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UNIVERSE PRINTSHOP HOLDINGS LIMITED
環 球 印 館 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8448)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2023

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Lam Shing Tai *(Chairman)*
(appointed on 1 July 2022)
Mr. Chau Man Keung *(Vice Chairman and former Chairman)*
(re-designated as Vice Chairman on 1 July 2022)
Mr. Hsu Ching Loi *(Chief Executive Officer)*
Mr. Leung Yuet Cheong *(resigned on 1 July 2022)*
Mr. Wong Man Hin Joe *(resigned on 1 July 2022)*

Independent Non-Executive Directors

Mr. Wan Aaron Chi Keung, *BBS, JP*
(resigned on 1 July 2022)
Mr. Chan Chun Kit *(resigned on 1 July 2022)*
Dr. Sun Yongjing *(resigned on 1 July 2022)*
Mr. Wong Chun Kwok *(appointed on 1 July 2022)*
Mr. Ho Kar Ming *(appointed on 1 July 2022)*
Ms. So Shuk Wan *(appointed on 1 July 2022)*

AUDIT COMMITTEE

Mr. Chan Chun Kit *(Chairman)*
(resigned on 1 July 2022)
Dr. Sun Yongjing *(resigned on 1 July 2022)*
Mr. Wan Aaron Chi Keung, *BBS, JP*
(resigned on 1 July 2022)
Mr. Wong Chun Kwok *(Chairman)*
(appointed on 1 July 2022)
Mr. Ho Kar Ming *(appointed on 1 July 2022)*
Ms. So Shuk Wan *(appointed on 1 July 2022)*

REMUNERATION COMMITTEE

Mr. Wan Aaron Chi Keung, *BBS, JP (Chairman)*
(resigned on 1 July 2022)
Mr. Chan Chun Kit *(resigned on 1 July 2022)*
Dr. Sun Yongjing *(resigned on 1 July 2022)*
Mr. Chau Man Keung *(resigned on 1 July 2022)*
Mr. Ho Kar Ming *(Chairman)*
(appointed on 1 July 2022)
Mr. Wong Chun Kwok *(appointed on 1 July 2022)*
Ms. So Shuk Wan *(appointed on 1 July 2022)*

NOMINATION COMMITTEE

Dr. Sun Yongjing *(Chairlady)*
(resigned on 1 July 2022)
Mr. Wan Aaron Chi Keung, *BBS, JP*
(resigned on 1 July 2022)
Mr. Chan Chun Kit *(resigned on 1 July 2022)*
Mr. Chau Man Keung *(resigned on 1 July 2022)*
Ms. So Shuk Wan *(Chairlady)*
(appointed on 1 July 2022)
Mr. Wong Chun Kwok *(appointed on 1 July 2022)*
Mr. Ho Kar Ming *(appointed on 1 July 2022)*

RISK MANAGEMENT COMMITTEE

Mr. Chau Man Keung *(Chairman)*
(resigned on 1 July 2022)
Mr. Wan Aaron Chi Keung, *BBS, JP*
(resigned on 1 July 2022)
Mr. Chan Chun Kit *(resigned on 1 July 2022)*
Dr. Sun Yongjing *(resigned on 1 July 2022)*
Mr. Hsu Ching Loi *(resigned on 1 July 2022)*
Mr. Wong Chun Kwok *(Chairman)*
(appointed on 1 July 2022)
Mr. Ho Kar Ming *(appointed on 1 July 2022)*
Ms. So Shuk Wan *(appointed on 1 July 2022)*

AUTHORISED REPRESENTATIVES (FOR THE PURPOSE OF THE GEM LISTING RULES)

Mr. Lam Shing Tai *(appointed on 1 July 2022)*
Mr. Chau Man Keung *(resigned on 1 July 2022)*
Mr. So Hang Fung

AUTHORISED REPRESENTATIVE (FOR THE PURPOSE OF THE COMPANIES ORDINANCE)

Mr. Lam Shing Tai *(appointed on 1 July 2022)*
Mr. Chau Man Keung *(resigned on 1 July 2022)*

Corporate Information

COMPANY SECRETARY

Mr. So Hang Fung

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTERS OF OUR GROUP AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Shop B3, G/F, Block 3
Kwun Tong Industrial Centre
448-458 Kwun Tong Road
Kwun Tong, Hong Kong

LEGAL ADVISERS AS TO HONG KONG LAWS

Howse Williams
27/F, Alexandra House, 18 Chater Road
Central, Hong Kong

PRINCIPAL BANKER

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

AUDITOR

BDO Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

COMPANY'S WEBSITE

http://www.uprintshop.hk/

STOCK CODE

8448

Chairman's Statement

Dear Shareholders,

On behalf of the board of Directors (the "Board"), I am pleased to present the annual report of the Company for the year ended 31 March 2023 ("FY2023").

BUSINESS REVIEW AND OUTLOOK

The Group is principally engaged in providing printing services to customers in Hong Kong. The printing services of the Group included offset printing, ink-jet printing and toner-based digital printing. Other than printing services, the Group also provided other services to customers, which included production of other printing-related products such as pre-ink stamps, plastic name-cards, printed eco-bags and printed plastic folders.

The Group recorded revenue of approximately HK$95.5 million for FY2023, representing a decrease of approximately 16.0% as compared to the revenue of approximately HK$113.7 million for the year ended 31 March 2022 ("FY2022"). For FY2023, the Group recorded a net loss of approximately HK$20.5 million in FY2023 as compared to approximately HK$4.4 million recorded in FY2022. Excluding the impact of one-off items in the respective financial periods, there was a net operating loss of approximately HK$21.2 million recorded in FY2023 as compared to approximately HK$4.6 million in FY2022. The one-off items in FY2023 included an impairment loss on property, plant and equipment, right-of-use assets and intangible assets of approximately HK$2.4 million (FY2022: nil), a gain on modification of leases for retail shops and machineries of approximately HK$0.2 million (FY2022: HK$0.2 million), a gain on disposal of property, plant and equipment of approximately HK$1.0 million (FY2022: nil), government subsidies of approximately HK$3.3 million (FY2022: nil) and legal and professional fees in relation to mandatory unconditional cash offer of approximately HK$1.4 million (FY2022: nil).

The global pandemic and rapidly changing market conditions have presented unprecedented challenges for our business. Despite these obstacles, we have remained steadfast in our mission to prioritize sustainability, innovation, and excellence.

To this end, we have made significant investments in eco-friendly technologies, including the recent acquisition of two state-of-the-art Jetpress machines. These machines will enhance our capabilities by providing solutions and flexibility to the Group for adjusting printing contents and volume to reduce unit fixed costs while reducing our carbon footprint, aligning with our commitment to delivering exceptional service to our customers while also prioritizing our responsibility to the environment. Throughout the pandemic, we have also continued to adopt sustainable practices across our operations, recognizing the increasing demand for environmentally responsible products and services.

Looking ahead, we remain optimistic about the future of our business and will continue to invest in technology, talent, and innovation to stay ahead of the competition.

APPRECIATION

I would like to take this opportunity to express my gratitude to all our shareholders, the Board, management and staff of for their dedication and effort over the years. In addition, on behalf of the Board, I would also like to express our most sincere thanks to all our customers and business partners for their continuous support.

Mr. LAM Shing Tai
Chairman
Hong Kong, 27 June 2023

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

In FY2023, the Group's total revenue experienced a decline of approximately HK$18.2 million or approximately 16.0%, with total revenue amounting to approximately HK$95.5 million, as compared to approximately HK$113.7 million in FY2022. This decrease in revenue was primarily due to the reduced demand for printing services, which was a result of the continuing impact of the COVID-19 pandemic in Hong Kong.

Costs of sales

The major components of the cost of sales are raw material cost, sub-contracting fee, manufacturing overhead, and staff costs. In FY2023, the total cost of sales decreased from approximately HK$89.3 million in FY2022 to approximately HK$80.8 million. This decrease was primarily due to the lower volume of sales orders, which was in line with the decline in revenue.

Gross profit and gross profit margin

The Group's gross profit decreased from approximately HK$24.4 million in FY2022 to approximately HK$14.7 million in FY2023. This decrease was in line with the decline in revenue. The gross profit margin also decreased from approximately 21.5% in FY2022 to approximately 15.4% in FY2023. This was primarily due to the increase in per unit fixed costs resulting from the reduced production volume of the Group's printing services.

