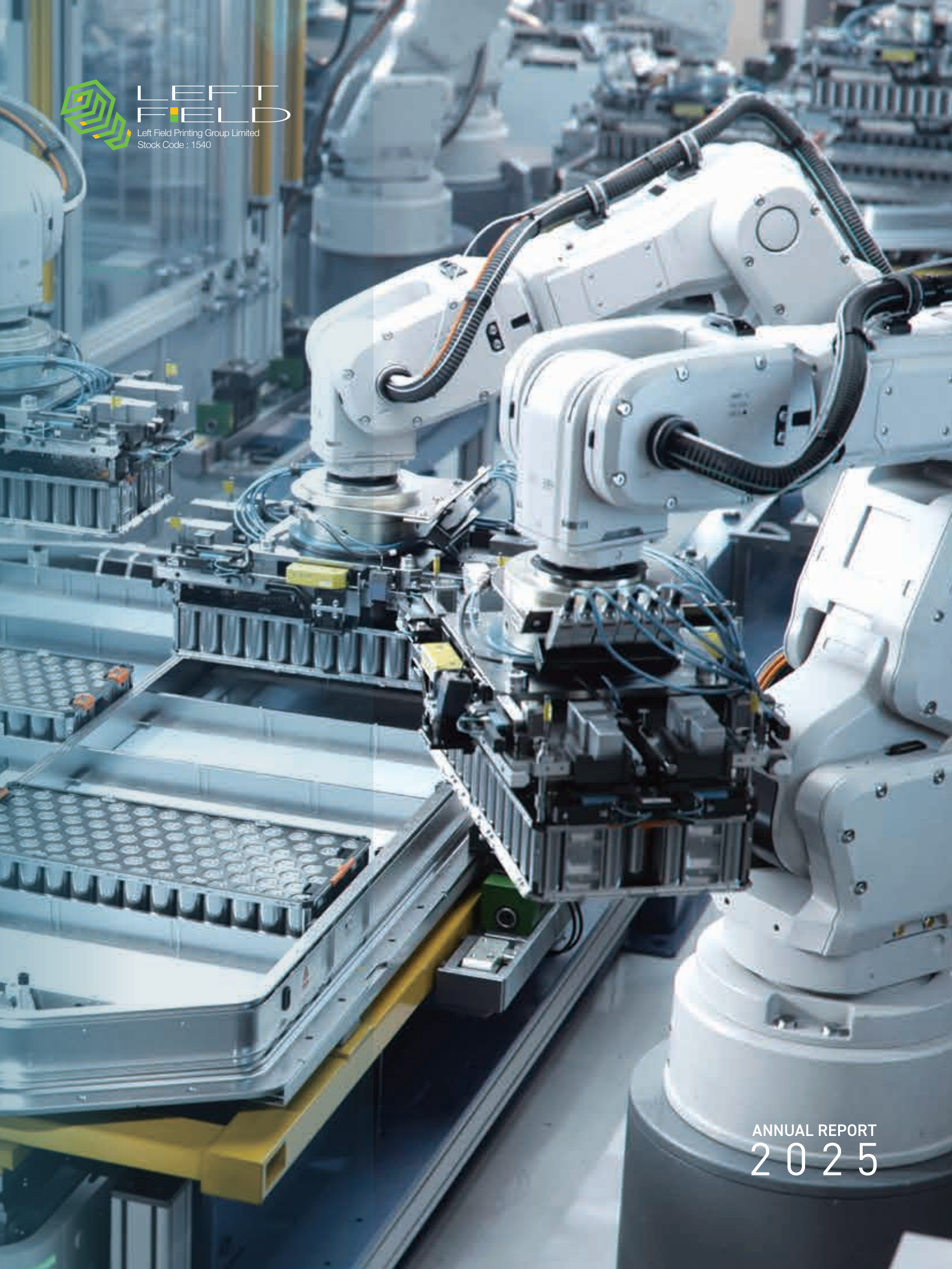




LEFT
FIELD

Left Field Printing Group Limited
Stock Code : 1540



ANNUAL REPORT
2025

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CHAIRMAN'S STATEMENT

Dear Fellow Shareholders,

The Group's 2025 revenue decreased by approximately 3.6% from HK\$525.6 million (equivalent to AUD102.8 million) in 2024 to HK\$506.9 million (equivalent to AUD103.0 million) in 2025 while net profit after tax decreased by 16.6% from HK\$34.2 million (equivalent to AUD6.7 million) to HK\$28.5 million (equivalent to AUD5.8 million).

The Australian book industry, according to NielsenIQ BookData, for the full year of 2025 was worth AUD1.3 billion, an increase of 3.2% compared to 2024. Sales by volume totalled 70 million books (1.4% increase on 2024) with an average selling price of AUD19.0, up by 1.8% compared to 2024. The top 3 growth categories in 2025 according to Nielsen were religion; children's and young adult nonfiction; and fiction-related items (including true stories and true crime).

For the Group in 2025, a combination of our read-for-pleasure clients adjusting print volumes between onshore and offshore production, weak government spending, and cost-driven supply chain decisions in the education and professional publishing sectors led to lower overall revenue. These factors, together with higher administrative and financing costs related to lease liabilities, resulted in a proportionately greater decline in net profit.

Operationally, our business in 2025 focused on operating with greater in-house capabilities (embellishment at Griffin and warehousing at Ligare) and strengthening the production collaboration within the Group to deliver quality, speed and value to our publishing clients. In a dampened macroeconomic environment with inflation a continuing threat to consumer demand for books, our management teams maintained strong control over purchasing decisions to align operating costs with shifting revenue.

Looking forward to 2026, given the ongoing conflicts in East Europe and the developing situation in the Middle East, as well as the changing geopolitical relationships instigated by the undertakings of Hegemon nations, the domestic market conditions are expected to remain fluid and uncertain.

Our management teams this year are expected to utilise the synergies built across complementary manufacturing sites to improve service offering and production workflow while maintaining strong control over costs. As the leading local book printing group, we will strive to lead this sector with our passion for books and remain thankful to our dedicated staff, supportive customers and collaborative suppliers who all work diligently to contribute positively to the Australian book industry.



RICHARD FRANCIS CELARC
Chairman
Hong Kong, 30 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Company is an investment holding company with its subsidiaries being principally engaged in the provision of printing solutions and services in Australia.

In 2025, our businesses weathered a dampened domestic spending economy with a lingering sense of uncertainty coming largely from the changing geopolitical landscape overseas. The Reserve Bank of Australia consistently commented on the uncertainty of global environment throughout 2025 in its monthly statements, underscoring the sentiments of many businesses that felt the softening of demand within the domestic market.

As a result, in 2025, the Group's revenue decreased by 3.6% to HK\$506.9 million in 2025 compared to prior year. Direct operating costs also declined by 3.4% to HK\$398.7 million and earnings before tax decreased by 16.3% to HK \$41.5 million compared to prior year.

PROSPECTS

Looking forward, the management team is cautious about trading conditions in 2026 given how improvements in the domestic macroeconomic environment will continue to be challenged by increasing uncertainties overseas. Management will continue to focus on leveraging operational synergies between our operating sites to maintain cost control and work closely with our customers to ensure we are well positioned to manage the challenges in 2026.

FINANCIAL REVIEW

Revenue

Revenue in 2025 was approximately HK\$506.9 million, representing a drop of approximately 3.6% from the previous year (2024: approximately HK\$525.6 million). Such decrease for the year ended 31 December 2025 was driven by the net result of revenue contribution from Marvel Printing Pty Ltd ("Marvel") amounted approximately HK\$16.5 million since acquisition on 16 May 2025 but offset by the weak domestic printing demand in quick turnaround time educational sector as well as Government sector during the year, as well as the weakened Australia Dollar against Hong Kong Dollar in the first three quarters of the year.

Gross profit and gross profit margin

Our gross profit dropped by approximately HK\$4.7 million, or approximately 4.2%, from approximately HK\$112.9 million in 2024 to approximately HK\$108.2 million in 2025 and gross profit margin deteriorated slightly in comparison of last year from approximately 21.5% to approximately 21.3%. Such drop was mainly due to reduction of revenue by approximately 3.6% and the fixed direct and indirect costs are difficult to alter in the short term.

Other income and gains or losses, net

Other income increased by approximately HK\$0.3 million, or approximately 3.2% from approximately HK\$9.3 million in 2024 to approximately HK\$9.6 million in 2025. Such increase was mainly attributable to higher scrap recoveries as a result of moving to other scrap collectors which provide better rates and some short-term sub-lease income from one of the Group's new warehouses. However, it was partly offset by a net exchange loss position during the current year.

Selling and distribution costs

Selling and distribution costs dropped by approximately HK\$1.1 million, or approximately 3.5%, from approximately HK\$33.9 million in 2024 to approximately HK\$32.8 million in 2025. The reduction in selling and distribution costs was fairly aligned with the reduction in revenue.

Administrative expenses

Administrative expenses increased approximately HK\$3.2 million from approximately HK\$37.9 million in 2024 to approximately HK\$41.1 million in 2025, representing a year-on-year increment of approximately 8.3%. Such increase was due to additional administrative expenses from the newly acquired business Marvel since acquisition in May 2025 and various salary adjustment of the administrative staff.

Finance costs

Finance costs increased by approximately HK\$1.3 million or approximately 181.2% from approximately HK\$0.7 million in 2024 to approximately HK\$2.0 million in 2025. The increase was mainly attributable to the increased interest portion of lease liabilities upon the renewal of various premises leases during the year.

Income tax expense

Income tax expense reduced from approximately HK\$15.3 million (effective income tax rate: approximately 30.9%) in 2024 to approximately HK\$12.9 million (effective income tax rate: approximately 31.2%) in 2025. The decrease of the income tax expenses was consistent with the drop in taxable income during the year. The effective tax rate in the current year was slightly higher than the statutory tax rate 30% due to certain expenses incurred were non-deductible in nature.

Net profit

The Group reported a net profit of approximately HK\$28.5 million in 2025 compared to approximately HK\$34.2 million in the prior year, which represented a decrease of approximately HK\$5.7 million or approximately 16.6%. Despite of the various cost control measures taken to reduce the subcontracted work to third parties during the year, the deterioration of profitability of the Group was mainly due to the administrative expenses and interest portion of lease liabilities did not decrease in line with the reduction in revenue. These costs were difficult to adjust in short to medium term.

Liquidity and financial resources

As at 31 December 2025, the Group had net current assets of approximately HK\$210.4 million (2024: approximately HK\$201.2 million), among which, cash and bank balances were approximately HK\$123.8 million (2024: approximately HK\$111.3 million) which were denominated in Australian Dollars ("AUD"), US Dollars ("USD"), Great British Pound ("GBP") and HK\$. Even with cash outflows on business acquisition during the year, the cash and bank balances have been enhanced which was as a result of positive operating cashflow generated during the year.

The Group's current ratio was approximately 3.6 times as at 31 December 2025 (2024: approximately 3.8 times), which was calculated by the Group's current assets over current liabilities. The only interest-bearing liabilities were lease liabilities of approximately HK\$47.2 million as at 31 December 2025 (2024: approximately HK\$10.6 million) which were denominated in AUD. The Group's gearing ratio as at 31 December 2025 was approximately 15.3% (2024: approximately 3.8%), which is calculated on the basis of the Group's total interest-bearing debts over total equity. The higher of the Group's gearing ratio as at 31 December 2025 was mainly due to various renewals of the Group's factory premises during the year which led to increased lease liabilities. Save as the aforesaid, the Group maintained net cash position and healthy current and gearing ratios, reflecting its healthy financial position.

The Group adopts centralised financing and treasury policies in order to ensure that Group funding is utilised efficiently. The Group also regularly monitors its liquidity requirements, its compliance with lending covenants and its relationship with bankers to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long term.

Working capital management

The Group's capital employed includes share capital, reserves and lease liabilities. The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and

market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Group acknowledges the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position. The Group is not subject to any externally imposed capital requirements.

The allocation of capital between its specific business segments' operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The process of allocating capital to specific business segment operations and activities is undertaken independently of those responsible for the operation.

Foreign currency management

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the functional currencies. The currencies in which transactions primarily denominated are AUD, New Zealand Dollar, USD, European Union Euros, GBP and HK\$.

Management evaluates the Group's foreign currency risk using cash flow forecasts with the objective of keeping its exposure to a minimum. The Group may in certain circumstances use forward exchange contracts to hedge its foreign currency risk. When used, the contracts would normally have maturities of less than one year at reporting date. The Group does not hold or issue financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Capital expenditure

During the year, the Group acquired property, plant and equipment at approximately HK\$10.2 million (2024: approximately HK\$5.7 million). The purchases during the year were financed by internal resources of the Group.

Material acquisitions and disposals

Except as disclosed in Note 29 in the Notes to the Consolidated Financial Statements, the Group did not have any material acquisitions or disposals which would be required to be disclosed under the Listing Rules.

Capital commitment and contingent liabilities

As at 31 December 2025, the Group had no capital commitment to acquire machineries (2024: approximately HK\$3.5 million).

The Group did not have any significant contingent liabilities as at 31 December 2025 (2024: nil).

Employees and emolument policy

As at 31 December 2025, the Group had 350 full-time employees (2024: 319). The remuneration packages of the Group's employees are maintained at a competitive level and employees are rewarded on a performance-related basis within the general framework of the Group's salary, bonus and overtime payments system. Other employees' fringe and welfare benefits include retirement benefits, occupational injury insurance and other miscellaneous items.

DIRECTORS AND SENIOR MANAGEMENT PROFILE

EXECUTIVE DIRECTORS

MR. RICHARD FRANCIS CELARC

Mr. Richard Francis Celarc, aged 69, was appointed as the chairman and an executive director of the Company on 28 May 2018. He is responsible for the overall strategic planning and management of the Group. Mr. Celarc joined Ligare Pty Ltd ("Ligare"), an indirect wholly-owned subsidiary of the Company in 1979. Mr. Celarc is the chairman of the nomination committee of the Company. Mr. Celarc completed a Commerce and Accounting certificate course at Bankstown TAFE in Australia. He has more than 45 years of experience in the printing business in Australia and co-founded Ligare.

MR. LAU CHUK KIN

Mr. Lau Chuk Kin, aged 73, was appointed as a director on 23 April 2018 and re-designated as an executive director of the Company on 28 May 2018. Mr. Lau is responsible for the overall strategic planning and management of the Group. Mr. Lau is a member of the remuneration committee of the Company. Mr. Lau obtained a Bachelor of Arts degree from the University of Minnesota in the United States and a Master of Business Administration degree from the Chinese University of Hong Kong. Mr. Lau has over 30 years of experience in the printing business. Mr. Lau is an executive director of Lion Rock Group Limited ("Lion Rock"), a controlling shareholder of the Company whose issued shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited (stock code: 1127) and the Quarto Group Inc, as a subsidiary of Lion Rock, which was listed on London Stock Exchange before it was delisted in January 2024.

MS. TANG TSZ YING

Ms. Tang Tsz Ying, aged 41, was appointed as a director of the Company on 23 April 2018 and re-designated as an executive director of the Company on 28 May 2018. Ms. Tang is responsible for overseeing the finance and company secretarial function of the Group. Ms. Tang joined the Group in 2016. With effect from 1 January 2026, Ms. Tang is a member of the nomination committee of the Company. She is the company secretary of the Company. Ms. Tang obtained a Bachelor of Business Administration in Accountancy degree from the Hong Kong Polytechnic University. She is a member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in Australia. Before joining the Group, Ms. Tang worked for Ernst and Young, both in Hong Kong and Sydney, for over seven years.

INDEPENDENT NON-EXECUTIVE DIRECTORS

MR. HO TAI WAI DAVID

Mr. Ho Tai Wai David, aged 77, was appointed as an independent non-executive director of the Company on 8 October 2018. He is the chairman of the audit committee and a member of the remuneration committee and nomination committee of the Company. He is responsible for supervising and providing independent advice to the Board. Mr. Ho obtained a Master of Business Administration Degree from The Chinese University of Hong Kong. He is a fellow member of the Association of Chartered Certified Accountants, The Hong Kong Institute of Certified Public Accountants and CPA Australia. Mr. Ho has over 40 years of experience in finance and accounting and held management positions in various companies prior to his retirement in 2007. Mr. Ho is an independent non-executive director of Build King Holdings Limited (stock code: 240), Road King Infrastructure Limited (stock code: 1098) and Lion Rock Group Limited, a substantial shareholder of the Company (stock code: 1127), all of which are companies listed on the Stock Exchange of Hong Kong.

MR. TSUI KING CHUNG DAVID

Mr. Tsui King Chung David, aged 79, was appointed as an independent non-executive director of the Company on 8 October 2018. He is the chairman of the remuneration committee and a member of the audit committee and nomination committee of the Company. He is responsible for supervising and providing independent advice to the Board. Mr. Tsui completed O level examination and A level examination of University of London/Hong Kong respectively. He started his career in information technology in 1970 and held a number of key positions in various banks in Hong Kong. He was the president and chief executive officer of Hong Leong Credit Berhad (now known as Hong Leong Financial Group Berhad) (stock code: 1082.kl), a company listed on the Kuala Lumpur Stock Exchange, before his retirement in 2006.

MR. LAI WING HONG JOSEPH

Mr. Lai Wing Hong Joseph, aged 65, was appointed as an independent non-executive director of the Company on 16 September 2020. He is a member of the audit committee, remuneration committee and nomination committee of the Company. He is responsible for supervising and providing independent advice to the Board. Mr. Lai is currently one of the partners of J. Chan & Lai Solicitors Firm practicing in Hong Kong. He has over 30 years' experience as a practicing solicitor. Mr. Lai obtained a Bachelor of Laws and a Post-Graduate Certificate in Laws from University of Hong Kong. He has been admitted as a Solicitor of the Supreme Court of Hong Kong since 1986, a Notary Public of Supreme Court of Hong Kong since 1996 and a China-Appointed Attesting Officer of Hong Kong since 2009.