Other income

Other income increased from approximately HK$1.2 million in FY2022 to approximately HK$3.9 million in FY2023, which was mainly attributable to the government subsidies of approximately HK$3.3 million (FY2022: nil) granted under the Employment Support Scheme under the Anti-epidemic Fund launched by the Hong Kong government in response to the COVID-19 pandemic and Technology Voucher Programme launched by the Innovation and Technology Commission in FY2023.

Other gains

Other gains increased from approximately HK$0.2 million in FY2022 to approximately HK$1.2 million in FY2023, which was mainly attributable to the gain on disposal of property, plant and equipment of approximately HK$1.0 million in FY2023 (FY2022: nil).

Administrative and other expenses

Administrative and other expenses primarily comprise staff costs (including directors' remuneration), depreciation, legal and professional fee, IT development fee, auditors' remuneration, marketing and entertainment, repair and maintenance, utilities expenses, bank charges and other miscellaneous administrative expenses. The administrative and other expenses amounted to approximately HK$37.0 million in FY2023, which represented an increase of approximately HK$8.2 million or approximately 28.3% as compared to approximately HK$28.8 million in FY2022. The increase in administrative and other expenses was mainly attributable to (i) the incurrence of one-off legal and professional fees in relation to mandatory unconditional cash offer; (ii) the increase in staff costs; (iii) the increase in lease payments due to the opening of flagship stores; and (iv) the increase in marking expenses.

FINANCIAL REVIEW (CONTINUED)

Loss and total comprehensive income for the year attributable to owners of the Company

The loss and total comprehensive income attributable to owners of the Company was approximately HK$20.5 million in FY2023 as compared to approximately HK$4.4 million recorded in FY2022. Excluding the impact of one-off items in the respective financial periods, there was a net operating loss of approximately HK$21.2 million recorded in FY2023 as compared to approximately HK$4.6 million in FY2022. The one-off items in FY2023 included an impairment loss on property, plant and equipment, right-of-use assets and intangible assets of approximately HK$2.4 million (FY2022: nil), a gain on modification of leases for retail shops and machineries of approximately HK$0.2 million (FY2022: HK$0.2 million), a gain on disposal of property, plant and equipment of approximately HK$1.0 million (FY2022: nil), government subsidies of approximately HK$3.3 million (FY2022: nil) and legal and professional fees in relation to mandatory unconditional cash offer of approximately HK$1.4 million (FY2022: nil).

Intangible assets

As at 31 March 2023, intangible assets amounted to approximately HK$0.5 million, representing an increase of approximately 1,244.9% as compared with that of approximately HK$37,000 as at 31 March 2022, which was primarily attributable to the additions of a business telephone system.

Inventories

The inventory balance of the Group decreased to approximately HK$0.8 million as at 31 March 2023 from approximately HK$2.8 million as at 31 March 2022. This decrease was primarily due to the Group's decision to outsource the majority of the production process to subcontractors.

Cash and cash equivalents

The cash and cash equivalents of the Group decreased from approximately HK$19.1 million as at 31 March 2022 to approximately HK$5.0 million as at 31 March 2023, which was mainly due to the decrease in operating performance as a result of the outbreak of the COVID-19 pandemic.

Trade and other payables and accruals

The trade and other payables and accruals of the Group increased from approximately HK$15.7 million as at 31 March 2022 to approximately HK$19.9 million as at 31 March 2023. The increase was primarily due to the Group's decision to outsource the majority of the production process to subcontractors.

Management Discussion and Analysis

FINANCIAL REVIEW (CONTINUED)

Liquidity, financial resources and capital structure

As at 31 March 2023, the Group had net current liabilities of approximately HK$16.6 million (31 March 2022: net current assets of HK$4.2 million), of which the cash and cash equivalents were approximately HK$5.0 million (31 March 2022: HK$19.1 million). The Group's current ratio as at 31 March 2023 was approximately 0.44 (31 March 2022: 1.17).

Total lease liabilities for the Group amounted to approximately HK$11.3 million as at 31 March 2023 (31 March 2022: HK$11.7 million). The gearing ratio as at 31 March 2022 was approximately 0.59 which is calculated on the basis of the Group's total lease liabilities over the total equity. As at 31 March 2023, the Group recorded net liabilities of approximately HK$0.7 million and lease liabilities in the amounts of approximately HK$7.8 million which were due within one year while the amounts of approximately HK$3.5 million were due after one year. There has been no change in the capital structure of the Group for FY2023.

EMPLOYEES AND EMOLUMENT POLICIES

As at 31 March 2023, the Group employed 69 (31 March 2022: 101) full time employees in Hong Kong. The staff costs of the Group, including directors' emoluments, employees' salaries, retirement benefits schemes contributions and other benefits amounted to approximately HK$26.0 million (FY2022: HK$28.8 million). Employees are remunerated in accordance with individual's responsibility and performance, also taking into account the prevailing market rates to ensure competitiveness. Other fringe benefits such as medical insurance, retirement benefits and discretionary bonus are offered to all employees. Training is also provided on a continuing basis to our existing employees on areas such as operation of our machinery, work safety, fire safety and quality control.

DIVIDENDS

The Board does not recommend the payment of a final dividend for FY2023 (FY2022: nil).

CAPITAL COMMITMENTS

As at 31 March 2023, the Group does not have material capital commitments that have not been disclosed (31 March 2022: nil).

SIGNIFICANT INVESTMENTS

There was no significant investments held as at 31 March 2023.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have any material acquisition or disposal of associates, joint ventures or subsidiaries during FY2023.

Management Discussion and Analysis

FOREIGN CURRENCY EXPOSURE

Since the Group's business activities are solely operated in Hong Kong and mainly denominated in Hong Kong dollars, the Directors consider that the Group's risk in foreign exchange is insignificant.

KEY RISKS AND UNCERTAINTIES

The Directors are aware that the Group is exposed to various types of risks, including operational risks, market risks, liquidity risks, credit risks and regulatory risks. The following highlights some of the risks which are considered material by our Directors:

The business is subject to fluctuation of purchase costs for raw materials and staff costs

The profitability of the Group depends on the control of cost of production and ability to anticipate and respond to fluctuations in purchase costs of raw materials. The availability and costs of our principal raw materials may change due to factors beyond the Group's control such as policies of the government, economic conditions and market competition. In addition, as the labour costs in Hong Kong continue to increase in recent years, the salary level of employees has generally increased as well. The operation and financial performances may be adversely affected if there is any significant increase in staff costs.

Rely on sub-contractors who are printing service providers and their failure to meet the Group's requirements may materially and adversely affect its business and reputation

The Group sub-contracts certain production procedures and printing services to sub-contractors who are printing service providers. It cannot be assured that the management can monitor the performance of the sub-contractors as directly and effectively as monitoring the staff members of the Group. In case the sub-contractors fail to meet the deadlines or required standards, the business and reputation of the Group may be adversely affected.

In addition, if the sub-contractors are in breach of any laws, rules or regulations in matters such as health and safety, environment and employment, they may be subject to prosecution and unable to perform the work of the Group. The Group may then have to locate and appoint another sub-contractor for replacement at additional cost, which lowers the profit margin of the Group.

The Group may face shortage in supply of its raw materials

To deliver printing services with fast turnaround time and meet the expectation of customers, the Group has to be able to procure raw materials in a timely manner. The Group did not enter into any long-term contract with the suppliers. There is no assurance that the Group will continue to be able to secure a stable supply of raw materials at competitive prices in a timely manner or at all. Failure to do so will cause disruption in production or delayed delivery, thereby adversely affecting the Group's business, results of operation and reputation.

CHARGE ON ASSETS

As at 31 March 2023, certain machineries of the Group with a carrying value of approximately HK$1.4 million (31 March 2022: HK$2.1 million) were held under finance leases.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 March 2023 (31 March 2022: nil).

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

The following is a comparison of the Group's business plan as set out in the prospectus of the Company dated 13 March 2018 (the "Prospectus"), with actual business progress up to 31 March 2023.