SENIOR MANAGEMENT

MR. DAVID CHENG

Mr. David Cheng, aged 50, was appointed as an operations director of the Group in 2018. Mr. Cheng is responsible for supervising the procurement and logistics functions of the Group. Mr. Cheng obtained a Bachelor of Science degree from the University of Hong Kong, a Master of Science degree in Business Information Systems and a Master of Arts degree in Operations and Supply Chain Management from the City University of Hong Kong. Mr. Cheng was granted the qualification of project management professional by Project Management Institute from August 2010 to August 2016. Mr. Cheng has over 20 years of experience in procurement and supply chain operations in various commercial organisations.

MR. MARK DOUGLAS GOLDSMITH

Mr. Mark Douglas Goldsmith, aged 59, was appointed as the general manager of McPhersons Print Group ("MPG"), an indirect wholly-owned subsidiary of the Company since 7 November 2022. He is responsible for overseeing the day-to-day operations of MPG. Mr. Goldsmith completed his Higher School Certificate and started his career as a business cadet in a large commercial printing company. He has over 40 years' experience in the print industry, including national management roles in estimating, scheduling, inventory and production management as well as production manager in a large commercial magazine publisher in UK.

MR. JOHN RITCHIE

Mr. John Ritchie, aged 55, was appointed the general manager of Griffin Press Printing Pty Ltd ("Griffin Press"), an indirect wholly-owned subsidiary of the Company since 1 February 2024. He is responsible for overseeing the day-to-day operation of Griffin Press. Mr. Ritchie joined Griffin Press in 1992 and has involved in various managerial roles in Griffin Press prior to his recent promotion to the general manager role. He has over 30 years' experience in printing industry. He completed a Binding and Finishing trade at TAFE SA and Digital Printing trade through Print Training Australia.

MS. DEBORAH LOUISE SHIELDS

Ms. Deborah Louise Shields, aged 60, was appointed as the general manager of CanPrint Communications Pty Ltd. ("CanPrint"), an indirect wholly-owned subsidiary of the Company since 1 January 2020. She is responsible for overseeing the day-to-day operation of CanPrint. Ms. Shields joined CanPrint in 2014 and has been a sales manager between April 2016 and December 2019. She completed business services training and project management training provided by WISDOM Learning Pty Ltd and has over 30 years' experience in sales and customers services in various companies.

MR. MUKESH CHAND

Mr. Mukesh Chand, aged 62, was appointed as a site operation manager of Ligare in 2015. Mr. Chand is responsible for overseeing the day-to-day operation of Ligare. Mr. Chand joined the Group in 1987 and has over 30 years of experience in the printing industry. He studied at D.A.V. Boys' College in the Republic of Fiji and has obtained an advanced certificate in supervisory management and a certificate in accounting from the Fiji Institute of Technology. Mr. Chand has also obtained a Binding and Finishing trade certificate from TAFE NSW Ultimo.

MR. STEPHEN MICHAEL O'BRIEN

Mr. Stephen Michael O'Brien, aged 47, was appointed as the sales director of OPUS Book Printing Group Pty Ltd, an indirect wholly-owned subsidiary of the Company since 1 September 2022, following the acquisition of Griffin Press in June 2022. Mr. O'Brien joined Griffin Press in 2017 and now is responsible for overseeing the sales function of MPG and Griffin Press. Mr. O'Brien started as an apprenticeship in print and has over 30 years of experience in printing industry. He completed a City & Guilds 524 in Graphic Communications in West Herts College. Followed his relocation to Australia in 2008, Mr. O'Brien changed roles and begun his career in sales and client services. Over the last 17 years he has worked in various sales-based roles including Key Account Manager, Sales Manager and Head of Business Development at various multinational corporations.

MS. ROBYN ELIZABETH FINNIECOME

Ms. Robyn Elizabeth Finniecome, aged 62, was appointed as a business development manager of Ligare in 2015. Ms. Finniecome joined the Group in 2007 and is responsible for developing new business and overseeing sales function of mainly Ligare. She has over 30 years of experience in sales and marketing. Ms. Finniecome obtained a Bachelor of Commerce degree from the University of New South Wales. She completed the training program Essential Selling Skills II provided by the Australian Institute of Management NSW & ACT Limited. Before joining the Group, Ms. Finniecome worked as a sales and marketing manager at a booking-publishing company for 17 years.

DIRECTORS' REPORT

The Directors of the Company are pleased to present the annual report and the audited financial statements of the Company and the Group for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company is an investment holding company while its subsidiaries are principally engaged in the provision of printing solutions and services in Australia.

BUSINESS REVIEW

A review of the Group's business during the year, analysis of the Group's performance using financial key performance indicators and prospects of the Group's business is set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" on pages 3 to 6 respectively of this annual report.

PRINCIPAL RISK AND UNCERTAINTIES

Customers' demand based on individual orders

Although the Group may, from time to time, enter into framework sale and purchase agreements with some of its customers, it normally generates sales on an order-by-order basis. Demand for the printing solutions and services is dependent upon factors such as the release of new book titles into the market in Australia, the popularity of certain read-for-pleasure books which may lead to subsequent re-prints, the demand from academics or professionals for certain reference books or materials and/or demand for the printing solutions and services may be dependent upon factors such as when the Parliament of Australia is sitting, introduction of new legislation, amendments to existing legislation and/or electoral events or policy matters which require documents, reports and materials to be printed or updated. The Group's sales are highly dependent on and may fluctuate subject to customers' demand for the printing solutions and services. If there is any adverse change to market conditions such as an economic slowdown or an increase in competition, the Group's business, financial condition and results of operations may be materially and adversely affected.

Fluctuations in raw materials prices

Paper is the principal raw material used in the Group's business which is mainly purchased from domestic paper trading companies as well as international paper manufacturers. Other raw materials include plates, ink and other printing consumables. The price of raw materials may be subject to price volatility and periodic shortages caused by various factors beyond the Group's control, which include, among other things, weather conditions, tree harvest conditions, policies of the respective local governments of the territories in which the forestries or paper mills operate, as well as market competition. Should there be any significant increases in the prices of raw materials, and the Group is unable to pass on such increased costs to the customers, the business and profitability may be materially and adversely affected. If the Group passes on the increased costs to the customers, the Group's pricing may become less competitive and may lead to a loss of orders/customers.

Digital influence

With the increased popularity and convenience in the consumption of content and media electronically, in particular, through personal electronic devices such as mobile phones, electronic readers and tablets together with greater awareness of environmental issues and protection, the changing nature in how information is consumed may impact the demand for printed products and in turn the demand for the Group's printing solutions and services.

Technological developments in the printing industry

Constant refinements to offset printing presses and related machinery as well as the introduction of new technologies are continuously improving the quality, productivity, safety, speed, reliability and energy efficiency within the printing industry. The ability to print faster and more cost-effectively offers printing services providers a competitive edge. Technological improvements and increases in the level of automation, not only in the printing process but also in the pre-press and post-press production stages, not only offers printing services providers cost savings on raw materials, time and labour, but also reduces human error while enhancing the quality of products. In the event that the Group is not able to upgrade its technologies to meet customers' demand, the business, results of operations and prospects of the Group may be adversely affected.

Cyber Security risk

Cyberattacks increased rapidly across every industry. The management of cyber security and information risk is mandatory to prevent exploit to cyber criminals from new virus, malware and hacking tools spreading through the internet, email and social media network. The impact has caused the Group to use up more resources to implement measures and controls to protect our critical IT systems and data. Cyber-attack could result in the loss of income and asset from inability to operate, failure to complete customer orders or business deals, reduction in productivity, staff downtime and the cost of attempting to recover lost information, equipment or data.

General market downturn

The Group provides printing solutions and services to, among others, international and Australia-based book publishers and media and information providers who wish to print books for sales and distribution within Australia. During periods of economic uncertainty, consumer consumption is typically scaled back, with certain non-essential products, such as books, suffering from reduced demand. Such decrease in demand may in turn reduce the supply of printed products to the market by such publishers and media and information providers. When consumer sentiment is cautious, the Group's customers may respond accordingly and there is no assurance that they will continue to maintain their supply of printed books in normal volumes, resulting in a decrease in orders the Group receives from them. Such a general market downturn could result in not only a reduction in the demand for products and services of the Group, but also intensified competition. In such circumstances, the Group's business, financial condition and results of operations may be materially and adversely affected.

Financial risks

Details of financial risks are set out in Note 33 to the consolidated financial statements.

RELATIONSHIP WITH STAKEHOLDERS

The Group is committed to operate in a sustainable manner while balancing the interests of its various stakeholders including customers, suppliers and employees. This includes providing quality services to customers, developing effective and mutual beneficial working relationships with its suppliers, and offering competitive remuneration package with safety working environments to employees.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to promoting environmentally-friendly policies and performance as a part of its overall corporate social responsibility. The Group achieves this through rational resources utilisation and compliance with applicable environmental laws and practices of environmental protection, seeking to contribute to the improvement of ecological environment and sustainable development. The Group has printing operations which are required to comply with a number of Australian pollution control and environmental regulations. The businesses concerned take all reasonable precautions to minimise the risk of environmental incidents, including the removal of solid and liquid waste by licensed contractors, arranging environmental compliance audits by qualified external organisations and ensuring that personnel receive appropriate training. There have been no material instances of non-compliance with environmental regulations during the year.

COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

The Company is incorporated in Bermuda with principal places of business in Hong Kong and Australia. The Group operates print production facilities in different states across Australia and complies with the relevant laws and regulations of Australia and in countries in which it is incorporated and has businesses or operations.

During the year and up to the date of this report, the Board was unaware of any non-compliance with relevant laws and regulations that have a significant impact on the business and operations of the Group.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on page 42 of this annual report.

INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board has resolved to recommend the payment of an interim dividend of HK3 cents per share (the "Interim Dividend") for the year ended 31 December 2025 (2024: interim dividend: HK4 cents per share) to holders of ordinary shares whose names appear on the register of holders of ordinary shares of the Company as at the close of business on 17 April 2026.

The register of shareholders will be closed on 17 April 2026, which no transfer of shares will be registered. To qualify for the Interim Dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, whose share registration public office is located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on 16 April 2026. The Interim Dividend is expected to be paid on 8 May 2026.

DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity on pages 44 to 45 of this annual report and Note 25 to the consolidated financial statements respectively.

As at 31 December 2025, the Company's reserves available for distribution to shareholders amounted to approximately HK\$205.9 million (31 December 2024: HK\$201.9 million).

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 99 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements during the year in the property, plant and equipment of the Group are set out in Note 14 to the consolidated financial statements.

SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in Note 24 to the consolidated financial statements.

DIRECTORS

The Directors during the year and up to the date of this report were, unless otherwise stated:

EXECUTIVE DIRECTORS

Mr. Richard Francis Celarc (*Chairman*)
Mr. Lau Chuk Kin
Ms. Tang Tsz Ying

NON-EXECUTIVE DIRECTOR

Mr. Paul Antony Young (retired on 16 May 2025)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Ho Tai Wai David
Mr. Tsui King Chung David
Mr. Lai Wing Hong Joseph

In accordance with No. 84 of the Company's bye-laws (the "Bye-laws"), Ms. Tang Tsz Ying and Mr. Lai Wing Hong Joseph will retire at the forthcoming annual general meeting ("AGM") and, being eligible, offer themselves for re-election.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

The biographies of the Directors and senior management of the Group are set out in the section headed "Directors and senior management profile" in this annual report.

DIRECTORS' SERVICES CONTRACT

Mr. Richard Francis Celarc ("Mr. Celarc"), Mr. Lau Chuk Kin ("Mr. Lau") and Ms. Tang Tsz Ying ("Ms. Tang") have each entered into a service contract with the Company for an initial term of three years starting from 28 May 2018 and thereafter continued on a month to month basis. The aforementioned Directors are subject to retirement by rotation and re-election in accordance with the Bye-laws. Such service contract is subject to termination by either party giving not less than three months' prior written notice to the other. Mr. Paul Antony Young ("Mr. Young"), the non-executive Director, has retired since 16 May 2025. Mr. Ho Tai Wai David, Mr. Tsui King Chung David and Mr. Lai Wing Hong Joseph, the independent

non-executive Directors, their services contracts have been expired on 31 December 2025. Each of them has renewed their services contracts for two years from 1 January 2026 to 31 December 2027. The independent non-executive Directors are subject to retirement by rotation and re-election in accordance with the Bye-laws. Such appointment is subject to termination by either party giving not less than one month's prior written notice to the other.

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

DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE

Save for (i) the disclosure under related party transactions which is set out in Note 30 to the consolidated financial statements; and (ii) the disclosures under the section headed "Connected Transactions" in this report, no transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company or an entity connected with a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2025, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company or any associated corporations, within the meaning of Part XV the Securities and Futures Ordinance (the "SFO"), as recorded in the register maintained by the Company required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

(a) Long Position in the Shares

Name of Directors	Nature of interest					Percentage to the issued share capital of the Company (%)
	Personal Interests	Trust Interests	Beneficiary of a trust Interests	Corporate Interests	Total Interests	
	(Shares)	(Shares)	(Shares)	(Shares)	(Shares)	
Mr. Lau Chuk Kin (Note 1)	20,634,836	Nil	Nil	323,738,411	344,373,247	69.06
Mr. Richard Francis Celarc (Note 2)	Nil	7,533,039	6,203,034	11,523,168	25,259,241	5.07

Notes:

- Mr. Lau Chuk Kin ("Mr. Lau") is deemed to be interested in 344,373,247 Shares through his personal interests and corporate interests. Of 323,738,411 corporate interests, 307,604,954 Shares and 16,133,457 Shares are beneficially owned through Bookbuilders BVI Limited ("Bookbuilders BVI") and City Apex Ltd. ("City Apex") respectively. Bookbuilders BVI is a wholly-owned subsidiary of 1010 Group Limited ("1010 Group") and 1010 Group is a wholly-owned subsidiary of Lion Rock Group Limited ("Lion Rock"). Lion Rock is held directly by City Apex and Mr. Lau as to 33.52% and 13.18% respectively. City Apex is owned as to 77.00% by ER2 Holdings Limited ("ER2 Holdings"). ER2 Holdings is owned as to 69.76% by Mr. Lau. By virtue of Part XV of the SFO, Mr. Lau is deemed to be interested the said Shares.
- Mr. Celarc is deemed to be interested in 25,259,241 Shares, which comprises (i) 33,117 Shares held by Navigator Australia Limited (as the custodian for the Richard Celarc Family Trust); (ii) 11,523,168 Shares held by D.M.R.A. Property Pty Limited ("D.M.R.A. Property"), a company wholly-owned by Mr. Celarc; (iii) 7,533,039 Shares held by the Richard Celarc Family Trust by virtue of Mr. Celarc being the trustee; and (iv) 6,169,917 Shares held by Ligare Superannuation Nominees Pty Ltd as the trustee for Ligare Staff Superannuation Fund of which both Mr. Celarc and his wife are the only members of the superannuation fund.

(b) Long Position in the shares of Lion Rock

Name of Directors	Nature of interest			Percentage to the issued share capital of Lion Rock (%)
	Personal Interests (Shares)	Corporate Interests (Shares)	Total Interests (Shares)	
Mr. Lau Chuk Kin (Note)	103,681,297	258,135,326	361,816,623	46.99
Mr. Richard Francis Celarc	200,000	–	200,000	0.03
Mr. Ho Tai Wai David	200,000	–	200,000	0.03
Ms. Tang Tsz Ying	428,000	–	428,000	0.06

Note:

The 258,135,326 corporate interest shares are beneficially owned by City Apex. As at 31 December 2025, ER2 Holdings was the ultimate holding company of City Apex. Mr. Lau owned 69.76% of the issued share capital of ER2 Holdings and accordingly, Mr. Lau is deemed to be interested in the said shares of Lion Rock pursuant to Part XV of SFO.

(c) Long Position in the underlying shares of Lion Rock under the share award scheme

Name of Directors	Number of shares				
	Outstanding at 1.1.2025	Granted during the year	Vested during the Year	Cancelled/lapsed during the year	Outstanding at 31.12.2025
Ms. Tang Tsz Ying	860,000	–	–	–	860,000
Mr. Ho Tai Wai David	200,000	–	(200,000)	–	–

Save as disclosed above, as at 31 December 2025, to the best knowledge of the Company, none of the Directors or chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be maintained under section 352 of Part XV of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEME

The Company has no share option scheme as at the date of this annual report.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

At no time during the year and at the end of the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debt securities, including debentures, of the Company or any other body corporate, and none of the Directors, chief executive or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2025, the following persons, other than a Director or chief executive of the Company, had interests or short positions in the Shares or underlying Shares of the Company, being 5% or more in the issued share capital of the Company, as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of shareholders	Nature of interest			Percentage to the issued share capital of the Company (%)
	Beneficial Owner (Shares)	Interest in controlled corporation (Shares)	Total Interests (Shares)	
ER2 Holdings (Note)	Nil	323,738,411	323,738,411	64.92
City Apex (Note)	16,133,457	307,604,954	323,738,411	64.92
Lion Rock (Note)	Nil	307,604,954	307,604,954	61.68
1010 Group (Note)	Nil	307,604,954	307,604,954	61.68
Bookbuilders BVI (Note)	307,604,954	Nil	307,604,954	61.68

Note:

Bookbuilders BVI is a wholly-owned subsidiary of 1010 Group and an indirect wholly-owned subsidiary of Lion Rock. Lion Rock was owned as to 33.52% and 13.18% by City Apex and Mr. Lau respectively. ER2 Holdings was the holding company of City Apex. City Apex and ER2 Holdings deemed to be interested in the said Shares pursuant to Part XV of the SFO.

Save as disclosed above, as at 31 December 2025, the Company had not been notified of any other person (other than a Director or chief executive of the Company) who had an interest or short position in the Shares, underlying Shares or debentures of the Company and was required to be recorded in the register required to be kept by the Company under Section 336 of the SFO.

MAJOR SUPPLIERS AND CUSTOMERS

The top five suppliers in aggregate and the single largest supplier of the Group accounted for approximately 57% and 33%, respectively, of the Group's total purchases for the year ended 31 December 2025.

The top five customers in aggregate and the single largest customer of the Group accounted for approximately 60% and 24%, respectively, of the Group's total sales for the year ended 31 December 2025.

At no time during the year did a Director, a close associate of a Director (within the meaning of the Listing Rules), or a shareholder of the Company, which to the knowledge of the Directors owns more than 5% of the Company's share capital, have any interest in the Group's five largest suppliers and five largest customers.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Bye-laws and there was no restriction against such rights under the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision as defined in the Hong Kong Companies Ordinance for the benefit of the Directors is currently in force and was in force throughout the reporting year. The Company has maintained directors' liabilities insurance which provides appropriate cover for the Directors.

Pursuant to the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duties.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (2024: Nil).

COMPETING INTERESTS

Mr. Celarc is a director and a shareholder holding 100% of the issued share capital of Ligare Limited ("Ligare (NZ)"), a company principally engaged in the printing of quick turnaround time education books in New Zealand. Ligare (NZ) has ceased business in March 2025. In view of the difference between the Group and Ligare (NZ) in terms of geographical markets, types and range of printing services offered, target customers and operating scale, the Directors consider that there was no actual competing business between the Group and Ligare (NZ) during the year. Moreover, during the year, the Company adopted the following corporate governance measures to manage the potential conflict of interests arising from Mr. Celarc's interests in Ligare (NZ) and to protect the interests of the Company:

- (a) the executive Directors (including Mr. Celarc) have given certain non-competition undertakings in their respective service contract with the Group, which provides that, inter alia, subject to the conditions and terms contained therein, each of them shall not carry on or be concerned or interested, directly or indirectly, in any capacity in any business which is in competition with the Group, nor become a holder of five percent (5.0%) or more of the issued shares or debentures of any company listed on any recognised stock exchange;
- (b) Mr. Celarc confirmed to the Board that Ligare (NZ) did not engage in any business during the year which would compete with that of the Group; and
- (c) the independent non-executive Directors reviewed the competing interests held by Mr. Celarc and considered that the possibility of Ligare (NZ) competing with the Group is remote.

Save as disclosed above, none of the Directors or any of their respective associates (as defined in the Listing Rules) has any business or interest that competes or may compete with the business of the Group.

CONTRACTS WITH CONTROLLING SHAREHOLDERS

Other than disclosed in the section headed "Connected Transactions" and Note 30 to the Consolidated Financial Statements contained in this annual report, no contract of significance was entered into between the Company or any of its subsidiaries and the controlling shareholders or any of its subsidiaries during the year ended 31 December 2025 or subsisted at the end of the year and no contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder or any of its subsidiaries was entered into during the year ended 31 December 2025 or subsisted at the end of the year.

CONNECTED TRANSACTIONS

The Group entered into one connected transaction, as defined in the Listing Rules, which are subject to the disclosure requirements under Chapter 14A of the Listing Rules. The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

Non-exempt one-off connected transaction

Lease of premises from D.M.R.A. Property

On 3 June 2024, Ligare (an indirect wholly-owned subsidiary of the Company) entered into a renewal lease agreement with D.M.R.A. Property (a company wholly-owned by Mr. Celarc, the Chairman and an executive Director) in respect of the lease of two properties situated at 138-152 Bonds Road and 23-25 Skinner Avenue respectively in Riverwood, NSW, Australia (the "Premises"), where the Company will continue to lease the Premises from D.M.R.A. Property for a term of 18 months commencing from 1 July 2024 and ending on 31 December 2025. The rental will be approximately HK\$6,296,154 (equivalent to AUD1,235,000) for the lease period of 18 months and the Company will be responsible for the payment of outgoings. During the year ended 31 December 2025, the actual aggregate rental paid was HK\$3,752,457 (equivalent to AUD765,000), which was in line with the renewed lease.

On 2 December 2025, the lease agreement of 138-152 Bonds Road has been renewed for another 18 months commencing 1 January 2026 and ending 30 June 2027. The rent will be approximately HK\$4,860,075 (equivalent to AUD972,015) for the lease period and the Company will be responsible for the payment of outgoings.

Save as disclosed above and in Note 30 to the Consolidated Financial Statements, the Group has not entered into any discloseable connected transaction or continuing connected transaction for the year pursuant to the requirements of Chapter 14A of the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Directors confirm that during the year and up to the date of this annual report, the Company has maintained a sufficient public float of at least 25% of the issue Shares of the Company as required under the Listing Rules.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors are independent.

CORPORATE GOVERNANCE

A report on the principle corporate governance practices adopted by the Company is set out on pages 21 to 35 of this annual report.

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to its shareholders by reason of their holding of the Shares. If the shareholders of the Company 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.

EMPLOYEES AND EMOLUMENT POLICY

As at 31 December 2025, the Group had 350 full-time employees (2024: 319). The remuneration packages of the Group's employees are maintained at a competitive level and employees are rewarded on a performance-related basis within the general framework of the Group's salary, bonus and overtime payments system. Other employees' fringe and welfare benefits include retirement benefits, occupational injury insurance and other miscellaneous items. Particulars of Directors' remuneration and the five highest paid employees' emolument are set out in Note 9 to the consolidated financial statements in this annual report.

The principal elements of the Directors' remuneration package include basic salary and discretionary bonus and other benefits in kind, including contributions to their pension scheme. The emoluments of the Directors are based on each Director's experience, responsibility, performance and the time devoted to the Group's business and are determined by reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

The Group has no significant events after the reporting period and up to the date of this annual report.

AUDITOR

A resolution will be proposed at the forthcoming AGM to re-appoint BDO Limited as the auditor of the Company.

On behalf of the Board



Richard Francis Celarc
Chairman
Hong Kong, 30 March 2026

CORPORATE GOVERNANCE REPORT

The Group has adopted practices which meet the Corporate Governance Code and Corporate Governance Report (the “Code”) as set out in Appendix C1 to the Listing Rules on the Hong Kong Stock Exchange. This report describes the Company’s corporate governance practices and explains the applications of the principles and code provisions of the Code and deviations, if any.

Throughout the year ended 31 December 2025, the Company has complied with all applicable principles and code provisions as set out in the Code.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding directors’ securities transactions. Having made specific enquiry of all Directors, the Directors have confirmed that they have complied with the required standard as set out in the Model Code regarding securities transactions by the directors throughout the year ended 31 December 2025.

BOARD OF DIRECTORS

Responsibilities

The Board is responsible for leading and monitoring of the Group’s overall strategies and policies; approval of business plans, evaluating the performance of the Group and oversight of management. It is also responsible for promoting the success of the Company and its businesses by directing and supervising the Company’s affairs.

The Board focuses on overall strategies and policies with particular attention paid to the growth and financial performance of the Group.

The Board delegates day-to-day operations of the Group to the executive Directors and senior management, while reserving certain key matters for its approval. Decisions of the Board are communicated to the management through the executive Directors who have attended Board meetings.

The Company has arranged for appropriate liability insurance for the Directors and officers of the Group to indemnify them from liabilities arising from any corporate activities.

All Directors have been provided, on a monthly basis, with updates on the Group’s management information in order to ensure they are aware of the Group’s affairs and which facilitates them in discharging their duties under the relevant requirements of the Listing Rules.

Board Nomination Policy and Diversity Policy

The Board has adopted a board diversity policy (the "Board Diversity Policy") and a board nomination policy (the "Board Nomination Policy") respectively to enhance board effectiveness and performance.

The Company recognises and embraces the benefits of having a diverse Board (including gender diversity), and sees diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the talents, skills, regional and industry experience, background, gender and other qualities of the members of the Board. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately. All appointments of the members of the Board are made on merit, in the content of the talents, skills and experience the Board as a whole requires to be effective. The Company currently has one female Director and the Board will endeavor to maintain female representation on the Board.

The Nomination Committee assists the Board in making recommendations in respect of the appointment of any proposed candidate to the Board or re-appointment of any existing members of the Board in accordance to the Board Nomination Policy. The Nomination Committee shall consider a wide range of factors when assessing the suitability of a proposed candidate which include, among other things, (i) the reputation for integrity; (ii) the accomplishments, experience and reputation in the printing industry and/or other relevant sectors; (iii) the commitment in providing sufficient time, interest and attention to the Company's business; (iv) the diversity aspects stipulated in the Board Diversity Policy; (v) the ability to assist and support management and make significant contributions to the Company's success; (vi) the compliance with the criteria of independence as prescribed under the Listing Rules for the appointment of an independent non-executive directors and (vii) other factors that the Nomination Committee or the Board may consider relevant and applicable from time to time.

The Nomination Committee will conduct a review of the Board Nomination Policy and the Board Diversity Policy, as appropriate. The Nomination Committee will also adhere to the Board Nomination Policy and Board Diversity Policy when making recommendation on any Board members' appointments.

Composition

The Board comprised six Directors, three of whom are executive Directors and three are independent non-executive Directors as at 31 December 2025. The participation of independent non-executive Directors in the Board brings independent judgement on issues relating to the Group's strategy, performance, conflicts of interest and management process to ensure that the interests of all shareholders of the Company have been duly considered. The Board has the balance of skills, experience and diversity of perspectives to meet the requirements of the Company's business. The Board composed of Directors who possess rich experience in the printing industry and/or strong financial and accounting expertise. Three of the Directors also hold, or previously held, directorship in other listed companies (apart from in the Company and OPUS) which would bring more varieties of insight to the Board in terms of industry and business development and corporate governance practice.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Mr. Richard Francis Celarc, Mr. Lau Chuk Kin and Ms. Tang Tsz Ying have each entered into a service contract with the Company for an initial term of three years starting from 28 May 2018 and thereafter continued on a month to month basis. The aforementioned Directors are subject to retirement by rotation and re-election in accordance with the Byelaws. Such service contract is subject to termination by either party giving not less than three months' prior written notice to the other. Mr. Young, the non-executive Director, has retired since 16 May 2025. Mr. Ho Tai Wai David, Mr. Tsui King Chung David and Mr. Lai Wing Hong Joseph, the independent non-executive Directors, their services contracts have been expired on 31 December 2025. Each of them has renewed their services contracts for two years from 1 January 2026 to 31 December 2027. The independent non-executive Directors are subject to retirement by rotation and re-election in accordance with the Byelaws. Such appointment is subject to termination by either party giving not less than one month's prior written notice to the other.

In accordance with No. 84 of the Company's Byelaws, Ms. Tang Tsz Ying and Mr. Lai Wing Hong Joseph will retire at the forthcoming AGM and, being eligible, offer themselves for re-election.

The Board considers that all of the independent non-executive Directors are independent and has received from each of them the annual confirmation of independence required by the Listing Rules.

The Board members for the year ended 31 December 2025 were, unless otherwise stated:

EXECUTIVE DIRECTORS

Mr. Richard Francis Celarc (*Chairman*)
Mr. Lau Chuk Kin
Ms. Tang Tsz Ying

NON-EXECUTIVE DIRECTOR

Mr. Paul Antony Young (retired on 16 May 2025)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Ho Tai Wai David
Mr. Tsui King Chung David
Mr. Lai Wing Hong Joseph

The Company held four Board meetings and one AGM in 2025. Details of the attendance record of each of the Directors are as follows:

Directors	Attended/Held	
	Board meeting	AGM
Mr. Richard Francis Celarc	4/4	1/1
Mr. Lau Chuk Kin	4/4	1/1
Ms. Tang Tsz Ying	4/4	1/1
Mr. Paul Antony Young (retired on 16 May 2025)	2/2	1/1
Mr. Ho Tai Wai David	4/4	1/1
Mr. Tsui King Chung David	4/4	1/1
Mr. Lai Wing Hong Joseph	4/4	1/1

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for the preparation of the Consolidated Financial Statements of the Group for the year ended 31 December 2025.

The Directors' responsibilities in the preparation of the Consolidated Financial Statements and the auditors' responsibilities are set out in the Independent Auditor's Report contained in this annual report.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges that it has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and maintaining appropriate and effective risk management and internal control systems. The Board oversees management in the design, implementation and monitoring of the risk management and internal control systems on an on-going basis. The systems and internal controls can only provide reasonable and not absolute assurance against material misstatement or loss, as they are designed to manage, rather than eliminate the risk of failure to achieve the Group's business objectives.

The Group has established an on-going process for identifying, evaluating and managing the significant risks of the Group. Business units are responsible for identifying, assessing and monitoring risks associated with their respective units. The results of evaluation will be reported to management through regular internal meetings.

The Group handles and disseminates inside information with due care. Staff is required to comply with the confidentiality terms inside the staff manual. Only personnel at appropriate levels are given access to price sensitive information.

Appropriate policies and controls have been designed and established to ensure that (i) assets are safeguarded against improper use or disposal; (ii) relevant rules and regulations are adhered to and complied with; and (iii) reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements.

The Board, through the Audit Committee, has conducted a review of the effectiveness of the risk management and internal control systems of the Group covering all material controls, including financial, operational and compliance controls functions for the year. The Board considers that the Group's risk management and internal control systems are adequate and effective.

The Group has established a whistle-blowing policy under which it encourages the employees who have concerns about any suspected misconduct or malpractice within the Group to come forward and voice those concerns to the members of the audit committee. Code of conduct to promote and support anti-corruption practices are also set in the staff handbook.

The Group does not have an internal audit function due to the size of the Group and for cost effectiveness consideration. Instead, a review on the internal control system is conducted annually by an independent qualified accountant. During the year, the independent qualified accountant conducted an annual review to assess the effectiveness of the Group's risk management and internal control systems. The review covered major financial, operational business cycles and procedures undertaken by the Group on rotation basis and make recommendations for improving and strengthening the system. No significant deficiency was identified during the course of review and the systems were operating effectively and adequately. The internal control report findings and recommendations were discussed with the Audit Committee, who reported the findings to the Board. The Group will continue to review the need for an internal audit function annually.

CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

Mr. Richard Francis Celarc is the Chairman of the Company. The Chairman's responsibility is to oversee the functioning of the Board and the strategies and policies of the Group.

The Company has no specific individual named as chief executive officer as the daily operation and management of the Company is monitored by the executive Directors collectively with discussion with management of the Company from time to time. The Board believes that this arrangement enables the Company to make decisions, operate and implement follow up actions quickly in response to the changing environment. The Board also believes that the Company has a strong corporate governance structure in place with clear responsibilities to ensure the balance of power and authority so that the power is not concentrated in any one individual.

PROFESSIONAL DEVELOPMENT

Every newly appointed Director has been given induction training so as to ensure that he/she has appropriate understanding of the Group's business and of his/her duties and responsibilities under the Listing Rules and the relevant statutory and regulatory requirements.

The Company also provides regular updates on the business development of the Group. The Directors are regularly briefed on the latest development regarding the Listing Rules and other applicable statutory and regulatory requirements to ensure compliance and upkeep of good corporate governance practices. In addition, the Company has been encouraging the Directors to enroll in professional development courses and seminars relating to the Listing Rules, company ordinance and corporate governance practices organised by professional bodies or chambers in Hong Kong. All Directors are requested to provide the Company with their respective training records pursuant to the Code.

The Directors confirmed they had complied with code provision C.1.4 of the Code in relation to the training of the Directors. During the year, Mr. Richard Francis Celarc, Mr. Lau Chuk Kin, Ms. Tang Tsz Ying, Mr. Ho Tai Wai David, Mr. Tsui King Chung David and Mr. Lai Wing Hong Joseph have participated in appropriate continuous professional development and refreshed their knowledge and skills for ensuring their contribution to the Board remains informed and relevant. Such professional development was completed either by way of attending briefings, conference, courses, forum and seminars, teaching, self-reading and participated in business-related researches which are relevant to the business or Directors' duties.

CORPORATE GOVERNANCE FUNCTIONS

The Board delegated corporate governance functions to the executive Directors who are responsible for performing the following corporate governance duties:

- (a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- (b) to review and monitor the training and continuous professional development of Directors and senior management;
- (c) to review and monitor the Company's policies and practices are in compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (e) to review the Company's compliance with the Code and disclosure in the Corporate Governance Report.

COMPANY SECRETARY

The company secretary of the Company is Ms. Tang Tsz Ying, a member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in Australia. Ms. Tang is also an executive Director and the vice president – finance of the Company. For the detailed biography of Ms. Tang, please refer to the section headed "Directors and Senior Management Profile" in this annual report. The company secretary assists the Board by ensuring good information flow within the Board and that the Board's policies and procedures are followed. Ms. Tang has taken not less than 15 hours of relevant professional training in 2025.

REMUNERATION COMMITTEE

The Remuneration Committee was established in September 2018. It currently comprises one executive Director namely Mr. Lau Chuk Kin and three independent non-executive Directors, namely Mr. Ho Tai Wai David, Mr. Tsui King Chung David and Mr. Lai Wing Hong Joseph. The chairman of the Remuneration Committee is Mr. Tsui King Chung David.

The terms of reference of the Remuneration Committee are posted on the Company's website at www.lefffieldprinting.com. The principal functions include:

- to make recommendations to the Board on the Group's policy and structure for the remuneration of all Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
- to determine the specific remuneration packages of all Directors and senior management;
- to review and approve the management's remuneration by reference to corporate goals and objectives resolved by the Board from time to time; and
- to review and/or approve matters relating to share schemes under Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules").