Business plan as set in the Prospectus, the First Change in UOP Announcement and the Second Change in UOP Announcement	Progress up to 31 March 2023
Purchase of a five-colour offset press	As disclosed in the announcement of the Company dated 18 October 2018 (the "First Change in UOP Announcement"), the Group entered into the purchase agreement for the acquisition of a six-colour offset press. For the detailed reasons for the change in use of proceeds, please refer to the First Change in UOP Announcement. The set up of the six-colour offset press was completed in May 2019.
Purchase of a hybrid printer	As disclosed in the announcement of the Company dated 23 March 2020 (the "Second Change in UOP Announcement"), the Board resolved to reallocate the proceeds for other purpose. For the detailed reasons for the change in use of proceeds, please refer to the Second Change in UOP Announcement.
Expansion of the Group's store network	As disclosed in the Second Change in UOP Announcement, the Board resolved to reallocate the proceeds for other purpose. For the detailed reasons for the change in use of proceeds, please refer to the Second Change in UOP Announcement.
Lease of four digital printers	As disclosed in the Second Change in UOP Announcement, the Group entered into a finance lease agreement for the lease of four digital printers at a total lease payment of approximately HK$5 million. The set up of the digital printers was completed in June 2020.
Purchase of printing related machines	As at 31 March 2023, the Group acquired printing related machines from an independent third party at approximately HK$5.0 million. The set up of the printing related machines was completed in September 2022.
Upgrade information technology systems	The set up of the Company's website and mobile application was completed in 2020.

USE OF PROCEEDS

On 28 March 2018, the Company's shares were listed on GEM and 225,000,000 new shares of HK$0.01 each were issued at HK$0.23 (the "Share Offer"). The net proceeds from the Share Offer was HK$24.0 million after payment of transaction cost and listing expenses. As disclosed in the First Change in UOP Announcement, the Board resolved to reallocate the use of the net proceeds from the Share Offer for acquiring a six-colour offset press to replace of one of the Group's existing four-colour offset press (the "First Change in UOP").

Details of the revised allocation of the First Change in UOP up to 22 March 2020 are set out as follows:

	Planned use of the net proceeds as announced on 18 October 2018 (adjusted according to the actual net proceeds received) HK$ million (approximately)	Utilised net proceeds up to 22 March 2020 HK$ million (approximately)	Unutilised net proceeds up to 22 March 2020 HK$ million (approximately)
Purchase of a six-colour offset press	10.7	10.7	–
Purchase of a hybrid printer	10.5	–	10.5
Expansion of our store network	1.9	–	1.9
Upgrade information technology systems	0.9	0.9	–
Total	24.0	11.6	12.4

As disclosed in the Second Change in UOP Announcement, the Board resolved to have a second change with respect to the use of net proceeds (the "Second Change in UOP"). Details of the Second Change in UOP up to 31 March 2023 are set out as follows:

	Planned use of the net proceeds as announced on 23 March 2020 (adjusted according to the actual net proceeds received) HK$ million (approximately)	Utilised net proceeds up to 31 March 2023 HK$ million (approximately)	Unutilised net proceeds up to 31 March 2023 HK$ million (approximately)	Expected timeline of full utilisation of the balance
Purchase of a six-colour offset press	10.7	10.7	–	–
Lease of four digital printers	5.0	3.1	1.9	End of 2025
Purchase of printing related machines	5.0	5.0	–	–
Working capital	2.4	2.4	–	–
Upgrade information technology systems	0.9	0.9	–	–
Total	24.0	22.1	1.9	–

USE OF PROCEEDS (CONTINUED)

As disclosed in the Second Change in UOP Announcement, the Group entered into a finance lease agreement with an independent third party, being the manufacturer of printer and copier, for the lease of four new digital printers at the total lease payment of HK$5,040,000, of which HK$5.0 million will be funded by the net proceeds, for a lease term of 60 months. For details, please refer to the Second Change in UOP Announcement. Total lease payment of approximately HK$3.1 million has been paid out of the net proceeds up to 31 March 2023.

The remaining unused net proceeds as at 31 March 2023 were placed as bank balances with licensed banks in Hong Kong and will be applied according to the intended usage stated in the Prospectus, the First Change in UOP Announcement and the Second Change in UOP Announcement.

The business objectives, future plans and planned use of proceeds as stated in the Prospectus were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Prospectus while the proceeds were applied based on the actual development of the Group's business and the industry.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 March 2023, save as disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus, the First Change in UOP Announcement and the Second Change in UOP Announcement, the Group did not have any plans for material investments and capital assets.

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. LAM Shing Tai (林承大), aged 56, is an executive Director and the chairman of our Board. Mr. Lam is primarily responsible for the overall management, strategic planning and development of our Group. Mr. Lam was appointed as an executive Director and the chairman of the Board with effect from 1 July 2022. He is an authorized representative of the Company under the GEM Listing Rules and an authorized representative of the Company under Part 16 of the Companies Ordinance (chapter 622 of the laws of Hong Kong). He is also a director of each of the subsidiaries of our Company, namely, All In 1 Printing (Group) Limited, Universe Printing Holdings Limited, Print Shop Limited, Startec Colour Separation Printing Limited and Net Printshop Limited. Mr. Lam is the sole director of New Metro Inc., which holds approximately 35.54% of the issued shares of the Company as at the date of this annual report.

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

Mr. CHAU Man Keung (周文强), aged 62, is an executive Director and the vice chairman of our Board. Mr. Chau was a co-founder of our Group and is primarily responsible for the overall management, strategic planning and development of our Group. Mr. Chau was appointed as a Director on 27 April 2017 and was re-designated as an executive Director on 2 June 2017. He was appointed as the chairman of the Board on 2 June 2017 and re-designated as vice chairman of the Board on 1 July 2022. He is the compliance officer of the Company. He is also a director of Universe Printshop Limited.

Mr. Chau has 35 years of experience in the printing industry in Hong Kong. He co-founded our Group in 2001. Prior to joining our Group, Mr. Chau had accumulated more than 14 years' industry experience through setting up a partnership business with his other business partners to provide printing services in Hong Kong from June 1987 to 2001 prior to co-founding our Group. Mr. Chau attended secondary education in Hong Kong. He completed the Assessor Training course "Printing industry – Electronic Commerce Business" (competency level 4) in May 2017 under the Recognition of Prior Learning (RPL) scheme, aiming to enable practitioners with various backgrounds to receive formal recognition of the knowledge, skills and experience already acquired.

Mr. HSU Ching Loi (許清耐), aged 51, is an executive Director and chief executive officer of our Company. Mr. Hsu was a co-founder of our Group and is principally responsible for overall management of our Group's business operation and development, formulating production procedure, pricing strategy, sourcing of raw materials, and overseeing our Group's human resources department. Mr. Hsu was appointed as a Director on 27 April 2017 and was re-designated as an executive Director and appointed as the chief executive officer of our Company on 2 June 2017.

Mr. Hsu has 35 years of experience in the printing industry in Hong Kong. He co-founded our Group in 2001. Prior to joining our Group, Mr. Hsu worked in several private printing companies in Hong Kong from 1987 to 2001 prior to co-founding our Group with Mr. Chau. Mr. Hsu is currently the Chairman of The Hong Kong Printers Investment Association (香港印刷業投資協會). Mr. Hsu attended secondary education in the People's Republic of China.

Biographical Details of Directors and Senior Management

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Chun Kwok (黃振國), aged 41, has over 17 years of experience in accounting and finance. Mr. Wong currently serves as a non-executive director of DW Consulting Corporation Limited, the chief financial officer of Huisen Household International Group Limited, a company listed on the Main Board of the Stock Exchange with stock code 2127 and an independent director of Datasea Inc. (NASDAQ: DTSS). He served as the financial controller from February 2017 to January 2018 and the chief financial officer from January 2018 to August 2020 of Fitness World (Group) Limited. He was a senior associate in the assurance practice of PricewaterhouseCoopers Limited (PwC) from January 2016 to January 2017. He worked at Moore Stephens Associates Limited (Hong Kong) as an audit senior associate from October 2010 to December 2015. He worked at KLC CPA Limited from October 2005 to August 2010 with his last position being a supervisor. Mr. Wong is a fellow member of Association of Chartered Certified Accountants and an affiliate member of The Society of Chinese Accountants & Auditors. Mr. Wong obtained his Bachelor of Commerce degree in Accounting from Macquarie University in Sydney, Australia in 2005.

Mr. Ho Kar Ming (何嘉明), aged 51, currently serves as the chief executive officer of Linpons Company Limited, a company established for provision of business advisory and promotion services, communication solution and language training, since September 2021 and the relationship manager of Infinity Asset Management Limited (a corporation licensed by the Securities and Futures Commission to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO) from July 2020 to May 2022. He served as the chief operating officer of Mastermind Strategy Advisors Limited, a company established for provision of business advisory services, from May 2019 to September 2021. He was a senior advisor of Di & Cooke Company Limited, a company established for provision of business advisory services and corporate planning and training, from March 2011 to March 2019. Mr. Ho obtained his Bachelor of Business degree in Banking and Finance from Queensland University of Technology in Australia in March 1995.