The remuneration committee is responsible for making recommendations to the Board on remuneration packages for individual executive Director and senior management. The principal elements of the executive Directors' remuneration package include basic salary and discretionary bonus and other benefits in kind, including the contribution to the pension scheme. The emoluments of executive Directors are based on each Director's experience, responsibility, performance and the time devoted to the Group's business and are determined with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

The Remuneration Committee consults the executive Directors about its proposals relating to the remuneration of other executive Directors.

The Remuneration Committee has held one meeting in 2025. Details of the attendance record of the committee meeting are as follows:

Members of the Remuneration Committee	Attended/Held
Mr. Lau Chuk Kin	1/1
Mr. Ho Tai Wai David	1/1
Mr. Tsui King Chung David	1/1
Mr. Lai Wing Hong Joseph	1/1

The meeting was held to review the remuneration policy and structure, assess the performance and determine the annual remuneration packages of the executive Directors and the senior management and other related matters.

Pursuant to paragraph E.1.5 of the Code, the remuneration of the members of the senior management paid by the Group by band for the year ended 31 December 2025 is set out below:

Remuneration band	Number of individuals
Nil to HK\$1,000,000	5
HK\$1,000,001 – HK\$1,500,000	2
HK\$1,500,001 – HK\$2,000,000	Nil

NOMINATION COMMITTEE

The Nomination Committee of the Company was established in September 2018. As at 31 December 2025, the Nomination Committee comprised of one executive Director namely Mr. Richard Francis Celarc and three independent non-executive Directors namely Mr. Ho Tai Wai David, Mr. Tsui King Chung David and Mr. Lai Wing Hong Joseph. The chairman of the Nomination Committee is Mr. Richard Francis Celarc. Ms. Tang Tsz Ying, an executive Director is appointed as a member of the Nomination Committee of the Company on 1 January 2026.

The terms of reference of the Nomination committee are posted on the Company's website at www.leftfieldprinting.com. The roles and functions of the Nomination Committee include reviewing the structure, size and composition and diversity of the Board, identifying individuals suitably qualified to become Directors, selecting or making recommendations to the Board on nominations, making recommendation to the Board on the appointment or re-appointment of Directors and Board succession, and assessing the independence of the independent non-executive Directors.

The Nomination Committee held one meeting in 2025. Details of the attendance record of the committee meeting are as follows:

Members of the Nomination Committee	Attended/Held
Mr. Richard Francis Celarc	1/1
Mr. Ho Tai Wai David	1/1
Mr. Tsui King Chung David	1/1
Mr. Lai Wing Hong Joseph	1/1

The meeting was held to review the structure, size and composition of the Board and the Board Nomination Policy, assess the independence of the independent non-executive Directors; and recommended to the Board for consideration of retirement and re-election of Directors.

AUDIT COMMITTEE

The Audit Committee was established in September 2018. It currently comprises three independent non-executive Directors, namely Mr. Ho Tai Wai David, Mr. Tsui King Chung David and Mr. Lai Wing Hong Joseph. The chairman of the Audit Committee is Mr. Ho Tai Wai David.

The terms of reference of the Audit Committee are posted on the Company's website at www.lefffieldprinting.com. Under the terms of reference, the Audit Committee is responsible for overseeing the relationship between the Company and its external auditor, reviewing the Group's financial information and overseeing the Group's financial reporting, internal control and risk management systems. The Audit Committee is to, among other things, (i) be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditors, and to approve the remuneration and terms of engagement of the external auditor; (ii) to review the Consolidated Financial Statements and reports and consider any significant or unusual items contained in them; and (iii) to review the effectiveness of the Company's financial reporting system, internal control systems and associated procedures.

The Audit Committee has held three meetings in 2025. Details of the attendance record of the committee meeting are as follows:

Members of the Audit Committee	Attended/Held
Mr. Paul Antony Young (retired on 16 May 2025)	1/1
Mr. Ho Tai Wai David	3/3
Mr. Tsui King Chung David	3/3
Mr. Lai Wing Hong Joseph	3/3

During the year, the Audit Committee met with the senior management of the Company to review the Group's draft annual report and accounts, draft interim report, risk management and internal control system (including the review of internal control report and circulars), and provided advice and comments thereon to the Board. The Audit Committee also met with the external auditor to discuss matters arising from the audit and the nature and scope of the audit and reporting obligations before the audit commenced.

The Group's 2025 interim report and 2024 annual report have been reviewed by the Audit Committee, which was of the opinion that such reports were prepared in accordance with the applicable accounting standards and requirements. For the 2024 annual report, the Audit Committee met with the external auditor to discuss auditing, internal control, statutory compliance and financial reporting matters before recommending it to the Board for approval. The Audit Committee also monitored the Company's progress in implementing the code provisions on corporate governance practices as required under the Listing Rules.

AUDITOR'S REMUNERATION

The fees in relation to services provided by the Company's auditor and its related network firms for the year ended 31 December 2025 were as follows:

	HK\$'000
Audit and review of financial reports –	
BDO Limited, Hong Kong	350
Other BDO network firms	934
	1,284

DIVIDEND POLICY

The Company has adopted a dividend policy. In deciding whether to propose a dividend and determining the dividend amount, the Board shall take into account, inter alia, the following factors:

- the Group’s actual and expected financial results;
- the Group’s working capital requirements, capital expenditure requirements and future expansion plans;
- the Group’s liquidity position;
- the financial covenants to which the Group is subject and any restrictions on the payment of dividends that may be imposed by the Group’s lenders;
- the general economic and political conditions and other external factors that may have an impact on the future business and financial performance of the Group; and
- any other factors that the Board may consider relevant.

The payment of dividend is also subject to the compliance with applicable laws and regulations, including the laws of Bermuda and the Bye-laws.

The Board shall review the dividend policy from time to time and there can be no assurance that dividends will be paid in any particular amount for any given period.

DIVERSITY

The Company currently has one female Director and the Board will endeavor to maintain female representation on the Board. As at 31 December 2025, the percentages of male and female full-time employees (including senior management) are 72% and 28% respectively. The Board considers that the Group's workforce is diverse in terms of gender.

COMMUNICATION WITH SHAREHOLDERS

The Company adopted a Shareholders' Communication Policy in October 2018 reflecting mostly the current practices of the Company for communication with its Shareholders. Information will be communicated to Shareholders through:

- continuous disclosure to the Hong Kong Stock Exchange of all material information;
- periodic disclosure through the annual and interim reports;
- notices of meetings and explanatory material;
- the annual general meetings and other general meetings; and
- the Company's website at www.leftfieldprinting.com.

The Board endeavours to maintain an on-going dialogue with the Shareholders and in particular, use annual general meetings or other general meetings to communicate with the Shareholders and encourage their participation. The Chairman of the Board attended the AGM held on 16 May 2025 to answer questions and collect views of the Shareholders. The external auditor also attended the AGM to answer questions of the Shareholders. The shareholders communication policy allows shareholders views to be collected and responded effectively.

SHAREHOLDERS' RIGHTS

(i) Procedures for members to convene a special general meeting ("SGM")

Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition sent to the Company's registered office in Bermuda and its principal place of business in Hong Kong, for the attention of the company secretary, to require a SGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit of requisition, the Board fails to proceed to convene such meeting, the Shareholders concerned themselves may do so in accordance with the provisions of Section 74(3) of the Companies Act, but any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition.

The written requisition must state the purposes of the general meeting, signed by the Shareholders concerned and may consist of several documents in like form, each signed by one or more of those Shareholders.

If the requisition is in order, the company secretary will ask the Board to convene a SGM by serving sufficient notice in accordance with the statutory requirements to all the registered Shareholders. On the contrary, if the requisition is invalid, the Shareholders concerned will be advised of this outcome and accordingly, a SGM will not be convened as requested.

The notice period to be given to all the registered Shareholders for consideration of the proposal raised by the Shareholders concerned at a SGM is at least fourteen clear days and not less than ten clear business days, or shorter if permitted by the Listing Rules.

(ii) Procedures for a member to propose a person for election as a Director

Regarding the procedures for proposing a person for election as a Director, please refer to the procedures made available under the Corporate Governance section of the Company's website at www.leftfieldprinting.com.

(iii) Procedures for directing Shareholders' enquires to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing to the principal place of business of the Company in Hong Kong or by email to investor@leftfieldprinting.com for the attention of the company secretary.

(iv) Procedures for putting forward proposals at a general meeting

Shareholders holding (i) not less than one-twentieth of the total voting rights of all Shareholders having the right to vote at the general meeting of the Company; or (ii) not less than 100 Shareholders, can submit a written request stating the resolution intended to be moved at the AGM; or a statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at a particular general meeting. The written request/ statements must be signed by the Shareholders concerned and deposited at the Company's registered office in Bermuda and its principal place of business in Hong Kong for the attention of the company secretary of the Company, not less than six weeks before the AGM in the case of a requisition requiring notice of a resolution and not less than one week before the general meeting in the case of any other requisition.

If the written request is in order, the company secretary will ask the Board (i) to include the resolution in the agenda for the AGM; or (ii) to circulate the statement for the general meeting, provided that the Shareholders concerned have deposited a sum of money reasonably determined by the Board sufficient to meet the Company's expenses in serving the notice of the resolution and/or circulating the statement submitted by the Shareholders concerned in accordance with the statutory requirements to all the registered Shareholders. On the contrary, if the requisition is invalid or the Shareholders concerned have failed to deposit sufficient money to meet the Company's expenses for the said purposes, the Shareholders concerned will be advised of this outcome and accordingly, the proposed resolution will not be included in the agenda for the AGM; or the statement will not be circulated for the general meeting.

INDEPENDENT AUDITOR'S REPORT



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TO THE SHAREHOLDERS OF LEFT FIELD PRINTING GROUP LIMITED

澳獅環球集團有限公司

(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Left Field Printing Group Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 42 to 98, which comprise the consolidated statement of financial position as at 31 December 2025, 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 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") 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 ("HKSA") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the "Auditor's 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.

INDEPENDENT AUDITOR'S REPORT

Valuation of inventories

Refer to Note 17 and the Group's material accounting policies and critical accounting estimates and judgements in relation to valuation of inventories set out in Note 2.7 and Note 4(v) to the consolidated financial statements, respectively.

As at 31 December 2025, the carrying value of the Group's inventories amounted to HK\$79,442,000, net of provision of obsolete inventories of HK\$9,221,000, which consisted mainly of papers and supplies used for the book printing. Inventories are carried at lower of cost and net realisable value in the consolidated financial statements. Net realisable value of inventories is the estimated selling price in the ordinary courses of business, less estimated costs of completion and the estimated costs necessary to make the sale. The level of the provision is assessed by taking into account the recent sales experience, aging of inventories and other factors that affect inventory obsolescence. Valuation of inventories is a key audit matter due to the size of the balance and the degree of estimation and judgement required to be made by the Group in determining the provision for obsolescence.

Our response

To determine whether the valuation of inventories was appropriate at reporting date we performed, amongst others, the following audit procedures:

- Assessed the Group's accounting policy for the valuation of inventories and provisioning against inventory obsolescence to ensure it has been appropriately formulated in accordance with IFRS Accounting Standards;
- Attended and observed management's inventory count procedures by a component auditor to review the condition of the Group's inventories and identify slow moving, excess and obsolete inventories;
- Assessed the reasonableness of judgement applied by the Group in determining the provision for obsolescence with reference to recent sales experience and ageing of inventories on hand at year-end;
- Checked raw materials purchased for the year to purchase invoices on a sample basis and assessed the reasonableness of the absorption method of production overheads to work-in-progress and finished goods on hand at year-end;
- Checked the subsequent sales invoices on a sample basis and compared inventories' carrying amounts to their net realisable value; and
- Analysed inventories turnover days by inventories' category in comparison to the previous year.

INDEPENDENT AUDITOR'S REPORT

Impairment of trade receivables

Refer to Note 18 and the Group's material accounting policies and critical accounting estimates and judgements in relation to valuation of trade set out in Note 2.6 and Note 4(iv) to the consolidated financial statements, respectively.

As at 31 December 2025, the carrying value of the Group's trade receivables amounted to HK\$89,185,000, net of provision for impairment of HK\$651,000. Provision for impairment on trade receivables of HK\$447,000, was recognised in profit or loss during the year.

The policy for impairment of receivables of the Group is based on, where appropriate, the evaluation of risk of default and ECL rates. The Group adopts judgement in making these assumptions and selecting inputs for computing such impairment loss, broadly based on the available customers' historical data, existing market conditions including forward looking estimates at end of reporting date. Impairment of trade receivables is a key audit matter due to the size of the balance and the degree of estimation and judgement required to be made by the Group in determining the impairment of trade receivables.

Our response

To determine whether impairment of trade receivables was appropriate at reporting date we performed, amongst others, the following audit procedures:

- Obtained an understanding of the Group's credit policies and evaluated the Group's policy for estimating impairment with reference to the requirements of the prevailing accounting standard;
- Checked, on a sample basis, whether items in the trade receivables ageing report were classified within the appropriate ageing bracket by comparing individual items in the report with the relevant sales invoices;
- Assessed the reasonableness of management's loss allowance estimates by examining the information used by management to form such judgements, including testing the accuracy of the historical default data, evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information;
- Discussed with management about the recoverability status of material overdue balances and assess whether provision is required; and
- Reviewed management's assessment on impairment and considered whether it has been recognised in accordance with IFRS Accounting Standards.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION IN THE ANNUAL REPORT

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

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards 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 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 either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibilities in this regard.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S 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 auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, 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 HKSAAs 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 HKSAAs, we exercise professional judgement and maintain professional skepticism 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.
- 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 auditor's 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

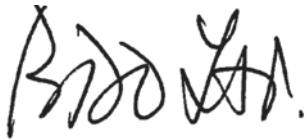
INDEPENDENT AUDITOR'S REPORT

- 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 units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee 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 the Audit Committee 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.

From the matters communicated with the directors, 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 auditor's 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.



BDO Limited
Certified Public Accountants
Tsui Ka Che, Norman
Practising Certificate Number P05057

Hong Kong, 30 March 2026

LEFT FIELD PRINTING GROUP LIMITED
ANNUAL REPORT 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	Year ended 31 December	
		2025	2024
		HK\$'000	HK\$'000
Revenue	6	506,892	525,583
Direct operating costs		(398,697)	(412,646)
Gross profit		108,195	112,937
Other income and gains or losses, net	6	9,589	9,294
Selling and distribution costs		(32,774)	(33,948)
Administrative expenses		(41,060)	(37,929)
Provision for impairment of trade receivables, net	18	(447)	(72)
Finance costs	7	(2,030)	(722)
Profit before income tax	8	41,473	49,560
Income tax expense	10	(12,926)	(15,314)
Profit for the year		28,547	34,246
Other comprehensive income:			
Item that will not be reclassified subsequently to profit or loss:			
Exchange gain/(loss) on translation of functional currency to presentation currency		23,026	(25,007)
Other comprehensive income for the year, net of tax		23,026	(25,007)
Total comprehensive income for the year		51,573	9,239
Profit for the year attributable to:			
Owners of the Company		28,547	34,246
Total comprehensive income attributable to:			
Owners of the Company		51,573	9,239
Earnings per share			
Basic	12	HK5.72 cents	HK6.87 cents

LEFT FIELD PRINTING GROUP LIMITED
ANNUAL REPORT 2025

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	As at 31 December	
		2025 HK\$'000	2024 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	14	67,236	49,487
Deposits for acquisition of property, plant and equipment		–	1,577
Right-of-use assets	15	47,148	10,330
Deferred tax assets	13	31,178	15,779
Goodwill	16	15,812	11,270
		161,374	88,443
Current assets			
Inventories	17	70,221	68,528
Trade receivables	18	88,534	87,048
Other receivables, deposits and prepayments	19	7,993	6,190
Cash and cash equivalents	20	123,774	111,343
		290,522	273,109
Current liabilities			
Trade and other payables	21	29,203	28,138
Lease liabilities	22	16,923	8,263
Provisions	23	31,072	27,595
Provisions for income tax		2,879	7,902
		80,077	71,898
Net current assets		210,445	201,211
Total assets less current liabilities		371,819	289,654
Non-current liabilities			
Other payables	21	8,041	–
Lease liabilities	22	30,254	2,386
Provisions	23	4,732	1,425
Deferred tax liabilities	13	20,321	8,998
		63,348	12,809
Net assets		308,471	276,845
EQUITY			
Share capital	24	4,987	4,987
Reserves	25	303,484	271,858
Total equity		308,471	276,845

On behalf of the directors



Richard Francis Celarc
Director



Lau Chuk Kin
Director

LEFT FIELD PRINTING GROUP LIMITED
ANNUAL REPORT 2025

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Share capital	Share premium	Contributed surplus	Merger reserve	Foreign currency translation reserve	Proposed final dividend	Retained earnings	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2025	4,987	89,975	183,655	(42,177)	(39,469)	–	79,874	276,845
Total comprehensive income for the year								
Profit for the year	–	–	–	–	–	–	28,547	28,547
Other comprehensive income								
Currency translation	–	–	–	–	23,026	–	–	23,026
Total comprehensive income for the year	–	–	–	–	23,026	–	28,547	51,573
Transactions with owners in their capacity as owners								
Dividend (Note 11)	–	–	–	–	–	–	(19,947)	(19,947)
Total transactions with owners	–	–	–	–	–	–	(19,947)	(19,947)
Balance at 31 December 2025	4,987	89,975	183,655	(42,177)	(16,443)	–	88,474	308,471

LEFT FIELD PRINTING GROUP LIMITED
ANNUAL REPORT 2025

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Share capital	Share premium	Contributed surplus	Merger reserve	Foreign currency translation reserve	Proposed final dividend	Retained earnings	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2024	4,987	89,975	183,655	(42,177)	(14,462)	19,947	45,628	287,553
Total comprehensive income for the year								
Profit for the year	-	-	-	-	-	-	34,246	34,246
Other comprehensive income								
Currency translation	-	-	-	-	(25,007)	-	-	(25,007)
Total comprehensive income for the year	-	-	-	-	(25,007)	-	34,246	9,239
Transactions with owners in their capacity as owners								
Dividend (Note 11)	-	-	-	-	-	(19,947)	-	(19,947)
Total transactions with owners	-	-	-	-	-	(19,947)	-	(19,947)
Balance at 31 December 2024	4,987	89,975	183,655	(42,177)	(39,469)	-	79,874	276,845

LEFT FIELD PRINTING GROUP LIMITED
ANNUAL REPORT 2025

CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	Year ended 31 December	
		2025	2024
		HK\$'000	HK\$'000
Cash flows from operating activities			
Profit before income tax		41,473	49,560
Adjustments for:			
Bank interest income	6	(3,232)	(3,581)
Interest on lease liabilities	7	1,991	669
Other interest expense	7	39	53
Depreciation of property, plant and equipment	8,14	17,415	15,470
Depreciation of right-of-use assets	8,15	19,056	16,292
Provision for impairment of trade receivables, net	8,18	447	72
Bad debt written-off	8	133	-
Provision for/(reversal of) impairment of inventories, net	8,17	3,945	(2,827)
Gain on disposals of property, plant and equipment	6	(4)	(3)
Gain on lease modification, net	6,15	-	(4)
Net cash inflow generated from operating activities		81,263	75,701
Decrease in trade and other receivables		3,476	9,341
Decrease in inventories		1,049	18,815
Decrease in trade and other payables		(1,155)	(11,705)
Increase/(decrease) in provisions		1,286	(747)
Cash generated from operations		85,919	91,405
Income taxes paid, net		(20,786)	(15,445)
Interest received		3,232	3,581
<i>Net cash generated from operating activities</i>		68,365	79,541
Cash flows from investing activities			
Payments for purchase of property, plant and equipment		(8,578)	(5,529)
Increase in deposits for acquisition of property, plant and equipment		-	(1,261)
Proceeds from disposals of property, plant and equipment		4	3
Cash consideration paid for business combination	29	(14,834)	-
<i>Net cash used in investing activities</i>		(23,408)	(6,787)
Cash flows from financing activities			
Dividends paid	11	(19,947)	(19,947)
Payment for hire purchase		(1,562)	-
Payments of principal portion of lease liabilities		(19,080)	(16,954)
Interest portion of lease liabilities paid	7, 22	(1,991)	(669)
<i>Net cash used in financing activities</i>		(42,580)	(37,570)
Net increase in cash and cash equivalents		2,377	35,184
Cash and cash equivalents at 1 January		111,343	85,514
Net effect of exchange rate changes		10,054	(9,355)
Cash and cash equivalents at 31 December		123,774	111,343
Analysis of cash and cash equivalents			
Cash and bank balances	20	123,774	111,343

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

Left Field Printing Group Limited (the "Company") was incorporated as an exempted company with limited liability in Bermuda on 18 April 2018. The address of the Company's registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business in Hong Kong is Level 11 East Wing, NEO, 123 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong. The principal place of business in Australia is 138 Bonds Road, Riverwood, NSW 2210, Australia. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "SEHK") on 8 October 2018.

As at 31 December 2025, the Company's ultimate holding company is Lion Rock Group Limited, which was incorporated in Bermuda and is also a listed company on the Main Board of the SEHK.

The Company is an investment holding company. Details of the activities of its principal subsidiaries are set out in Note 31 to the consolidated financial statements. The Company and its subsidiaries are collectively referred to as the "Group" hereafter. Major operations of the Group are carried out in Australia.

The consolidated financial statements for the year ended 31 December 2025 were approved for issue by the board of directors of the Company on 30 March 2026.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements on pages 42 to 98 have been prepared in accordance with IFRS[®] Accounting Standards and IAS[®] Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively "IFRS Accounting Standards") and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also include the applicable disclosures required by the Rules Governing the Listing of Securities on the SEHK.

The material accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented. The adoption of new or amended IFRS Accounting Standards and the impacts on the Group's consolidated financial statements, if any, are disclosed in Note 3.

The consolidated financial statements have been prepared under historical cost convention. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in the preparation of the consolidated financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.2 Basis of combinations and basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the dates of acquisition or up to the effective dates of disposal, as appropriate. Where necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

The Group accounts for business combination using acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive processes and whether the acquired set has the ability to produce outputs.

The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by IFRS Accounting Standards. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.3 Foreign currency translation

The functional currency of the Company is Australian Dollars ("AUD"), while the consolidated financial statements are presented in Hong Kong Dollars ("HK\$") for the reason to enable the shareholders and potential investors of the Company to have a more accurate picture of the Group by aligning the Group's financial performance with its share price as the Company's shares are listed on the SEHK.

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined and are reported as part of the fair value gain or loss. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into HK\$. Assets and liabilities have been translated into HK\$ at the closing rates at the reporting date. Income and expenses have been converted into HK\$ at the average exchange rates for the month of the transactions, unless exchange rates fluctuated significantly during the year, in which case, the exchange rates prevailing at the dates of transactions are used. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in foreign currency translation reserve in equity.

2.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Freehold land in Australia is not depreciated and are measured at cost less accumulated impairment losses. Depreciation on other property, plant and equipment is provided to write-off their costs to their estimated residual value, over their estimated useful lives, using straightline method, as the following:

Buildings	5-25 years
Leasehold improvements	The shorter of the lease or 5-25 years
Plant and equipment	2-20 years
Office furniture and equipment	2-10 years
Motor vehicles	3-8 years
Computer equipment	1-5 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.4 Property, plant and equipment (Continued)

The assets' depreciation methods, estimated residual values and estimated useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

2.5 Goodwill

Goodwill is initially recognised at cost being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests in the acquiree and the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree over the fair value of identifiable assets and liabilities acquired.

Where the fair value of identifiable assets and liabilities exceed the aggregate of the fair value of consideration paid, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree, the excess is recognised in profit or loss on the acquisition date, after re-assessment.

Goodwill is measured at cost less impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating unit ("CGU") that are expected to benefit from the synergies of the acquisition. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. A CGU to which goodwill has been allocated is tested for impairment annually, by comparing its carrying amount with its recoverable amount (see Note 2.11), and whenever there is an indication that the unit may be impaired.

For goodwill arising on an acquisition in a financial year, the CGU to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro-rata on the basis of the carrying amount to each asset in the unit. However, the loss allocated to each asset will not reduce the individual asset's carrying amount to below its fair value less costs of disposal (if measurable) or its value-in-use (if determinable), whichever is the higher. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.6 Financial instruments

Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments as measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

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

Financial assets at amortised cost are subsequently measured using effective interest method. Amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Impairment loss on financial assets

The Group recognises loss allowances for expected credit loss ("ECL") on financial assets including trade receivables, other receivables and deposits and cash and cash equivalents. ECLs are measured on either of the following bases: (1) 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; or (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group has elected to measure loss allowances for trade receivables using IFRS 9 "Financial Instruments" ("IFRS 9") simplified approach and has calculated ECLs based on lifetime ECLs. The Group uses practical expedients when estimating lifetime ECLs on trade receivables, which is calculated using a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment, which a fixed provision rate applies depending on the number of days that a trade receivable is outstanding.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.6 Financial instruments (Continued)

Impairment loss on financial assets (Continued)

For other debt financial assets, ECLs are based on lifetime ECLs except when there has not been a significant increase in credit risk since initial recognition, in which case the allowance will be based on the 12 months ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be credit-impaired when: (1) the borrower is unlikely to pay its credit obligations to the Group in full; or (2) the financial asset is more than 90 days past due.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status.

The Group considers a financial asset to be credit-impaired when:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non-credit-impaired financial assets interest income is calculated based on the gross carrying amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.6 Financial instruments (Continued)

Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at amortised cost are initially measured at fair value, net of directly attributable costs incurred.

The Group classifies its financial liabilities as measured at amortised cost including trade and other payables, using effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

Effective interest method

This is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. Effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with IFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

2.7 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using weighted average method, and in the case of work-in-progress and finished goods, cost comprises direct materials and, where applicable, direct labour costs and those overhead costs that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When the inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period in which the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.8 Lease

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 "Lease" ("IFRS 16") at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Short-term leases

The Group applies the short-term lease recognition exemption to leases of property, plant and equipment that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases 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 amortised on a straight-line basis over the shorter of its estimated useful life and the lease term.

When the Group obtains ownership of the underlying leased assets at the end of the lease term, upon exercising purchase options, the carrying amount of the relevant right-of-use asset is transferred to property, plant and equipment.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.8 Lease (Continued)

The Group as a lessee (Continued)

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 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.

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 market rental rates following a market rent review 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 statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.8 Lease (Continued)

The Group as a 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.

2.9 Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of past event, which it is probable will result in an outflow of economic benefits that can be reliably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2.10 Revenue recognition

In accordance with IFRS 15 "Revenue from Contracts with Customers" ("IFRS 15"), revenue from contract with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.10 Revenue recognition (Continued)

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service.

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amounts receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. For contracts where the period between the payment and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

Sales of goods

Revenue arising from sales of goods is recognised at a point in time when the goods is transferred and the customer (i.e. publishers) has received the publications, since only by the time the Group has a present right to payment for the goods delivered. There is generally only one performance obligation. Invoices are usually payable within 30 to 90 days.

The Group's contracts with customers from the sale of goods provide customers a volume rebate if the customer purchase more than certain volume of goods in a calendar year. The volume rebates give rise to variable consideration. The Group estimated the expected volume rebates using the most likely amount of rebates approach and as a reduction of revenue as the sales are recognised.

Contract liabilities

A contract liability represents the Group's 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.

2.11 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of property, plant and equipment and right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased.

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value-in-use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant assets is carried at a revalued amount under IFRS Accounting Standards, in which case the impairment loss is treated as a revaluation decrease under that IFRS Accounting Standards.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent 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 in prior years. A reversal of an impairment loss is recognised as income immediately, unless the revalued assets is carried at a revalued amount under another IFRS Accounting Standards, in which case the reversal of impairment loss is treated as a revaluation increase under IFRS Accounting Standards.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.12 Employee benefits

(i) Short term obligations

The liabilities for wages and salaries, including annual leave and long service leave expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

The liabilities of employee benefit obligations are presented as payables in the consolidated statement of financial position.

(ii) Other long-term employee benefit obligations

The liabilities for long service leave and annual leave which is not expected to be settled within twelve months after the end of the period in which the employees rendered the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the consolidated statement of financial position if the entity does not have any unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises restructuring costs involving the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after the end of the reporting period are discounted to present value.

(iv) Defined contribution plan

Superannuation is categorised as a defined contribution plan. The Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

The contributions to defined contribution plans are recognised as employee benefits expense in profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.13 Income taxes

Income tax for the year comprises current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of the reporting period. The amount of current tax payable or receivable is the best estimate of the tax amount expect to be paid or received that reflects any uncertainty related to income tax.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits and does not give rise to equal taxable and deductible temporary differences, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, 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 is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

Current tax assets and current tax liabilities are presented in net if, any only if, the Group has the legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.13 Income taxes (Continued)

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if, the entity has a legally enforceable right to set off current tax assets against current tax liabilities and deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either:

- (i) The same taxable entity; or
- (ii) Different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.14 Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of key management personnel of the Group or the Company's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities 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 the employees of 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 key management personnel of the entity (or of a parent of the entity).
 - (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 Company's parent.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.14 Related parties (Continued)

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

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

3. ADOPTION OF IFRS ACCOUNTING STANDARDS

3.1 Adoption of amended IFRS Accounting Standards

During the year, the Group has adopted all the amended IFRS Accounting Standards which are first effective for the reporting year and relevant to the Group.

Amendments to IAS 21 and IFRS 1	Lack of Exchangeability
Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37	Disclosures about Uncertainties in the Financial Statements

The amendment listed above did not have any significant impact on the Group's results and financial position for the current or prior period. The Group has not early applied any new or amended IFRS Accounting Standards that is not yet effective for the current accounting period. Impact on the applications of these amended IFRS Accounting Standards are summarised below.

Amendments to IAS 21 and IFRS 1 – Lack of Exchangeability

The amendments specify when a currency is exchangeable into another currency and when it is not, and how an entity determines a spot rate when a currency lacks exchangeability.

Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 – Disclosures about Uncertainties in the Financial Statements

On 13 February 2026, the HKICPA issued Disclosures about Uncertainties in the Financial Statements, which amended multiple HKFRS Accounting Standards to include illustrative examples demonstrating how companies can apply HKFRS Accounting Standards when reporting the effects of uncertainties in their financial statements. The illustrative examples are accompanying materials to HKFRS Accounting Standards and do not have an effective date. The Group has considered these illustrative examples in its preparation of the consolidated financial statements and no additional disclosures or changes in presentation were considered necessary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. ADOPTION OF IFRS ACCOUNTING STANDARDS (Continued)

3.2 New or amended IFRS Accounting Standards that have been issued but are not yet effective

At the date of the issuance of these consolidated financial statements, the following amended IFRS Accounting Standards have been published but are not yet effective, and have not been adopted early by the Group.

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ¹
Annual improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1 First time adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosure, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, IAS 7 Statement of Cash Flows ¹
IFRS 18	Presentation and Disclosure in Financial Statements ²
IFRS 19	Subsidiaries without public accountability: disclosure ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

¹ Effective for annual periods beginning on or after 1 January 2026.

² Effective for annual periods beginning on or after 1 January 2027.

³ The amendments were originally intended to be effective for periods beginning on or after 1 January 2016. The effective date has now been deferred/removed. Early application of the amendments continue to be permitted.

The directors of the Company anticipate that all of the pronouncements will be adopted for the first period beginning after the effective date of the pronouncement. The directors of the Company are currently assessing the impact of the amended IFRS Accounting Standards upon initial application. So far, the directors of the Company have preliminarily concluded that the initial application of these IFRS Accounting Standards will not result in material financial impact on the consolidated financial statements except IFRS 18 explained below. Information on amended IFRS Accounting Standards that are expected to have an impact on the Group's accounting policies is provided below.

Amendments to IFRS 9 and IFRS 7 – Amendments to Classification and Measurement of Financial Instruments

The amendments include requirements on classification of financial assets with environmental, social or governance ("ESG") targets and similar features, settlement of financial liabilities through electronic payment systems; and additional disclosures regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent feature.

Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity

Amendments to IFRS 9 and IFRS 7 clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. ADOPTION OF IFRS ACCOUNTING STANDARDS (Continued)

3.2 New or amended IFRS Accounting Standards that have been issued but are not yet effective (Continued)

Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity (Continued)

Currently, the Group derecognises its financial liabilities upon the issuance of cheques to their creditors. Under the amendments, the Group as a debtor should derecognise trade payable on the settlement date, i.e. the date on which the creditor receives the cash, as oppose to when the Group issues the cheque. Similarly, the Group should derecognise a trade receivable upon receiving cash from the debtor after the cheque has been cleared by the bank. The Group is in the process of reviewing the derecognition practices for financial assets and financial liabilities to ensure compliance; and assessing the impact of amendments to the Group's financial statements upon adoption.

Annual improvements to IFRS Accounting Standards – Volume 11 – Amendments to IFRS 1 First time adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosure, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, IAS 7 Statement of Cash Flows

The annual improvements contain narrow amendments to IFRS Accounting Standards and accompanying guidance as part of its regular maintenance of the standards.

IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 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 IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 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 adoption of IFRS 18 will not affect the recognition or measurement of items in the consolidated financial statements. It mainly has impacts on presentation and disclosure of income and expenses and adds new disclosure requirement on management-defined performance measures within the consolidated financial statements. So far, the Group considers that the impact of these new and amended standards on the Group's results of operations and financial position will not be material.

IFRS 19 – Subsidiaries without public accountability: disclosure

IFRS 19 specifies the disclosure requirements that an entity is permitted to apply to substitute the disclosure requirements in other IFRS Accounting Standards. The Company's shares are listed and traded in The Stock Exchange of Hong Kong Limited. Therefore, it has public accountability according to IFRS 19 and does not qualify for electing to apply the standard to prepare its financial statements.

Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments introduce new requirements on loss of control over assets in a transaction with an associate or joint venture. These requirements require the full gain to be recognised when the assets transferred meet the definition of a "business" under IFRS 3, Business combination.

The directors of the Company do not anticipate that the application of the amendments in the future will have a material impact on the financial statements except IFRS 18.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of the consolidated financial statements requires management to make judgement, estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that may have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in Note 2.5. The recoverable amounts of CGU have been determined based on value-in-use calculations, which require the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise.

(ii) Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

(iii) Estimation of useful lives of property, plant and equipment

The Group determines the estimated useful lives and related depreciation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

(iv) Impairment of receivables

Impairment of receivables assessment requires a degree of estimation and judgement. The policy for impairment of receivables of the Group is based on, where appropriate, the evaluation of risk of default and ECL rates. The Group adopts judgement in making these assumptions and selecting inputs for computing such impairment loss, broadly based on the available customers' historical data, existing market conditions including forward looking estimates at end of reporting date.

(v) Impairment of inventories

Inventories are carried at the lower of cost and net realisable value. Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, ageing of inventories and other factors that affect inventory obsolescence.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(vi) Recognition of deferred tax assets

Judgement is required in determining whether deferred tax assets are recognised on the consolidated statement of financial position. Deferred tax assets, including those arising from un-utilised tax losses, require management to assess the likelihood that the Group will generate taxable earnings in future periods, in order to utilise recognised deferred tax assets. Estimates of future taxable earnings in future periods, are based on forecasted taxable income.