Ms. So Shuk Wan (蘇淑韻), aged 36, has over 10 years of experience in corporate governance. She currently serves as the Hong Kong Company Secretary of SouthGobi Resources Ltd. ("SGQ"), a mining company listed on the Main Board of the Stock Exchange with stock code 1878 and TSX Venture Exchange with stock code SGQ. Ms. So joined SGQ in February 2011 and has held various positions, including assistant company secretary before being appointed as the Hong Kong Company Secretary in January 2021. Ms. So obtained her Bachelor of Business Administration from the Bernard M. Baruch College of the City University of New York in June 2010 and a Master of Corporate Governance from the Hong Kong Polytechnic University in September 2019. Ms. So is an associate member of The Hong Kong Chartered Governance Institute.

SENIOR MANAGEMENT

Mr. Yip Chi Man (葉子民), aged 58, has over 30 years of experience in the printing industry with involvements along the printing process ranging from production and product research and development to marketing. He joined the Group in April 2022 as the assistant to the chairman of the Board and the chief operating officer of the Company and is mainly responsible for the day-to-day operations of the Company. Prior to joining the Group, Mr. Yip was employed at Promise Network Printing Limited from October 2014 to August 2021 as the business development director. He is also a director of each of the subsidiaries of our Company, namely, All In 1 Printing (Group) Limited, Universe Printing Holdings Limited, Print Shop Limited, Startec Colour Separation Printing Limited and Net Printshop Limited.

SENIOR MANAGEMENT (CONTINUED)

Mr. SO Hang Fung (蘇恒峯), aged 38, joined the Group in 2018 as a financial controller. Mr. So was appointed as chief financial officer and company secretary of our Group in February 2021. He is primarily responsible for financial reporting, financial control matters and corporate secretarial matters of our Group. Mr. So has more than 14 years of experience in finance and accounting management since September 2008. Prior to joining our Group, he worked in a managerial grade position in a state-owned enterprise and the assurance department of an international audit firm.

Mr. So obtained a Bachelor of Business Administration in Accounting from the Hong Kong Metropolitan University (formerly known as the Open University of Hong Kong) and a Master's Degree of Corporate Governance from the Hong Kong Polytechnic University. He is a member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and the Institute of Chartered Accountants of England and Wales. Additionally, Mr. So is a Chartered Secretary, a Chartered Governance Professional and a fellow of both The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators).

Mr. Anson Poon (潘安信), aged 55, joined the Group in April 2022 as the customer service deputy director. He is responsible for planning and execution of customer service strategies in relation to the operation of our retail shops and management of our hotline call centre.

Mr. Poon has over 30 years experience across various industries, including customer service, inbound and outbound call centre operation, printing, financial printing, telecom and banking through roles for a variety of corporations, including PCCW Limited, China Mobile Peoples Telephone Company Limited, Hang Seng Bank Limited, South China Morning Post Publishers Limited, Ming Pao, Recruit & Company Limited, Roman Financial Press Limited, Dow Jones – Asian Wall Street Journal, China Light and Power Limited and Datatrade Limited.

Mr. WANG Hsiung Yu (王雄育), aged 49, joined our Group as a technician in September 2006 and has been the production manager of our Group since 2009. Mr. Wang was promoted to the position of production deputy director of our Group in May 2023. Mr. Wang is primarily responsible for overseeing and supervising workers in printing and further processing stage in production and a technical consultant of our Group. Mr. Wang has over 25 years' experience in the printing industry.

Directors' Report

The Board is pleased to submit this report together with the audited consolidated financial statements of the Group for the year ended 31 March 2023.

PRINCIPAL ACTIVITIES

The Group is principally engaged in providing printing services to the customers in Hong Kong. The printing services of the Group included offset printing, ink-jet printing and toner-based digital printing. Other than printing services, the Group also provided other services to the customers, which included production of other printing-related products such as pre-ink stamps, plastic name-cards, printed eco-bags and printed plastic folders.

An analysis of the Group's performance for the year ended 31 March 2023 is set out in the "Management Discussion and Analysis" section of this annual report.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2023 are set out in the consolidated statement of comprehensive income on page 68 of this annual report.

The Directors do not recommend the payment of a dividend for the year ended 31 March 2023.

DONATIONS

Charitable and other donations made by the Group during the year ended 31 March 2023 amounted to nil.

SHARES CAPITAL

Details of movement in the Company's share capital during the year ended 31 March 2023 are set out in Note 24(b) to the consolidated financial statements.

Please also refer to the section headed "Events after the Reporting Period - Subscription of New Shares" for details of the subscription of an aggregate of 98,000,000 new shares of the Company by independent third parties.

EQUITY LINKED AGREEMENTS

Save as disclosed in the section headed "Share Option Scheme", no equity-linked agreements were entered into by the Company at any time during the year ended 31 March 2023 or subsisted at the end of the year.

DISTRIBUTABLE RESERVES

As at 31 March 2023, the Company did not have any reserve available for distribution.

PRE-EMPTIVE RIGHTS

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

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 120 of this annual report. Such summary does not form part of the audited consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Save as disclosed in the section headed "Events After the Reporting Period - Subscription of New Shares", neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during FY2023 and up to the date of this report.

MANDATORY UNCONDITIONAL CASH OFFER

Reference is made to the joint announcements dated 6 April 2022, 27 April 2022 and 20 May 2022 (the "Announcements"), and the composite offer and response document dated 27 April 2022 (the "Composite Document") jointly issued by New Metro Inc. as offeror and the Company in relation to, among other things, (i) New Metro Inc. (as purchaser) and Mr. Chau Man Keung (an executive Director and the vice chairman of the Board), Mr. Leung Yuet Cheong (a former executive Director), Mr. Wong Man Hin Joe (a former executive Director) and Mr. Wang Hsiung Yu (a senior management of the Group) (collectively the "Selling Shareholders") (as vendors) entered into a sale and purchase agreement after trading hours on 4 April 2022, pursuant to which the Selling Shareholders conditionally agreed to sell, and New Metro Inc. conditionally agreed to acquire, the full legal and beneficial title and interest in the sale shares (being an aggregate of 354,354,000 shares of the Company), representing approximately 39.37% of the then total issued share capital of the Company; (ii) the Deed of Acting in Concert Undertaking; and (iii) the mandatory unconditional cash offer by Sorrento Securities Limited for and on behalf of New Metro Inc. to acquire all the issued shares of the Company (other than those already owned and/or agreed to be acquired by New Metro Inc. and parties acting in concert with it) pursuant to Rule 26.1 of the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong (the "Offer"). The offer price for each offer share was HK$0.025 in cash and the Offer was unconditional in all respects. During the offer period, there were 4 valid acceptances in respect of a total of 305,000 offer shares under the Offer, representing approximately 0.03% of the then issued share capital of the Company (i.e. 20 May 2022).

For further details of the Offer, please refer to the Announcements and the Composite Document.

SHARE OPTION SCHEME

The Company adopted a share option scheme by written resolutions of shareholders passed on 26 February 2018. The purpose of the share option scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners and service providers of the Group and to promote the success of the business of the Group.

The Board may, at its absolute discretion and on such terms as it may think fit, grant any employee (full-time or part-time), director, consultant or adviser of the Group, or any substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of the Group, options to subscribe for such number of shares as it may determine in accordance with the terms of the share option scheme.

SHARE OPTION SCHEME (CONTINUED)

The subscription price of a share in respect of any particular option granted under the share option scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the higher of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a business day; (ii) the average closing prices of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option; or (iii) the nominal value of a Share on the date of grant of the option.

The total number of shares issued and to be issued upon the exercise of options granted to any participant (including both exercised and outstanding options) under the share option scheme, in any 12-month period up to the date of grant shall not exceed 1% of the shares in issue. Any further grant of options in excess of such limit must be separately approved by shareholders in general meeting with such grantee and his close associates (or his associates if such grantee is a connected person) abstaining from voting. An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to the Company on acceptance of an offer for the grant of option(s) is HK$1.0.

An option may be exercised in accordance with the terms of the share option scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof. Save as determined by the Board and provided in the offer of the grant of the relevant options, there is no minimum holding period or performance target which must be achieved before any options can be exercised. The share option scheme will remain in force for a period of ten years commencing on the date of its adoption on 26 February 2018 and will expire at the close of business on 25 February 2028. Under the said scheme, the maximum number of shares of the Company that may be issued upon the exercise of options that may be granted is 90,000,000 shares, representing approximately 9.02% of the issued share capital of the Company as at the date of this report. No share options were granted, exercised, lapsed or cancelled under the share option scheme since its adoption. As at 1 April 2022 and 31 March 2023, there was no outstanding share option and the number of options available for grant under the share option scheme was 90,000,000.

DIRECTORS

The Directors during the year ended 31 March 2023 and up to the date of this report were:

Executive Directors

Mr. Lam Shing Tai *(Chairman) (appointed on 1 July 2022)*
Mr. Chau Man Keung *(Vice Chairman) (re-designated as Vice Chairman on 1 July 2022)*
Mr. Hsu Ching Loi *(Chief Executive Officer)*
Mr. Leung Yuet Cheong *(resigned on 1 July 2022)*
Mr. Wong Man Hin Joe *(resigned on 1 July 2022)*

Independent Non-Executive Directors

Mr. Wan Aaron Chi Keung, *BBS, JP (resigned on 1 July 2022)*
Mr. Chan Chun Kit *(resigned on 1 July 2022)*
Dr. Sun Yongjing *(resigned on 1 July 2022)*
Mr. Wong Chun Kwok *(appointed on 1 July 2022)*
Mr. Ho Kar Ming *(appointed on 1 July 2022)*
Ms. So Shuk Wan *(appointed on 1 July 2022)*

Directors' Report

DIVIDEND POLICY

The Company has adopted a dividend policy which stipulates that in deciding whether to propose a dividend and in determining the dividend amount, the Board will take into account the results of operations, working capital, financial position, future prospects and capital requirements, as well as any other factors which the Directors may consider relevant. The payment of dividend by the Company is also subject to any restrictions under the Companies Act of the Cayman Islands and the articles of association of the Company.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company which has no fixed terms and is subject to retirement by rotation in accordance with the provisions of the Company's articles of association. Each of the independent non-executive Directors has entered into a letter of appointment with the Company for a fixed term of three years and is subject to retirement by rotation in accordance with the provisions of the Company's articles of association.

In accordance with the provisions of the Company's articles of association, certain Directors will retire and being eligible, offer themselves for re-election at the Company's forthcoming annual general meeting.

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

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Other than the related party transaction disclosed in Note 27 to the consolidated financial statements and the section headed "Connected Transactions" below, no transactions, arrangements and contracts of significance to which the Group was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at anytime during the year ended 31 March 2023.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Other than the related party transaction disclosed in Note 27 to the consolidated financial statements and the section headed "Connected Transactions" below, neither the Company nor any of its subsidiaries had entered into any contract of significance with the Company's controlling shareholders or their subsidiaries, or any contract of significance for the provision of services to the Company or any of its subsidiaries by the Company's controlling shareholders or their subsidiaries during the year ended 31 March 2023.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time for the year ended 31 March 2023 was the Company, its holding 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 debentures of, the Company or any other body corporate and none of the Directors, their spouses or children under the age of eighteen, had any rights to subscribe for securities of the Company, or had exercised any such rights during the year.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of directors and senior management are set out on page 12 to 14 of this report.

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

As at 31 March 2023, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange: (a) pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein (the "Register"); or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange were as follows:

Long position in ordinary shares of the Company as at 31 March 2023

Name of Director	Capacity/Nature of interest	Number of shares held/ interested	Percentage of the issued share capital of the Company (approximate)
Mr. Lam Shing Tai	Interest in controlled corporation (Notes 1, 3)	354,659,000	39.40%
	Interest held jointly with another person (Notes 2, 3)	151,866,000	16.88%
Mr. Chau Man Keung	Beneficial Owner	41,366,000	4.60%
	Interest held jointly with another person (Notes 2, 3)	465,159,000	51.68%
Mr. Hsu Ching Loi	Beneficial Owner	110,500,000	12.28%
	Interest held jointly with another person (Notes 2, 3)	396,025,000	44.00%

Long position in ordinary shares of the associated corporation as at 31 March 2023

Name	Name of associated corporation	Capacity/ Nature of interest	Number of shares held/interested	Percentage of shareholding
Mr. Lam Shing Tai	New Metro	Beneficial Owner	1	100%

Notes:

1. Mr. Lam Shing Tai holds 100% of the issued share capital of New Metro Inc. ("New Metro"). Under the SFO, Mr. Lam Shing Tai is deemed to be interested in the 354,659,000 Shares held by New Metro.

2. Pursuant to the deed of acting in concert undertaking dated 4 April 2022 (the "Deed of Acting in Concert Undertaking") entered into among New Metro, Mr. Lam Shing Tai (being the sole ultimate beneficial owner of New Metro), Mr. Chau Man Keung and Mr. Hsu Ching Loi (collectively the "Concerted Controlling Shareholders"), each of them is deemed to be interested in the Shares held by the others. New Metro is the beneficial owner of 354,659,000 Shares, Mr. Chau Man Keung is the beneficial owner of 41,366,000 Shares and Mr. Hsu Ching Loi is the beneficial owner of 110,500,000 Shares. Accordingly, the Concerted Controlling Shareholders are each interested in 506,525,000 Shares, representing approximately 56.28% of the entire issued share capital of the Company as at 31 March 2023.

3. Following the completion of subscription of an aggregate of 98,000,000 new shares of the Company on 3 May 2023 as detailed in the section headed "Events after the Reporting Period - Subscription of New Shares", the percentage of shares of the Company in which the Concerted Controlling Shareholders are interested has been diluted from approximately 56.28% to approximately 50.75% since 3 May 2023 and up to the date of this report.

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

Save as disclosed above, as at 31 March 2023, none of the Directors nor chief executive of the Company had or was deemed to have any other 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) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standards of dealing of directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as is known to the Directors, as at 31 March 2023, the following persons/entities other than a Director or the chief executive of the Company had interests or short positions in the shares and underlying shares of the Company, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the issued voting shares of the Company:

Long position in ordinary shares of the Company as at 31 March 2023

Name of Shareholders	Capacity/Nature of interest	Number of shares held/ interested	Percentage of the issued share capital of the Company (approximate)
New Metro	Beneficial owner	354,659,000	39.40%
	Interest held jointly with another person (Note 1)	151,866,000	16.88%
Ms. Fung Chi Kuen	Interest of spouse (Note 2)	506,525,000	56.28%
Ms. Siu Man Yam	Interest of spouse (Note 3)	506,525,000	56.28%
Ms. Ng Lai Nga	Interest of spouse (Note 4)	506,525,000	56.28%

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

Long position in ordinary shares of the Company as at 31 March 2023 (Continued)

Notes:

1. Pursuant to the Deed of Acting in Concert Undertaking, each of the Concerted Controlling Shareholders is deemed to be interested in the Shares held by the others. The Concerted Controlling Shareholders are each interested in 506,525,000 Shares, representing approximately 56.28% of the entire issues share capital of the Company as at 31 March 2023.

   Following the completion of subscription of an aggregate of 98,000,000 new shares of the Company on 3 May 2023 as detailed in the section headed "Events after the Reporting Period - Subscription of New Shares", the percentage of shares of the Company in which the Concerted Controlling Shareholders are interested has been diluted from approximately 56.28% to approximately 50.75% since 3 May 2023 and up to the date of this report.

2. Ms. Fung Chi Kuen is the spouse of Mr. Lam Shing Tai, an executive Director. By virtue of the SFO, Ms. Fung Chi Kuen is deemed to be interested in all the Shares in which Mr. Lam Shing Tai is interested or deemed to be interested under the SFO.

3. Ms. Siu Man Yam is the spouse of Mr. Chau Man Keung, an executive Director. By virtue of the SFO, Ms. Siu Man Yam is deemed to be interested in all the Shares in which Mr. Chau Man Keung is interested or deemed to be interested under the SFO.

4. Ms. Ng Lai Nga is the spouse of Mr. Hsu Ching Loi, an executive Director. By virtue of the SFO, Ms. Ng Lai Nga is deemed to be interested in all the Shares in which Mr. Hsu Ching Loi is interested or deemed to be interested under the SFO.