(vii) Provision for leasehold dilapidations

A provision has been made for the estimated cost of returning the leasehold properties to its original state at the end of the lease in accordance with the lease terms. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the consolidated statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

5. SEGMENT INFORMATION

Operating segments are presented using the "management approach", where the information presented is on the same basis as the internal reports provided to the chief operating decision maker (the "Chief Operating Decision Maker"). The Chief Operating Decision Maker is responsible for the allocation of resources to operating segments and assessing their performance, has been identified as the board of directors.

(a) Description of segments

Management has determined the operating segments based on the reports reviewed by the Chief Operating Decision Maker as defined above that are used to make strategic decision.

These individuals review the business primarily from a product and service offering perspective and have identified one reportable segment, which is printing solutions and services.

The printing solutions and services division provides digital and offset printing, and other ancillary business services including digital asset management, content management, back catalogue fulfilment, direct to consumer distribution and warehousing, variable data and intelligent mailing.

The division has short run, medium and long run production capabilities and in-house finishing.

The printing solutions and services division also has a business services model that enables the efficient and seamless content creation to consumption for the Australian government, government departments and agencies. This includes webhosting, electronic fulfilment, printing on demand and digital asset management. These capabilities have been extended to the publishing sector as well.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. SEGMENT INFORMATION (Continued)

(b) Segment revenue

Revenue from external parties reported is measured in a manner consistent with that in the consolidated statement of profit or loss and other comprehensive income that are revenue from contracts with customer within the scope of IFRS 15.

Revenue by geographic location is not used by the Chief Operating Decision Maker in reviewing the performance of the CGU. Revenue and non-current assets of the Group are mainly in Australia.

(c) EBITDA as monitored by the directors and senior management

The Chief Operating Decision Maker assesses the performance of the operating segments based on a measure of EBITDA as monitored by the directors and senior management ("EBITDA"). This measure is consistent with the presentation of financial information internally for management accounts purpose.

A reconciliation of EBITDA to the profit before income tax per the consolidated statement of profit or loss and other comprehensive income is as follows:

	2025	2024
	HK\$'000	HK\$'000
EBITDA on ordinary activities	79,974	82,044
Depreciation	(36,471)	(31,762)
Finance cost	(2,030)	(722)
Profit before income tax	41,473	49,560

(d) Segment assets and liabilities

The amounts provided to the Chief Operating Decision Maker with respect to total assets and total liabilities are not reported by operating segment as the Group has majority of its operation and workforce located in Australia.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. SEGMENT INFORMATION (Continued)

(e) Segment information

	Printing solutions and services	Corporate*	Total
	HK\$'000	HK\$'000	HK\$'000
2025			
Total external revenue	506,892	–	506,892
Other income	6,577	3,012	9,589
Operating expenses [#]	(426,816)	(9,691)	(436,507)
EBITDA	86,653	(6,679)	79,974
Depreciation	(36,292)	(179)	(36,471)
Finance cost	(1,989)	(41)	(2,030)
Profit before income tax	48,372	(6,899)	41,473
Total consolidated segment results	48,372	(6,899)	41,473
2024			
Total external revenue	525,583	–	525,583
Other income	4,890	4,404	9,294
Operating expenses [#]	(442,008)	(10,825)	(452,833)
EBITDA	88,465	(6,421)	82,044
Depreciation	(31,577)	(185)	(31,762)
Finance cost	(661)	(61)	(722)
Profit before income tax	56,227	(6,667)	49,560
Total consolidated segment results	56,227	(6,667)	49,560

* Included in "Corporate" are the Group's activities in finance income and costs, staff costs and other corporate activities incurred under central corporate and treasury function which are not able to be allocated to printing solutions and services segment.

Included in "Operating expenses" are production expenses, staff costs and other administrative expenses incurred by the Group.

6. REVENUE, OTHER INCOME AND GAINS OR LOSSES, NET

(a) The Group derives its revenue from sales of goods at a point in time during the years.

The Group has assessed that the disaggregation of revenue by operating segments in Note 5 is appropriate in meeting this disclosure requirement as this is the information regularly reviewed by the Chief Operating Decision Maker in order to evaluate the financial performance of the entity.

Revenue from customers contributing over 10% of the Group's revenue of the corresponding years is as follows:

	2025	2024
	HK\$'000	HK\$'000
Customer A	119,710	91,895
Customer B	79,269	80,095
Customer C	51,953	62,040

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

6. REVENUE, OTHER INCOME AND GAINS OR LOSSES, NET (Continued)

(a) The Group derives its revenue from sales of goods at a point in time during the years. (Continued)

The following table provides information about contract liabilities from contracts with customers.

	2025	2024
	HK\$'000	HK\$'000
Contract liabilities (Note 21)	922	479

Contract liabilities relate to the advances received from customers. HK\$490,000 (2024: HK\$1,198,000) of contract liabilities as of 31 December 2024 has been recognised as revenue for the year ended 31 December 2025 from performance obligations satisfied in current year.

The Group has applied the practical expedient to its sales of goods and therefore the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for sales of goods that had an original expected duration of one year or less.

(b) An analysis of the Group's other income and gains or losses, net during the year is as follows:

	Note	2025	2024
		HK\$'000	HK\$'000
Scrap recoveries		4,534	3,269
Exchange (loss)/gain, net		(175)	1,089
Gain on disposals of property, plant and equipment		4	3
Gain on lease modification, net	15	-	4
Insurance refunds		401	268
Rental income		1,310	160
Bank Interest income		3,232	3,581
Others		283	920
		9,589	9,294

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

7. FINANCE COSTS

	2025	2024
	HK\$'000	HK\$'000
Interest on lease liabilities	1,991	669
Other interest expenses	39	53
	2,030	722

8. PROFIT BEFORE INCOME TAX

	2025	2024
	HK\$'000	HK\$'000
Profit before income tax is arrived at after charging/(crediting):		
Depreciation of property, plant and equipment (Note 14 and Note (i) below)	17,415	15,470
Depreciation of right-of-use assets (Note 15 and Note (ii) below)	19,056	16,292
Auditor's remuneration	1,284	1,012
Cost of inventories recognised as expense	171,917	187,640
Interest on lease liabilities (Note 7 and 22)	1,991	669
Provision for/(reversal of) impairment of inventories, net (Note 17)	3,945	(2,827)
Provision for impairment of trade receivables, net (Note 18)	447	72
Bad debt written-off	133	–
Short-term leases expenses	1,680	1,821
Employee benefits expense (Note (iii) below)		
Salaries, wages and other staff costs	160,435	151,233
Superannuation (Note (iv) below)	15,338	14,300
	175,773	165,533

Notes:

- (i) Depreciation charges on property, plant and equipment of HK\$16,843,000 (2024: HK\$14,771,000) and HK\$572,000 (2024: HK\$699,000) have been included in direct operating costs and administrative expenses respectively for the year.
- (ii) Depreciation charges on right-of-use assets of HK\$15,103,000 (2024: HK\$12,887,000) and HK\$3,953,000 (2024: HK\$3,405,000) have been included in direct operating costs and administrative expenses respectively for the year.
- (iii) Employee benefits expense of HK\$144,796,000 (2024: HK\$136,115,000), HK\$10,203,000 (2024: HK\$11,153,000) and HK\$20,774,000 (2024: HK\$18,265,000) included directors' remunerations have been included in direct operating costs, selling and distribution costs and administrative expenses respectively.
- (iv) A subsidiary, OPUS Group Pty. Ltd. ("OPUS") and its controlled entities contribute to a number of superannuation funds. These funds provide benefits on a cash accumulation basis for employees or their dependents on resignation, retirement, total and permanent disablement or death. Benefits are based on the contributions and net income thereon held by the funds on behalf of their members. The level of these benefits varies according to the fund to which the employee belongs. The Group contributions to all superannuation funds are legally enforceable. Contributions may be made by the member in addition to the Group contributions, as specified by the rules of the fund.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

9. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES

(a) Directors' emoluments

The aggregate amounts of the emoluments paid or payable to the directors are as follows:

	Fee HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Post- employment benefits HK\$'000	Long-term benefits HK\$'000	Total HK\$'000
2025					
<i>Executive directors</i>					
Mr. Richard Francis Celarc	-	-	-	-	-
Mr. Lau Chuk Kin	-	-	-	-	-
Ms. Tang Tsz Ying	-	763	111	-	874
<i>Non-executive director</i>					
Mr. Paul Antony Young (retired on 16 May 2025)	-	114	13	-	127
<i>Independent non-executive directors</i>					
Mr. Ho Tai Wai David	240	-	-	-	240
Mr. Lai Wing Hong Joseph	240	-	-	-	240
Mr. Tsui King Chung David	240	-	-	-	240
	720	877	124	-	1,721
2024					
<i>Executive directors</i>					
Mr. Richard Francis Celarc	-	-	-	-	-
Mr. Lau Chuk Kin	-	-	-	-	-
Ms. Tang Tsz Ying	-	794	119	-	913
<i>Non-executive director</i>					
Mr. Paul Antony Young	-	322	36	-	358
<i>Independent non-executive directors</i>					
Mr. Ho Tai Wai David	240	-	-	-	240
Mr. Lai Wing Hong Joseph	240	-	-	-	240
Mr. Tsui King Chung David	240	-	-	-	240
	720	1,116	155	-	1,991

During each of the two years ended 31 December 2025 and 2024, none of the directors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to the directors as an inducement to join, or upon joining the Group, or as compensation for loss of office.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

9. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (Continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year included one (2024: one) director whose emoluments is reflected in the analysis presented above. Emoluments payable to the four (2024: four) individuals during the year are as follows:

	2025	2024
	HK\$'000	HK\$'000
Salaries, allowances and benefits in kind	3,490	3,739
Post-employment benefits	390	378
	3,880	4,117

Emolument paid or payables to each of the above non-director individuals for the year fell within the following bands:

	2025	2024
	Number of individuals	Number of individuals
Emolument bands		
Nil to HK\$1,000,000	2	1
HK\$1,000,001 to HK\$1,500,000	2	3
HK\$1,500,001 to HK\$2,000,000	–	–
HK\$2,000,001 to HK\$2,500,000	–	–
	4	4

In 2025 and 2024, no emolument were paid by the Group to any of the five highest paid individuals as an inducement to join or upon in the Group nor as compensation for loss of office.

10. INCOME TAX EXPENSE

(a) Income tax

The amount of income tax expense in the consolidated statement of profit or loss and other comprehensive income represents:

	2025	2024
	HK\$'000	HK\$'000
Current tax expense – Australia		
– Tax for the year	15,463	15,132
– Over-provision in prior years	(2)	–
	15,461	15,132
Deferred tax (Note 13)		
– (Credited)/charged for the year	(2,535)	182
Total income tax expense	12,926	15,314

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

10. INCOME TAX EXPENSE (Continued)

(a) Income tax (Continued)

The Group's subsidiaries in Australia are subject to domestic tax rate of 30% (2024: 30%) on the estimated assessable profits.

For years ended 31 December 2025 and 2024, under the two-tiered profits tax rate regime, Hong Kong Profits Tax of the qualifying group entity incorporated in Hong Kong is calculated at 8.25% on the first HK\$2,000,000 of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2,000,000. There is no group entity subject to Hong Kong Profits Tax qualified for the two-tiered profits tax rates regime, is continuously taxed at a flat rate of 16.5% for the year ended 31 December 2025 (2024: nil). Overseas entity refers to incorporated in Hong Kong.

(b) Reconciliation of income tax expense

Reconciliation between income tax expense and accounting profit at applicable tax rates is as follows:

	2025	2024
	HK\$'000	HK\$'000
Profit before income tax	41,473	49,560
Income tax using the Group's domestic tax rate (30%)	12,441	14,868
Tax rate difference in overseas entity	204	192
Tax effect of non-assessable income	(3)	(77)
Tax effect of non-deductible expenses	45	13
Tax effect of tax losses not recognised	241	318
Over provision in prior years	(2)	–
Total income tax expense	12,926	15,314

(c) Tax losses

	2025	2024
	HK\$'000	HK\$'000
Unused tax losses for which no deferred tax asset has been recognised	15,089	13,630

11. DIVIDENDS AND DISTRIBUTION

(i) Dividends and distribution attributable to the previous financial year, approved and paid during the year:

	2025	2024
	HK\$'000	HK\$'000
Final dividend paid in respect of prior year of HK\$0.04 (2024: HK\$0.04) per share	19,947	19,947
	19,947	19,947

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

11. DIVIDENDS AND DISTRIBUTION (Continued)

(ii) Dividends declared after the end of reporting period:

	2025 HK\$'000	2024 HK\$'000
Interim dividend declared of HK\$0.03 (2024: HK\$0.04) per share in lieu of final dividend (Note)	14,960	19,947
	14,960	19,947

Note:

The amount of the interim dividend declared for the year ended 31 December 2025, which will be payable in cash, has been calculated by reference to the 498,671,823 issued ordinary share outstanding at the date of this report. The interim dividends are not reflected as dividend payable in the consolidated financial statements.

There are no income tax consequences related to the payment of dividend by the Company to its shareholders.

12. EARNINGS PER SHARE

The calculation of basic earnings per share amount is based on profit attributable to owners of the Company of approximately HK\$28,547,000 (2024: HK\$34,246,000) and on the weighted average number of ordinary shares of 498,671,823 (2024: 498,671,823) in issue during the year.

No diluted earnings per share are presented as the Group has no dilutive potential ordinary shares during the year (2024: nil).

13. DEFERRED TAX BALANCES

(a) Deferred tax assets

Details of the deferred tax assets movement during the current and prior years without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	Plant and equipment HK\$'000	Employee benefits HK\$'000	Provision for leasehold dilapidations HK\$'000	Provision for impairment of inventories HK\$'000	Lease liabilities HK\$'000	Others HK\$'000	Total HK\$'000
1 January 2024	1,298	8,990	728	2,669	5,567	987	20,239
Credited/(Charged) to profit or loss	399	(229)	17	(1,122)	(2,076)	4	(3,007)
Exchange differences	(142)	(737)	(63)	(132)	(296)	(83)	(1,453)
At 31 December 2024 and 1 January 2025	1,555	8,024	682	1,415	3,195	908	15,779
Acquired through business acquisition (Note 29)	-	747	-	-	2,272	-	3,019
Credited to profit or loss	744	393	11	1,185	7,957	188	10,478
Exchange differences	158	710	57	166	729	82	1,902
At 31 December 2025	2,457	9,874	750	2,766	14,153	1,178	31,178

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

13. DEFERRED TAX BALANCES (Continued)

(a) Deferred tax assets (Continued)

Recognition of deferred tax assets

Judgement is required in determining whether deferred tax assets are recognised in the consolidated statement of financial position. Deferred tax assets require management to assess the likelihood that the Group will generate taxable earnings in future periods, in order to utilise the recognised deferred tax assets. Estimates of future taxable earnings in future periods, are based on forecasted taxable income.

At 31 December 2025, the Group has not recognised a deferred tax asset of HK\$2,490,000 (2024: HK\$2,249,000) in respect of tax losses due to the unpredictable future profit streams against which the tax losses can be utilised amount. The Group has capital losses, for which no deferred tax asset is recognised in the consolidated statement of financial position, of HK\$34,586,000 (2024: HK\$31,987,000) as at 31 December 2025. These are available indefinitely for offset against future capital gains, subject to relevant tax tests. All tax losses had no expiry dates under the current tax legislation.