Save as disclosed above and so far as is known to the Directors, as at 31 March 2023, the Directors were not aware of any other persons who had or deemed or taken to have any interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register of the Company required to be kept under section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the issued voting shares of the Company.

MANAGEMENT CONTRACTS

Save for the service contracts of the executive Directors, no contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 March 2023.

MAJOR SUPPLIERS AND CUSTOMERS

During the year ended 31 March 2023, the purchases attributable to the five largest suppliers of the Group accounted for approximately 69.0% of the total purchases for the year and the purchases to the largest supplier included therein accounted for approximately 58.5%.

During the year ended 31 March 2023, the percentage of sales attributable to the five largest customers in aggregate is less than 30% of the Group's total revenue.

None of the Directors, their close associates or any shareholder (which to the knowledge of the Directors, who owns more than 5% of the number of issued shares of the Company) had an interest in these major suppliers or customers.

KEY RELATIONSHIPS WITH EMPLOYEES AND CUSTOMERS

The Group recognises that the success in the printing industry is dependent on our employees. The principal policies concerning remuneration of employees are determined based on their duties, responsibilities, experience and skills. The Group regularly reviews and determines the remuneration and compensation packages of the employees. The Group is also committed to providing a safe and healthy environment for its employees. The Directors believe that, the management policies, working environment, development opportunities and employee benefits have contributed to employees' satisfaction levels and retention level. The Group organises bonding activities, such as annual staff dinners, to allow employees to strengthen their bonding. During the year ended 31 March 2023, the Group did not experience any strike or labour dispute with our staff which had caused significant disruption to the Group's business operations.

The Group built stable and maintains good relationship with customers. The Group has dedicated sales and marketing department which carries out sales calls to potential customers and customer service department which handles customer general enquiries, complaints and feedback. If there is any complaint from customers, it will be reported to the management and immediate remedial action will be taken and feedback from the customers will be followed till settlement of the complaint. Thereafter, the cause of such compliant will be studied, analysed and evaluated and recommendations will be in place for improvement.

KEY RELATIONSHIPS WITH SUPPLIERS

The Group values sustainable supply of quality products at a high place for long-term business development.

Therefore, the Group's supplier management policy targets supplying quality and sustainable products. The assessment criteria of selecting the suppliers includes meeting the Group's standards for the quality of raw materials, reputation, environmental friendliness, production capacity, financial capability and experience. The Group views suppliers as partners who contribute to our business success.

RELATED PARTY TRANSACTIONS

A summary of the significant related party transactions which were conducted in the ordinary course of business are set out in Note 27 to the consolidated financial statements. Certain of which constitute discloseable connected transactions under the GEM Listing Rules. These connected transactions have complied with the requirements under Chapter 20 of the GEM Listing Rules.

The salaries and retirement scheme contribution paid to related parties as mentioned in Note 27 were connected transactions which were exempt from reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

The lease payments made to related companies as mentioned in Note 27 were connected transactions which were subject to reporting and announcement requirements but were exempt from independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules. For details, please refer to the section headed "Connected Transactions" below.

CONNECTED TRANSACTIONS

The following table summarized the connected transactions of the Company during the year ended 31 March 2023:

Agreement	Parties	Date of agreement	Term	Location	Monthly rent payable HK$	Total rent payable during the term HK$
Production Site Tenancy Agreement 1	Universe Printing Holdings Limited ("UPHL") (as tenant) and Universe Samfine Limited ("Universe Samfine")* (as landlord)	18 February 2022	1 year from 1 April 2022 (terminated on 31 August 2022 *(Note)*)	Unit B on the 8th Floor, Block 4, Kwun Tong Industrial Centre, 436–446 Kwun Tong Road, Kowloon, Hong Kong ("Premise A")	38,000	190,000
Production Site Tenancy Agreement 2	UPHL (as tenant) and Universe Printing Company Limited ("UPCL")* (as landlord)	18 February 2022	1 year from 1 April 2022 (terminated on 31 August 2022 *(Note)*)	Basement A4, Units A, M, N and R on the 8th Floor and Unit A on the 9th Floor, Block 4, Kwun Tong Industrial Centre, 436–446 Kwun Tong Road, Kowloon, Hong Kong ("Premise B")	225,000	1,565,000

Note: On 30 August 2022, UPHL entered into a surrender deed with (i) Universe Samfine, as landlord of Premise A; and (ii) a surrender deed with UPCL, as landlord of Premises B, respectively to early terminate the remaining lease term of the aforesaid tenancy agreements to enhance the overall business efficiency and reduce operational costs of the Group. For details of the early termination of the aforesaid tenancy agreements, please refer to the announcement of the Company dated 30 August 2022.

The leased premises pursuant to the aforesaid tenancy agreements were utilised by the Group as our production site and godown. For further details of the above connected transactions, please refer to the announcements of the Company dated 18 February 2022.

* Both Universe Samfine and UPCL are owned as to 45.53% by Mr. Chau Man Keung, an executive Director and 40% by Mr. Hsu Ching Loi, an executive Director, therefore both Universe Samfine and UPCL are associates of Mr. Chau Man Keung and Mr. Hsu Ching Loi, and accordingly are connected persons of the Company.

The connected transactions were entered into in the ordinary and usual course of business of the Group, on normal commercial terms or better, and the terms of the connected transactions under the respective agreements are fair and reasonable and in the interest of the Company and the shareholders as a whole.

Please also refer to the section headed "Events after the Reporting Period – Acquisition of the Machinery" for details of the Group's acquisition of machinery pursuant to acquisition agreement dated 16 May 2023.

EMOLUMENT POLICY FOR DIRECTORS AND SENIOR MANAGEMENT

The emoluments of the Directors and senior management of the Company are reviewed by the remuneration committee of the Board, having regard to the Company's operating results, individual performance and comparable market statistics.

EMPLOYEES AND EMOLUMENT POLICIES

As of 31 March 2023, the Group employed 69 (31 March 2022: 101) full time employees in Hong Kong. The staff costs of the Group, including directors' emoluments, employees' salaries, retirement benefits schemes contributions and other benefits amounted to approximately HK$26.0 million for FY2023 (FY2022: HK$28.8 million).

Employees are remunerated in accordance with individual's responsibility and performance, also taking into account the prevailing market rates to ensure competitiveness. Other fringe benefits such as retirement benefits and discretionary bonus are offered to all employees. Training is also provided on a continuing basis to our existing employees on areas such as operation of our machinery, work safety, fire safety and quality control.

The Group has established a Mandatory Provident Fund Scheme (the "MPF Scheme") for its Hong Kong employees. The assets of the scheme are held separately in funds which are under the control of independent trustees. The retirement benefit scheme contributions charged to profit or loss represent contributions paid or payable by the Group to the scheme at 5% of each of the employees' monthly relevant income capped at HK$30,000 per month. The total costs charged to profit or loss for FY2023 amounted to approximately HK$1.0 million (FY2022: approximately HK$1.1 million) and represented contributions paid or payable to the schemes by the Group in respect of the current accounting period. At the end of the reporting period, there were no forfeited contributions available to reduce future obligations.

COMPETING BUSINESS

Mr. Chau Man Keung as the covenantor has executed a deed of non-competition with the Company (for itself and as trustee for each other member of the Group) on 26 February 2018 (the "Deed of Non-Competition"). Pursuant to the Deed of Non-Competition, Mr. Chau Man Keung has irrevocably and unconditionally undertaken and covenanted with the Company that, during the period that the Deed of Non-Competition remains effective, he shall not, and shall procure his close associates and entities or companies controlled by him (other than any members of the Group) or his close associates will not, during the term of the Deed of Non-Competition, carry on, participate in, invest, be interested, involved or engaged in or acquire or hold any right or interest directly or indirectly in any business in competition with or likely to be in competition with the existing business activity of any member of the Group. Details of the Deed of Non-Competition are set out in the section headed "Relationship with our Controlling Shareholders – Non-competition Undertaking" in the Prospectus.

Mr. Chau has confirmed that he and his close associates is not engaged in, or interested in, any business (other than the Group) which, directly or indirectly, competes or may compete with the business of the Group.

Each of the executive Directors has undertaken in his service contract, among other things, not to carry on, participate, engage or be engaged or concerned or interested in any business which is in competition with or similar to the business of the Group. Each of the executive Directors confirms that he and his close associates had complied with the non-competition undertakings as set out in their respective service contracts from the date of the service contract during the year ended 31 March 2023.

The independent non-executive Directors have reviewed the status of compliance and confirmed that all the above non-competition undertakings have been complied with during the year ended 31 March 2023.

For the year ended 31 March 2023, none of the Directors, controlling shareholder of the Company or their respective close associates (as defined in the GEM Listing Rules) has any business or interest that competed or might compete either directly or indirectly with the business of the Group and any other conflicts of interests which any such person had or might have with the Group.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company has maintained the prescribed public float of not less than 25% of the Company's issue shares as required under the GEM Listing Rules during FY2023 and up to the date of this report.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision (as defined in section 469 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) for the benefit of the existing directors of the Company is currently in force and was in force throughout the year ended 31 March 2023.

The Company has taken out directors' liability insurance that provides appropriate cover for the Directors.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The environmental policies and performance of the Group for the year ended 31 March 2023 is set out in the section headed "Environmental, Social and Governance Report" on pages 42 to 62 of this annual report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group recognises the importance of compliance with legal and regulatory requirements and the risk of non-compliance with such requirements. The Group conducts on-going reviews of newly enacted/revised laws and regulations affecting its operations. The Company is not aware of any non-compliance in any material respect with the relevant laws and regulations that have a significant impact on the business and operation of the Group for the year ended 31 March 2023.

RELATIONSHIP WITH EMPLOYEES, SUPPLIERS, CUSTOMERS AND OTHER STAKEHOLDERS

The Group understands that the success of the Group's business depends on the support from its key stakeholders, including employees, customers, suppliers, banks, regulators and shareholders. The Group will continue to ensure effective communication and maintain good relationship with each of its key stakeholders.

EVENTS AFTER THE REPORTING PERIOD

DISPOSAL OF THE EQUIPMENT

Reference is made to the announcement dated 18 April 2023 issued by the Company in relation to the disposal of equipment. On 18 April 2023 (after trading hours), UPHL (as vendor) and Advance Graphic Systems Limited (as purchaser) ("Advance Graphic") entered into an agreement for the disposal of a six-colour offset press (the "Equipment") to optimise the Group's production in Hong Kong, pursuant to which UPHL has agreed to sell, and Advance Graphic has agreed to purchase the Equipment at a total consideration of HK$5,200,000.

EVENTS AFTER THE REPORTING PERIOD (CONTINUED)

SUBSCRIPTION OF NEW SHARES

Reference is made to the announcements dated 19 April 2023 and 3 May 2023 issued by the Company in relation to the subscription of new shares of the Company under general mandate. On 19 April 2023 (after trading hours), the Company entered into the subscription agreement (the "Subscription Agreement") with Mr. Tsang Yee Fung and Mr. Chiu Wan Lung (collectively, the "Subscribers"), pursuant to which, the Company has conditionally agreed to allot and issue, and the Subscribers have conditionally agreed to subscribe for, a total of 98,000,000 new ordinary shares of the Company (the "Subscription Shares") pursuant to the terms of the Subscription Agreement at the subscription price of HK$0.04 per Subscription Share (the "Subscription"). The aggregate nominal value of the Subscription Shares is HK$980,000. Based on the closing price of the Shares of HK$0.026 per Share on 19 April 2023, being the date of the Subscription Agreement, the Subscription Shares have a market value of approximately HK$2.55 million. The Directors considered that the Subscription represents an opportunity to raise capital for the business operations of the Group while broadening the shareholder base of the Company.

The conditions of the Subscription have been fulfilled and completion of the Subscription took place on 3 May 2023. The gross proceeds and net proceeds (after deducting the expenses related to the Subscription) from the Subscription are HK$3.92 million and approximately HK$3.73 million (representing the net price of approximately HK$0.0381 per Subscription Share) respectively. As at the date of this annual report, the Company has used all the net proceeds from the Subscription to settle its current liabilities such as trade and other payables and accruals of the Group, which is in line with the planned usage of the net proceeds from the Subscription set out in the announcements of the Company in relation to the Subscription.

ACQUISITION OF THE MACHINERY

Reference is made to the announcements dated 16 May 2023 and 21 June 2023 and the circular dated 31 May 2023 issued by the Company in relation to the acquisition of machinery (being two sets of brand new FUJIFILM four-colour digital ink-jet printing machine (model: Jet Press 750S)) (the "Machinery") and the relevant finance lease. On 16 May 2023 (after trading hours), the purchaser, UPHL, an indirect wholly-owned subsidiary of the Company (the "Purchaser"), 素位科技(深圳)有限公司 (transliterated as Suwei Technology (Shenzhen) Co., Ltd. for identification purposes) (the "Vendor") and 重慶保晟國際貿易有限公司 (transliterated as Chongqing Polysun International Trade Co., Ltd. for identification purposes) (the "Foreign Trade Agent") entered into an acquisition agreement, pursuant to which the Purchaser has conditionally agreed to purchase, the Vendor has conditionally agreed to sell, and the Foreign Trade Agent has conditionally agreed to provide import/export services in relation to the sale of, the Machinery at the consideration of HK$18,700,000. Despite that the Vendor, the Foreign Trade Agent and their respective ultimate beneficial owners are not associates of connected persons of the Company under the GEM Listing Rules, the Board has decided to take a more stringent corporate governance approach and the Company had fulfilled the connected transaction requirements under Chapter 20 of the GEM Listing Rules, and the Company has obtained independent shareholders' approval at the relevant general meeting on 21 June 2023. As part of the consideration would be financed by hire purchase facility, the Purchaser (as hirer), The Bank of East Asia, Limited (as owner) and the Company (as guarantor) will, as soon as practicable, enter into a hire purchase agreement for a facility of HK$16,830,000.

Save as disclosed above and elsewhere in this report, the Group has no other significant events subsequent to 31 March 2023 and up to the date of this report.

AUDITOR

The consolidated financial statements for the years ended 31 March 2022 and 2023 have been audited by BDO Limited who will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting. A resolution for the re–appointment of BDO Limited as auditor of the Company will be proposed at the forthcoming annual general meeting. There has been no change in auditors of the Company in the preceding three years.

On behalf of the Board
Universe Printshop Holdings Limited
Mr. Lam Shing Tai
Chairman and Executive Director

Hong Kong, 27 June 2023

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICE

The Directors recognise the importance of good corporate governance in management and internal procedures so as to achieve effective accountability. The Company's corporate governance practices are based on the principles of good corporate governance as set out in the Corporate Governance Code in Appendix 15 to the GEM Listing Rules (the "CG Code").

The Company has complied with all applicable code provisions as set out in the CG Code during FY2023 and up to the date of this report.

The Board will continue to review and further improve the Company's corporate governance practices and standards, so as to ensure its business activities and decision-making processes are regulated in a proper and prudent manner.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings concerning securities transactions by the Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "Model Code") as its own code governing securities transactions of the Directors. Having made specific enquiry of all the Directors, all of them confirmed that they had fully complied with the required standard of dealings as set out in the Model Code during FY2023 and up to the date of this report.

Pursuant to Rule 5.66 of the GEM Listing Rules, the Directors have also requested any employee of the Company or director or employee of a subsidiary of the Company who, because of his office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company, not to deal in securities of the Company when he would be prohibited from dealing by the Model Code if he were a Director.

BOARD OF DIRECTORS

The Board is responsible for the overall leadership of the Group, overseeing the Group's strategic decisions and monitoring of the business and performance of the Group. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operations and management of the Company are delegated to the management.

As of the date of this report, the Board comprises 6 Directors including 3 executive Directors and 3 independent non-executive Directors, whose names, roles and functions are listed below:

Executive Directors

Mr. Lam Shing Tai *(Chairman)*
Mr. Chau Man Keung *(Vice Chairman)*
Mr. Hsu Ching Loi *(Chief Executive Officer)*

Independent Non-executive Directors

Mr. Wong Chun Kwok
Mr. Ho Kar Ming
Ms. So Shuk Wan

BOARD OF DIRECTORS (CONTINUED)

There are no financial, business, family or other material/relevant relationship among our Directors.

The Board, acting in the interest of the Group and its shareholders, is primarily responsible for the matters in relation to strategic formulation, business development, corporate governance, risk management, compliance, internal control systems, dividend policy, board diversity policy, shareholders' relationship, accounting policies and financial statements, and other functions and matters assigned to the Board as set out in the GEM Listing Rules and the Articles of Association of the Company.