(b) Deferred tax liabilities

Details of deferred tax liabilities movement during the current and prior years without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	Plant and equipment	Inventories	Right-of-use assets	Others	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2024	1,829	2,012	5,257	3,556	12,654
Credited to profit or loss	(457)	(427)	(1,870)	(71)	(2,825)
Exchange differences	(116)	(134)	(288)	(293)	(831)
At 31 December 2024 and 1 January 2025	1,256	1,451	3,099	3,192	8,998
Acquired through business acquisition (Note 29)	–	–	2,184	–	2,184
Charged/(credited) to profit or loss	(290)	(34)	8,135	132	7,943
Exchange differences	89	116	727	264	1,196
At 31 December 2025	1,055	1,533	14,145	3,588	20,321

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings	Plant and equipment	Office furniture and equipment	Motor vehicles	Leasehold improvements	Computer equipment	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2024							
Cost	15,010	280,202	2,241	1,768	8,568	17,042	324,831
Accumulated depreciation and impairment	(11,048)	(221,064)	(2,230)	(1,380)	(8,439)	(16,612)	(260,773)
Net book amount	3,962	59,138	11	388	129	430	64,058
Year ended 31 December 2024							
Opening net book amount	3,962	59,138	11	388	129	430	64,058
Additions	–	5,457	–	–	176	107	5,740
Depreciation for the year	(267)	(14,771)	(7)	(95)	(70)	(260)	(15,470)
Exchange differences	(315)	(4,453)	(2)	(27)	(17)	(27)	(4,841)
Closing net book amount	3,380	45,371	2	266	218	250	49,487
At 31 December 2024 and 1 January 2025							
Cost	13,750	260,651	2,031	1,457	8,014	15,648	301,551
Accumulated depreciation and impairment	(10,370)	(215,280)	(2,029)	(1,191)	(7,796)	(15,398)	(252,064)
Net book amount	3,380	45,371	2	266	218	250	49,487
Year ended 31 December 2025							
Opening net book amount	3,380	45,371	2	266	218	250	49,487
Acquired through business combination (Note 29)	–	20,960	39	161	39	–	21,199
Additions	–	10,090	–	–	–	102	10,192
Depreciation for the year	(236)	(16,844)	(9)	(100)	(77)	(149)	(17,415)
Exchange differences	260	3,455	2	26	15	15	3,773
Closing net book amount	3,404	63,032	34	353	195	218	67,236
At 31 December 2025							
Cost	14,867	310,263	2,237	1,746	8,706	17,025	354,844
Accumulated depreciation and impairment	(11,463)	(247,231)	(2,203)	(1,393)	(8,511)	(16,807)	(287,608)
Net book amount	3,404	63,032	34	353	195	218	67,236

As at 31 December 2025 and 2024, the Group's freehold land and buildings were situated in Australia.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

15. RIGHT-OF-USE ASSETS

	Leased properties HK\$'000	Plant and equipment HK\$'000	Total HK\$'000
At 1 January 2024			
Cost	89,653	9,024	98,677
Accumulated depreciation	(75,735)	(5,419)	(81,154)
Net book amount	13,918	3,605	17,523
Year ended 31 December 2024			
Opening net book amount	13,918	3,605	17,523
Additions	3,126	725	3,851
Depreciation for the year	(15,139)	(1,153)	(16,292)
Lease modification	6,522	(230)	6,292
Exchange differences	(793)	(251)	(1,044)
Closing net book amount	7,634	2,696	10,330
At 31 December 2024 and 1 January 2025			
Cost	91,229	7,659	98,888
Accumulated depreciation	(83,595)	(4,963)	(88,558)
Net book amount	7,634	2,696	10,330
Year ended 31 December 2025			
Opening net book amount	7,634	2,696	10,330
Additions	371	1,109	1,480
Acquired through business combination (Note 29)	7,281	–	7,281
Depreciation for the year	(17,991)	(1,065)	(19,056)
Lease modification	43,114	59	43,173
Exchange differences	3,725	215	3,940
Closing net book amount	44,134	3,014	47,148
At 31 December 2025			
Cost	140,283	9,505	149,788
Accumulated depreciation	(96,149)	(6,491)	(102,640)
Net book amount	44,134	3,014	47,148
	2025	2024	
	HK\$'000	HK\$'000	
Expense relating to short-term leases	1,680	1,821	
Additions to right-of-use assets	1,480	3,851	
Total cash outflow for leases	21,071	17,623	

As of 31 December 2025 and 2024, the Group did not have commitment for short-term leases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

15. RIGHT-OF-USE ASSETS (Continued)

In 2025 and 2024, the Group leased a number of properties and production equipment for its operations. The leases run for an initial period which ranged from one to five years (2024: one to five years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group has options to purchase certain machineries for a nominal amount at the end of the lease term. The Group's obligations are secured by the underlying assets as the rights to the leased asset would be reverted to the lessor in the event of default of repayment by the Group.

In 2025, approximately one-tenth (2024: one-fifth) of the leases for property, plant and equipment expired. One expired contracts were renewed by new leases for identical underlying assets.

Details of the lease maturity analysis of lease liabilities are set out in Notes 22 and 33(d).

16. GOODWILL

	HK\$'000
At 1 January 2024	
Cost	12,303
Accumulated impairment loss	–
Net carrying amount	12,303
Year ended 31 December 2024	
Opening net carrying amount	12,303
Exchange differences	(1,033)
Closing net carrying amount	11,270
At 31 December 2024 and 1 January 2025	
Cost	11,270
Accumulated impairment loss	–
Net carrying amount	11,270
Year ended 31 December 2025	
Opening net carrying amount	11,270
Acquired through business combination (Note 29)	3,438
Exchange differences	1,104
Closing net carrying amount	15,812
At 31 December 2025	
Cost	15,812
Accumulated impairment loss	–
Net carrying amount	15,812

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

16. GOODWILL (Continued)

Goodwill is allocated to the Group's CGUs, based on how the goodwill is monitored for internal management purposes. Summary of goodwill which arose from acquisitions of subsidiaries and business is presented below:

	2025	2024
	HK\$'000	HK\$'000
Griffin Press Printing Pty Ltd. ("Griffin")	12,185	11,270
Marvel Printing Pty Ltd. ("Marvel") ^{&}	3,627	–
	15,812	11,270

[&] The acquisition of Marvel provided good opportunity to increase market share and strengthen the Group's capacity bookbinding and printfinishing. Accordingly, the goodwill which arose from the acquisition of bookbinding business has been allocated from the acquisition date, to the CGU.

The recoverable amounts for the CGUs were determined based on value-in-use calculations using discounted cash flow technique. These calculations use cash flow projections based on financial budgets approved by management covering a 5-year period, which were mainly based on the actual results of these CGUs for the current year. Cash flows beyond the 5-year period are extrapolated using the estimated growth rates as stated below. The growth rate does not exceed the long-term average growth rate for the printing business in which the CGUs operates. The discount rates used for value-in-use calculations are pre-tax and reflect specific risks relating to the relevant CGUs.

The key assumptions used for recoverable amounts are as follows:

	Growth rate		Discount rate	
	2025	2024	2025	2024
Griffin	0%	0%	16%	15%
Marvel	0%	N/A	16%	N/A

Apart from the considerations described above in determining the recoverable amounts of the CGUs, management is not aware of any other probable changes that would necessitate changes in the key assumptions.

As at 31 December 2025, management determines that the CGUs containing goodwill do not suffer any impairment.

17. INVENTORIES

	2025	2024
	HK\$'000	HK\$'000
Raw materials	75,722	68,660
Work-in-progress	1,210	2,522
Finished goods	2,510	2,063
Less: Provision for impairment	(9,221)	(4,717)
	70,221	68,528

During the year, the Group has provided net provision for impairment of inventories HK\$3,945,000 (2024: reversal of provision of HK\$2,827,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

18. TRADE RECEIVABLES

	2025	2024
	HK\$'000	HK\$'000
Trade receivables	89,185	87,227
Less: Provision for impairment	(651)	(179)
	88,534	87,048

Movement in the provision for impairment on trade receivables is as follows:

	2025	2024
	HK\$'000	HK\$'000
Balance at the beginning of the year	179	188
Impairment recognised	659	189
Impairment recovered	(79)	(117)
Amount write off	(133)	(63)
Exchange differences	25	(18)
Balance at the end of the year	651	179

Ageing analysis of trade receivables, net of provision, based on the invoice date, is as follows:

	2025	2024
	HK\$'000	HK\$'000
0 – 30 days	37,266	39,723
31 – 60 days	26,820	24,061
61 – 90 days	22,124	17,905
91 – 120 days	2,027	5,276
121 – 150 days	292	77
Over 150 days	5	6
	88,534	87,048

In general, the Group allows a credit period from 30 to 90 days (2024: 30 to 90 days) to its customers.

The directors of the Company consider that the fair values of trade receivables are not materially different from their carrying amounts because these amounts have short maturity periods on their inception.

In the year ended 31 December 2025, a provision of HK\$651,000 (2024: provision of HK\$179,000) was made against the gross amounts of trade receivables (Note 33(c)).

As at 31 December 2025 and 2024, the Group did not hold any collateral as security or other credit enhancements over the impaired trade receivables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

19. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2025	2024
	HK\$'000	HK\$'000
Deposits	744	710
Prepayments	6,293	4,477
Other receivables	956	1,003
	7,993	6,190

As at 31 December 2025, no provision (2024: nil) was made against the gross amount of other receivables and deposits.

20. CASH AND CASH EQUIVALENTS

	2025	2024
	HK\$'000	HK\$'000
Cash on hand and at banks	123,774	111,343

Bank balances earn interest at floating rates based on daily bank deposit rates.

21. TRADE AND OTHER PAYABLES

	2025	2024
	HK\$'000	HK\$'000
Trade payables	12,730	11,832
Other payables and accruals – current:		
Other creditors	1,532	1,275
Sundry provisions and accruals	11,774	11,820
Contract liabilities	922	479
Provision for pay-as-you-earn/pay-as-you-go	400	436
GST payables	1,845	2,296
	16,473	16,306
Other payables and accruals – non-current:		
Deferred consideration (Note (i), 29)	8,041	-
	37,244	28,138

- (i) The balance represented the deferred consideration for acquiring the bookbinding and printfinishing business and assets, to be settled in accordance with the terms in the business acquisition agreement. The deferred consideration was measured at fair value based on the adjustment of the earn-out amount stated in the business acquisition agreement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

21. TRADE AND OTHER PAYABLES (Continued)

As at 31 December 2025, ageing analysis of trade payables based on invoice date, is as follows:

	2025	2024
	HK\$'000	HK\$'000
0 – 30 days	10,510	10,026
31 – 60 days	1,749	1,381
61 – 90 days	–	–
91 – 120 days	28	1
Over 120 days	443	424
	12,730	11,832

Credit terms granted by the suppliers are generally 0 to 90 days (2024: 0 to 90 days).

All amounts are short term and hence the carrying values of trade and other payables are considered to be a reasonable approximation to their fair values.

Contract liabilities

Breakdown of contract liabilities is as follows:

	2025	2024
	HK\$'000	HK\$'000
<i>Contract liabilities arising from:</i>		
Sale of goods (Note 6(a))	922	479

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

Sale of goods

The Group may take certain deposits on acceptance of the order, with the remainder of the consideration payable upon the delivery of the publications. The deposits remain as contract liabilities until such time as publications are delivered. No element of financing is deemed present as the sales are made with a credit term which is consistent with market practice.

Movement in contract liabilities is as follows:

	2025	2024
	HK\$'000	HK\$'000
Balance at 1 January	479	1,226
Decrease in contract liabilities as a result of recognising revenue during the year (Note 6(a))	(490)	(1,198)
Increase in contract liabilities as a result of increase in deposits received in advance from customers	874	511
Exchange differences	59	(60)
Balance at 31 December	922	479

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

22. LEASE LIABILITIES

The present value of future lease payments are analysed as:

	2025	2024
	HK\$'000	HK\$'000
Balance as at 1 January	10,649	18,559
Additions	1,109	3,851
Acquired through business combination (Note 29)	7,572	–
Lease modification	43,173	6,288
Interest expenses	1,991	669
Lease payments	(21,071)	(17,623)
Exchange differences	3,754	(1,095)
Balance as at 31 December	47,177	10,649
Represented by:		
Current liabilities	16,923	8,263
Non-current liabilities	30,254	2,386
	47,177	10,649

Future lease payments are due as follows:

	Minimum lease payments 2025	Interest 2025	Present value 2025
	HK\$'000	HK\$'000	HK\$'000
Due within one year	18,838	1,915	16,923
Due more than one year but not exceeding two years	17,587	1,100	16,487
Due in the third to fifth years	14,515	748	13,767
	50,940	3,763	47,177

	2024	2024	2024
	HK\$'000	HK\$'000	HK\$'000
Due within one year	8,552	289	8,263
Due more than one year but not exceeding two years	1,500	75	1,425
Due in the third to fifth years	1,010	49	961
	11,062	413	10,649

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

23. PROVISIONS

	2025	2024
	HK\$'000	HK\$'000
Current		
Employee benefit liabilities for annual leave and time in lieu	12,405	10,420
Employee benefit liabilities for long service leave (Note (i))	18,667	14,902
Provision for leasehold dilapidations (Note (ii))	–	2,273
	31,072	27,595
Non-current		
Employee benefit liabilities for long service leave (Note (i))	1,844	1,425
Provision for leasehold dilapidations (Note (ii))	2,888	–
	4,732	1,425
	35,804	29,020

Notes:

- (i) Long service leave in Australia covers all unconditional entitlements where employees have completed the required period of service and also where employees are entitled to pro-rata payments in certain circumstances. The amount is classified as current, since the Group does not have an unconditional right to defer settlement.
- (ii) Leasehold dilapidations relate to the estimated cost of reinstatement the leasehold properties to its original state at the end of the lease in accordance with the lease terms. The main uncertainty relates to estimating the cost that will be incurred at the end of the lease.

24. SHARE CAPITAL

	2025		2024	
	Number of shares	Amount HK\$'000	Number of shares	Amount HK\$'000
Authorised:				
Ordinary shares of HK\$0.01 each	10,000,000,000	100,000	10,000,000,000	100,000
Issued and fully paid:				
Ordinary shares of HK\$0.01 each				
At 1 January and 31 December	498,671,823	4,987	498,671,823	4,987

During the year ended 31 December 2025 and 2024, no ordinary shares were repurchased.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

25. RESERVES

Group

Movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 44 to page 45. Nature and purpose of the reserves is as follows:

(a) Share premium

The application of the share premium account is governed by Section 40 of Bermuda Companies Act 1981 (as amended).

(b) Contributed surplus

The contributed surplus represents the difference between the costs of investment in subsidiaries acquired pursuant to the Reorganisation prior to the listing of the Company's shares over the nominal value of the Company's shares issued in exchange thereof.

The Company's reserves available for distribution comprise its contributed surplus and retained earnings.

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus, if:

- (i) it is, or would after the payment be, unable to pay its liabilities as they become due; or
- (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

(c) Merger reserve

This represents the difference between the par value of the shares of the Company issued in exchange for the entire share capital of Left Field Printing Group Limited pursuant to the completion of the Reorganisation on 8 October 2018.

(d) Foreign currency translation reserve

The foreign currency translation reserve comprised all foreign currency differences arising from the retranslation on consolidation of the financial statements of the group companies, which do not have a HK\$ presentation currency.

Company

Movement in the Company's reserves is as follows:

	HK\$'000
Balance at 1 January 2024	267,045
Profit for the year	14,299
Currency translation	(25,017)
Balance at 31 December 2024 and 1 January 2025	256,327
Profit for the year	4,054
Currency translation	22,351
Balance at 31 December 2025	282,732

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

26. HOLDING COMPANY STATEMENT OF FINANCIAL POSITION

	Notes	2025 HK\$'000	2024 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Investments in subsidiaries		176,171	162,932
Current assets			
Other receivables and prepayment		334	155
Amounts due from subsidiaries		105,181	93,545
Cash and cash equivalents		16,370	14,212
		121,885	107,912
Current liabilities			
Amount due to a subsidiary		10,085	9,327
Other payables		252	203
		10,337	9,530
Net current assets		111,548	98,382
Net assets		287,719	261,314
EQUITY			
Share capital	24	4,987	4,987
Reserves	25	282,732	256,327
Total equity		287,719	261,314

On behalf of the directors



Richard Francis Celarc
Director



Lau Chuk Kin
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

27. CAPITAL COMMITMENTS

As at 31 December 2025, the Group had the following capital commitments:

	2025	2024
	HK\$'000	HK\$'000
Contracted, but not provided for acquisition of property, plant and equipment	–	3,510

28. PERFORMANCE BOND

As at 31 December 2025, there are obligations of the Group under a commercial agreement amounting to HK\$1,786,000 (2024: HK\$1,652,000). There have been no claims from the agreements in both years.

No security was required for this performance bond (2024: nil).

29. ACQUISITION OF BUSINESS

On 5 May 2025, OPUS Group Pty. Ltd. ("OPUS") and Marvel Printing Pty Ltd, ("Marvel"), both wholly owned subsidiary of the Company, entered into a business acquisition agreement (the "Acquisition Agreement") with Marvel Bookbinding and Printfinishing Pty Ltd (the "Seller"), and Mr. Wayne Eastaugh, ("Mr. Wayne"), pursuant to which, Marvel has conditionally agreed to purchase and the Seller has conditionally agreed to sell the bookbinding and printfinishing business and assets at aggregate consideration with a maximum of AUD7,515,000 (equivalent to approximately HK\$36,974,000). The acquisition was completed on 16 May 2025 (the "Completion Date").

At Completion Date, the estimated aggregate consideration comprised of (i) initial consideration of AUD3,000,000 (equivalent to approximately HK\$14,760,000); (ii) hire purchase reimbursement of AUD15,000 (equivalent to approximately HK\$74,000) and (iii) deferred consideration of AUD1,549,000 (equivalent to approximately HK\$7,622,000) ("Deferred Consideration"). The Deferred Consideration was measured at fair value based on the adjustment of the earn-out amount as stated in the Acquisition Agreement.

Pursuant to the Acquisition Agreement, an option (the "Option") to acquire 25% of the issued shares in Marvel at consideration of AUD1,500,000 (equivalent to approximately HK\$7,380,000) was granted to Mr. Wayne and his son, Mr. Richard Eastaugh or an entity majority owned by either or both of them (the "Option Holder"), exercisable within the period commencing on the last day of the earn-out period and ending on the Deferred Consideration payment date. According to the Acquisition Agreement, if the Option Holder exercise the Option, the earn-out amount in the Deferred Consideration would be fixed at AUD1,500,000 (equivalent to approximately HK\$7,380,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

29. ACQUISITION OF BUSINESS (Continued)

As at the date of acquisition, management assessed the terms in the Acquisition Agreement, including the fair value of Deferred Consideration and the Option as at Completion Date and as at 31 December 2025, the management concluded that the Option Holder is unlikely to exercise the Option. As a result, no fair value of the Option was recognised by the Group at the Completion Date and as at the date of acquisition and 31 December 2025.

Details of the fair value of identifiable assets and liabilities of the acquired business ("Acquired Business"), purchase consideration and goodwill arising from the acquisition as at the acquisition date were as follows:

	HK\$'000	HK\$'000
Property, plant and equipment	21,199	
Right-of-use assets	7,281	
Deferred tax assets	3,019	
Inventories	1,328	
Other borrowings	(1,562)	
Lease liabilities	(7,572)	
Provisions	(2,491)	
Deferred tax liabilities	(2,184)	
Total identified assets and liabilities acquired		19,018
Cash consideration		14,834
Deferred consideration		7,622
Goodwill (Note 16)		3,438

Goodwill of HK\$3,438,000, which is not deductible for tax purpose, mainly represented the value of expected synergies arising from the combination of the acquired business with the existing operations of the Group.

Since the acquisition date, the Acquired Business has contributed HK\$16,535,000 to revenue and a net profit of HK\$1,414,000 to the Group. If the acquisition had occurred on 1 January 2025, the Group's revenue and net profit would have been HK\$516,443,000 and HK\$27,844,000, respectively, this pro forma information is for illustrative purpose only and is not necessarily an indication of revenue and result of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2025, nor is it intended to be a projection of future performance.

The acquisition related costs of HK\$85,000 have been expensed and are included in administrative expense.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

29. ACQUISITION OF BUSINESS (Continued)

Movement in deferred consideration during the year:

	2025 HK\$'000	2024 HK\$'000
Balance at 1 January	–	–
Initial recognition at acquisition date	7,622	–
Exchange differences	419	–
Balance at 31 December	8,041	–

30. RELATED PARTY TRANSACTIONS AND BALANCES

(a) During the year, the Group entered into the following transactions with related parties:

Person/Entity	Relationship with the Group	Nature of transactions	2025
			HK\$'000
D.M.R.A. Property Pty Ltd	Common director	Rent	3,752
		Purchase of assets	556
Angrich Pty Ltd	Common director	Consulting fees	1,265
1010 Printing International Limited	Fellow subsidiary	Sales	114

Person/Entity	Relationship with the Group	Nature of transactions	2024
			HK\$'000
D.M.R.A. Property Pty Ltd	Common director	Rent	4,208
Angrich Pty Ltd	Common director	Consulting fees	1,318
1010 Printing International Limited	Fellow subsidiary	Sales	454
		Outwork	12
Papercraft SDN. BHD	Fellow subsidiary	Purchase of equipment	202
Horizon Binding Service Pty Ltd.	Common director	Rental and property expenses	190

(b) **Compensation of key management personnel**

The key management personnel of the Group are the directors of the Company. The remuneration of the key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends. Details of the remuneration paid to them are set out in Note 9(a) to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

31. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Name of company	Date of incorporation	Principal country of operation/Country of incorporation/establishment and type of legal entity	Class of shares	Issued and fully paid share capital/registered capital	Percentage of issued capital held by the Company ^	Principal activities
OPUS Group Pty. Ltd. ^	7 June 1983	Australia, limited liability company	Ordinary	AUD36,923,405	100%	Investment holding
OPUS Group (Australia) Pty Ltd	23 May 2007	Australia, limited liability company	Ordinary	AUD700,000	100%	Investment holding
OPUS Book Printing Group Holdings Pty Ltd	4 December 2008	Australia, limited liability company	Ordinary	AUD8,183,577	100%	Investment holding
Union Offset Co Pty Ltd	24 August 1967	Australia, limited liability company	Ordinary	AUD120,000	100%	Production of government printed matters and catalogues, operating manuals and promotions leaflets
CanPrint Communications Pty Limited	4 September 1997	Australia, limited liability company	Ordinary	AUD17,333	100%	Production of government printed matters and catalogues, operating manuals and promotions leaflets
Ligare Pty Limited	17 September 1979	Australia, limited liability company	Ordinary	AUD4	100%	Production of education books and catalogues, operating manuals and promotions leaflets
McPherson's Printing Pty Limited	1 November 1971	Australia, limited liability company	Ordinary	AUD10,000	100%	Production of read-for-pleasure books and catalogues, operating manuals and promotions leaflets
Griffin Press Printing Pty Ltd	5 February 1999	Australia, limited liability company	Ordinary	AUD2,300	100%	Production of read-for-pleasure books and catalogues, operating manuals and promotions leaflets
Horizon Binding Pty Ltd	7 February 2025	Australia, limited liability company	Ordinary	AUD4 (2024: nil)	100% (2024: nil)	Provision of bookbinding and printfinishing service
Marvel Printing Pty Ltd	8 April 2025	Australia, limited liability company	Ordinary	AUD100 (2024: nil)	100% (2024: nil)	Provision of bookbinding service of printing products

None of the subsidiaries had any debt securities subsisting at the end of the year or at any time during the year.

Note:

^ Except OPUS which is directly held by the Company, all subsidiaries are indirectly held by the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

32. NOTES SUPPORTING STATEMENT OF CASH FLOWS

In 2025, the Group entered into one new leases agreement (2024: four) for the use of leased properties and equipment for 5 year (2024: 5 year). On the commencement of the leases, HK\$1,109,000 (2024: HK\$3,851,000) was recognised as right-of-use assets and lease liabilities respectively.

Reconciliation of liabilities arising from financing activities:

	Lease liabilities (Note 22)
	HK\$'000
At 1 January 2024	18,559
Changes from cash flows:	
Capital element of lease liabilities paid	(16,954)
Interest element of lease liabilities paid	(669)
Total changes from financing cash flows	(17,623)
Other changes:	
New lease entered	3,851
Finance charges on obligations under lease liabilities (Note 7)	669
Lease modification	6,288
Exchange differences	(1,095)
	9,713
At 31 December 2024 and 1 January 2025	10,649
Changes from cash flows:	
Acquired through business combination (Note 29)	7,572
Capital element of lease liabilities paid	(19,080)
Interest element of lease liabilities paid	(1,991)
Total changes from financing cash flows	(2,850)
Other changes:	
New lease entered	1,109
Finance charges on obligations under lease liabilities (Note 7)	1,991
Lease modification	43,173
Exchange differences	3,754
	50,027
At 31 December 2025	47,177

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

33. FINANCIAL RISK MANAGEMENT

The Group is exposed through its operations to financial risks such as foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, and ageing analysis for credit risk.

(a) Foreign exchange risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the functional currencies applicable to each entity. The currencies in which transactions are primarily denominated are Australian Dollars ("AUD"), New Zealand Dollars ("NZD"), US Dollars ("USD"), European Union Euros ("Euro"), Great British Pound ("GBP") and Hong Kong Dollars ("HK\$"). Management evaluates their foreign currency risk using cash flow forecasts with the objective of keeping its exposure to a minimum. The Group may in certain circumstances use forward exchange contracts to hedge its foreign currency risk. When used, the contracts would normally have maturities of less than one year at inception date. The Group does not hold or issue financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date was as follows:

	2025 HK\$'000	2024 HK\$'000
Assets		
HK\$	675	1,498
USD	711	1,205
GBP	6,482	5,981
	7,868	8,684
Liabilities		
HK\$	254	202
USD	519	34
EUR	119	110
GBP	–	29
	892	375

Sensitivity Analysis

Based on this exposure above, had the Australian dollar weakened by 10%/strengthened by 5% against these foreign currencies with all other variables held constant, the Group's profit before income tax for the year ended 31 December 2025 and retained earnings as at 31 December 2025 would have HK\$680,000 higher/HK\$358,000 lower (2024: HK\$845,000 higher/HK\$408,000 lower) as at 31 December 2025. The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 6 months each year and the spot rate at each reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

33. FINANCIAL RISK MANAGEMENT (Continued)

(b) Interest rate risk

Interest rate risk arises both where payments of floating interest are made and where the Group has fixed interest rate borrowings compared to the market. The Group monitors the current market rates and evaluates on an ongoing basis whether to borrow at fixed or floating rates with the objective of minimising interest payable.

The Group's main interest rate risk arises from cash at bank. Cash at bank at variable rates expose the Group to interest rate risk. Finance leases issued at fixed rates expose the Group to fair value risk. As at each of the reporting period, the Group has no interest bearing liabilities issued at floating rate.

Sensitivity Analysis

In managing interest rate and currency risks the Group aims to reduce the impact of short-term fluctuations on Group's earnings. Over the longer-term, however, permanent changes in foreign exchange and interest rates will have an impact on profit or loss. At 31 December 2025, it is estimated that an increase of one percentage point in interest rates would increase Group's profit before income tax for the year by approximately HK\$1,241,000 (2024: HK\$1,113,000).

(c) Credit risk

The Group is exposed to credit risk in relation to its cash and cash equivalents, trade receivables and other receivables and deposits. The carrying amounts of each class of the above financial assets represent the Group's maximum exposure to credit risk in relation to financial assets.

To manage this risk arising from cash and cash equivalent, the Group only transacts with reputable commercial banks which are all high-credit-quality financial institutions. There has no recent history of default in relation to these financial institutions.

The directors consider the Group does not have a significant concentration of credit risk. The top 5 customers accounted for approximately 60% (2024: 56%) of total revenue during the year ended 31 December 2025. In this regard, the Group's trade receivables are actively monitored to avoid significant concentrations of credit risk.

The Group also continuously evaluates the credit risk of its customers to ensure appropriateness of the amount of credit granted. Credit terms are extended to customers based on the evaluation of individual customer's financial conditions. In addition, the Group reviews the recoverable amount of each individual trade debt at each reporting date to ensure that adequate impairment losses are made for irrecoverable amounts. The credit policies have been followed by the Group since prior years and are considered to have been effective in limiting the Group's exposure to credit risk to a desirable level.

For other receivables and deposits, management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. The directors of the Company believe that there is no material credit risk inherent in the Group's outstanding balance of other receivables and deposits, except one individual debtor was identified as irrecoverable and written off during the year. Other than the irrecoverable debt with ECL allowance measured at lifetime ECL with credit impaired, the Group measures loss allowances for other receivables and deposits at an amount equal to 12-month ECLs. No significant change to estimation techniques or assumptions was made during the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Credit risk (Continued)

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The ECL on trade receivables is estimated using a provision matrix by reference to past default experience of the debtor, current market condition in relation to each debtor's exposure. The ECL also incorporated forward looking information with reference to general macroeconomic conditions that may affect the ability of the debtors to settle receivables.

The Group recognised lifetime ECLs for trade receivables based on individually significant customer or the ageing of customers collectively that are not individually significant as follows:

	Weighted average lifetime expected credit loss	Gross carrying amount	Lifetime expected credit loss	Net carrying amount	Credit- impaired
		HK\$'000	HK\$'000	HK\$'000	
2025					
Collective assessment					
Not past due	0.1%	79,444	80	79,364	No
Past due:					
1 – 30 days	0.5%	7,321	37	7,284	No
31 – 60 days	1%	1,600	16	1,584	No
61 – 90 days	1%	241	2	239	No
Over 90 days	2%	64	1	63	Yes
		88,670	136	88,534	
Individual assessment	100%	515	515	–	Yes
		89,185	651	88,534	
2024					
Collective assessment					
Not past due	0.1%	74,889	79	74,810	No
Past due:					
1 – 30 days	0.5%	7,640	38	7,602	No
31 – 60 days	1%	4,462	45	4,417	No
61 – 90 days	1%	52	1	51	No
Over 90 days	2%	171	3	168	Yes
		87,214	166	87,048	
Individual assessment	100%	13	13	–	Yes
		87,227	179	87,048	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Credit risk (Continued)

The following table shows the movements in lifetime ECL that has been recognised for trade receivables under simplified approach.

	Lifetime ECL (not credit-impaired)		Lifetime ECL (credit-impaired)		Total	
	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January	166	164	13	24	179	188
Amount written off	(128)	(39)	(5)	(24)	(133)	(63)
Impairment losses recognised	137	174	522	15	659	189
Impairment losses recovered	(63)	(117)	(16)	–	(79)	(117)
Exchange differences	24	(16)	1	(2)	25	(18)
At 31 December	136	166	515	13	651	179

Changes in the loss allowance for trade receivables are mainly due to:

	2025		2024	
	Increase/(Decrease) in lifetime ECL		Increase/(Decrease) in lifetime ECL	
	Not credit- impaired	Credit- impaired	Not credit- impaired	Credit- impaired
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Amount written off with a gross carrying amount of HKD133,000 (2024: HKD Nil)	129	5	–	–
Settlement in full of trade debtors with a gross carrying amount of HK\$87,094,000 (2024: HK\$102,751,000)	(63)	(16)	(117)	–
New trade receivables with gross carrying amount of HK\$89,185,000 (2024: HK\$87,222,000)	137	522	174	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

33. FINANCIAL RISK MANAGEMENT (Continued)

(d) Liquidity risk

Liquidity risk represents the Group's ability to meet its contractual obligations. The Group evaluates its liquidity requirements on an ongoing basis using cash flow forecasting. In general, the Group generates sufficient cash flows from its operating activities and holds and retains cash to meet its obligations arising from its financial liabilities.

The following table sets out the contractual cash flows for all financial liabilities at the reporting date:

	Carrying amount HK\$'000	Total contractual undiscounted cash flows HK\$'000	Within 1 year or on demand HK\$'000	More than 1 year but less than 5 years HK\$'000
2025				
Non-derivative financial liabilities				
Trade and other payables	34,477	34,477	26,436	8,041
Lease liabilities	47,177	50,940	18,838	32,102
	81,654	85,417	45,274	40,143
2024				
Non-derivative financial liabilities				
Trade and other payables	25,363	25,363	25,363	–
Lease liabilities	10,649	11,062	8,552	2,510
	36,012	36,425	33,915	2,510

(e) Fair values

The directors consider that the fair values of the Group's current financial assets and liabilities are not materially different from their carrying amounts due to the immediate or short-term maturity of these financial instruments. The fair values of non-current financial assets and liabilities have not been disclosed because they are not materially different from their carrying amounts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

33. FINANCIAL RISK MANAGEMENT (Continued)

(e) Fair values (Continued)

Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and bank balances, trade and other receivables and deposits, trade and other payables except non-current portion, bank borrowings and lease liabilities. Due to their short-term nature, their carrying amounts approximate their fair values.

Financial instruments measured at fair value

The fair value of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of level 3 financial instruments, as well as the relationship between key observable inputs and fair value are set out below.

The following table provides an analysis of financial instruments carried at fair value by level of fair value hierarchy:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	2025	2024
	Level 3	Level 3
	HK\$'000	HK\$'000
Financial liabilities at fair value through profit or loss		
Other payable – deferred consideration	8,041	–
Net fair values	8,041	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

33. FINANCIAL RISK MANAGEMENT (Continued)

(e) Fair values (Continued)

Financial instruments measured at fair value (Continued)

The following table gives information about how the fair value of the financial assets are determined (in particular, the valuation techniques and inputs used), as well as the fair value hierarchy into which the fair value measurements are categorised (Level 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Financial items	Fair value at		Fair value hierarchy	Basis of fair value measurement/ valuation technique(s) and key input(s)	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	2025	2024				
	HK\$'000	HK\$'000				
Deferred consideration	8,041	–	Level 3	Discounted cash flow model for EBITDA-based earn-out	Forecast EBITDA and discount rate	The higher the EBITDA, the higher fair value and vice versa The higher the discount rate, the lower fair value and vice versa

Sensitivity analysis shows that a 10% increase or decrease in forecasted EBITDA would result in an increase or a decrease in fair value of approximately HK\$198,000. 0.5% increase or decrease in discount rate would result in a decrease or increase in fair value of approximately HK\$17,000. There were no transfers between levels during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

34. SUMMARY OF FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

The following table shows the carrying amount of the Group's financial assets and liabilities:

	2025 HK\$'000	2024 HK\$'000
Financial assets		
Financial assets measured at amortised cost		
– Trade receivables	88,534	87,048
– Other receivables	956	1,003
– Deposits	744	710
– Cash and cash equivalents	123,774	111,343
	214,008	200,104
Financial Liabilities		
Financial liabilities measure at fair value through profit or loss		
– Other payable – deferred consideration	8,041	–
Financial liabilities measured at amortised cost		
– Trade payables	12,730	11,832
– Other payables	13,706	13,531
	26,436	25,363
Lease liabilities	47,177	10,649
	81,654	36,012

35. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group's capital employed includes share capital, reserves and lease liabilities.

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position. The Group is not subject to any externally imposed capital requirements.

The allocation of capital between its specific business segments' operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The process of allocating capital to specific business segment operations and activities is undertaken independently of those responsible for the operation.

The Group's policies in respect of capital management and allocation are reviewed regularly by the directors and did not change during the year.

The amount of capital employed as at 31 December 2025 amounted to approximately HK\$355,648,000 (2024: HK\$287,494,000).

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements is set out below:

	Financial year ended 31 December				
	2021	2022	2023	2024	2025
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	387,267	505,361	558,038	525,583	506,892
Profit before income tax	26,865	17,714	47,127	49,560	41,473
Income tax expense	(8,514)	(6,490)	(13,794)	(15,314)	(12,926)
Profit for the year	18,351	11,224	33,333	34,246	28,547
Attributable to:					
Owners of the Company	18,351	11,224	33,333	34,246	28,547

	As at 31 December				
	2021	2022	2023	2024	2025
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
ASSETS AND LIABILITIES					
Total assets	360,317	374,126	402,807	361,552	451,896
Total liabilities	87,197	119,339	115,254	84,707	143,425
Total equity	273,120	254,787	287,553	276,845	308,471

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Richard Francis Celarc (*Chairman*)
Mr. Lau Chuk Kin
Ms. Tang Tsz Ying

Independent Non-Executive Directors

Mr. Ho Tai Wai David
Mr. Tsui King Chung David
Mr. Lai Wing Hong Joseph

COMPANY SECRETARY

Ms. Tang Tsz Ying *HKICPA, ICAA (Australia)*

AUTHORISED REPRESENTATIVES

Mr. Lau Chuk Kin
Ms. Tang Tsz Ying

BERMUDA RESIDENT REPRESENTATIVE

Conyers Corporate Services (Bermuda) Limited

AUDIT COMMITTEE

Mr. Ho Tai Wai David (*Chairman*)
Mr. Tsui King Chung David
Mr. Lai Wing Hong Joseph

NOMINATION COMMITTEE

Mr. Richard Francis Celarc (*Chairman*)
Mr. Ho Tai Wai David
Mr. Tsui King Chung David
Mr. Lai Wing Hong Joseph
Ms. Tang Tsz Ying

REMUNERATION COMMITTEE

Mr. Tsui King Chung David (*Chairman*)
Mr. Lau Chuk Kin
Mr. Ho Tai Wai David
Mr. Lai Wing Hong Joseph

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