The Board delegates the daily operational management of the Group's business, execution of business development plan, administrative and operational work and the implementation of risk management and internal controls to the chief executive officer and other senior management of the Group. The Board also conducts regular reviews of the functions and performance of the management. The management of the Group shall obtain the approval of the Board before entering into and arranging any significant transaction/contract. All Directors were given an opportunity to include any matters in the agenda for regular Board meetings and were also given sufficient time to review documents and information relating to matters to be discussed in Board meetings in advance.

For the year ended 31 March 2023, four Board meetings and one general meeting were held and the Directors attended the meetings in person and/or by electronic means as follows.

Director	Attendance/ Number of Board meeting	Attendance/ General Meeting
Executive Directors:		
Mr. Lam Shing Tai *(Chairman of the Board)* (appointed on 1 July 2022)	3/3	1/1
Mr. Chau Man Keung *(Vice Chairman of the Board)*	4/4	1/1
Mr. Hsu Ching Loi *(Chief Executive Officer)*	4/4	1/1
Mr. Leung Yuet Cheong (resigned on 1 July 2022)	1/1	0/0
Mr. Wong Man Hin Joe (resigned on 1 July 2022)	1/1	0/0
Independent Non-Executive Directors:		
Mr. Wong Chun Kwok (appointed on 1 July 2022)	3/3	1/1
Mr. Ho Kar Ming (appointed on 1 July 2022)	3/3	1/1
Ms. So Shuk Wan (appointed on 1 July 2022)	3/3	1/1
Mr. Wan Aaron Chi Keung, *BBS, JP* (resigned on 1 July 2022)	1/1	0/0
Mr. Chan Chun Kit (resigned on 1 July 2022)	1/1	0/0
Dr. Sun Yongjing (resigned on 1 July 2022)	1/1	0/0

Our Board believes that the Board and the senior management team achieved a balanced compositions, including but not limited to the following measurable objectives in terms of age, gender and length of services.

Age group	No. of Directors and senior management in the category
Below 40 years old	2
Between 41–60 years old	7
Over 60 years old	1

Gender	No. of Directors and senior management in the category
Female	1
Male	9

BOARD OF DIRECTORS (CONTINUED)

Length of service period	No. of Directors and senior management in the category
Within 2 years	6
Between 2 - 5 years	1
Over 5 years	3

The Company has also assessed the experience, qualification and attributes that our Directors demonstrate and that they can provide valuable perspectives, skills and experiences to the Board as summarized below.

Highlighted experience, qualification and attributes (including, but not limited to)	No. of Directors demonstrating the experience, qualification and attributes
Business and Management Experience in Printing Industry	3
Corporate Governance & Risk Management	2
Accountancy & Financial Management	2
Business advisory	1
Assets management	1

Note: a Director may hold more than one type of experience, qualification and attributes.

BOARD MEETINGS

Board minutes are kept by the Company Secretary and are open for inspection by the Directors. Every Board member is entitled to have access to Board papers and related materials and has unrestricted access to the advice and services of the Company Secretary and has the liberty to seek external professional advice if so required.

The Board is responsible for maintaining an on-going dialogue with shareholders and in particular seek to communicate with them and encourage their participation in annual general meetings and other general meetings of the Company. The Chairman of the Board and the chairmen and members of the audit committee ("Audit Committee"), nomination committee ("Nomination Committee"), risk management committee ("Risk Management Committee") and remuneration committee ("Remuneration Committee") of the Board shall endeavour to attend the annual general meetings to answer questions and collect views of shareholders.

DIRECTORS' TRAINING

According to code provision C.1.4 of the CG Code, all directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant.

All Directors, namely Mr. Lam Shing Tai, Mr. Chau Man Keung, Mr. Hsu Ching Loi, Mr. Wong Chun Kwok, Mr. Ho Kar Ming and Ms. So Shuk Wan, have participated in continuous professional development by way of attending seminars organised by the Company on topics relating to their role as a Director of the Company during the year ended 31 March 2023.

Corporate Governance Report

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

According to Code Provision C.2.1 of the CG Code, the roles of the chairman and the chief executive should be separate and performed by different individuals to ensure a balance of power and authority so that power is not concentrated in any one individual. Mr. Lam Shing Tai, an executive Director, is the chairman of the Board and is responsible for the leadership of the Board while Mr. Hsu Ching Loi, an executive Director, is the chief executive officer of the company and is responsible for managing the Group's business and overall operations.

INDEPENDENT NON-EXECUTIVE DIRECTORS

In compliance with the GEM Listing Rules, the Company has appointed three independent non-executive Directors for a term of three years representing not less than one-third of the Board and at least one of whom has appropriate professional qualifications, or accounting or related financial management expertise.

The three independent non-executive Directors are persons of high calibre, with working experience, academic and professional qualifications in the fields of accounting, company secretaryship or management. With their experience gained from various sectors, they provide strong support towards the effective discharge of the duties and responsibilities of the Board.

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

BOARD COMMITTEES

The Board has established four Board committees to oversee specific aspects of the Group's affairs and help it in the execution of its responsibilities. The Board committees each have specific written terms of reference which clearly outline the committees' authority and duties, and require the Board committees to report their decisions or recommendations to the Board. All Board committees are provided with sufficient resources to discharge their duties, including access to management or professional advice if considered necessary.

AUDIT COMMITTEE

The Company established the Audit Committee with written terms of reference on 26 February 2018 and amended on 31 December 2018. The terms of reference of the Audit Committee is currently made available on the Stock Exchange's website and the Company's website.

The following sets out members of the Audit Committee during the year ended 31 March 2023:

Mr. Chan Chun Kit *(Chairman)* (resigned on 1 July 2022)
Mr. Wan Aaron Chi Keung, *BBS*, *JP* (resigned on 1 July 2022)
Dr. Sun Yongjing (resigned on 1 July 2022)
Mr. Wong Chun Kwok *(Chairman)* (appointed on 1 July 2022)
Mr. Ho Kar Ming (appointed on 1 July 2022)
Ms. So Shuk Wan (appointed on 1 July 2022)

The Audit Committee is chaired by Mr. Wong Chun Kwok, who has the appropriate professional qualifications as required under Rules 5.05(2) and 5.28 of the GEM Listing Rules. The primary duties of the Audit Committee are to assist the Board in providing an independent view of the effectiveness of Group's financial reporting process, internal control and risk management systems, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board.

AUDIT COMMITTEE (CONTINUED)

The Audit Committee is also responsible for making recommendation 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 auditors, and any questions of resignation or dismissal of such auditors; review with the Group's management, external auditors and internal auditor, where an internal audit function exists in the Company, the adequacy of the Group's policies and procedures regarding internal controls (including financial, operational and compliance controls), risk management system and any statement by the directors of the Company to be included in the annual accounts prior to endorsement by the Board.

The Audit Committee had held four meetings for the year ended 31 March 2023, which was attended by all the committee members, to review the audited financial statements, quarterly, half-yearly and annual results announcements, quarterly reports, interim report and annual report of the Company and met with the Company's independent auditor without the presence of management to discuss any potential issues identified by the auditor.

The attendance of each member of the Audit Committee at the Audit Committee meetings during the year ended 31 March 2023 is as follows:

Director	Number of attendance/ Number of meetings
Mr. Chan Chun Kit *(Chairman)* (resigned on 1 July 2022)	1/1
Mr. Wan Aaron Chi Keung, *BBS*, *JP* (resigned on 1 July 2022)	1/1
Dr. Sun Yongjing (resigned on 1 July 2022)	1/1
Mr. Wong Chun Kwok *(Chairman)* (appointed on 1 July 2022)	3/3
Mr. Ho Kar Ming (appointed on 1 July 2022)	3/3
Ms. So Shuk Wan (appointed on 1 July 2022)	3/3

The Group's consolidated financial statements for the year ended 31 March 2023 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the consolidated financial statements of the Group for the year ended 31 March 2023 comply with applicable accounting standards, the GEM Listing Rules and that adequate disclosures have been made.

REMUNERATION COMMITTEE

The Company established the Remuneration Committee with written terms of reference on 26 February 2018 and amended on 30 December 2022. The terms of reference of the Remuneration Committee is currently made available on the Stock Exchange's website and the Company's website.

The primary duties of the Remuneration Committee include: (i) making recommendations to the Directors on the policy and structure for the remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration; (ii) making recommendations to the Board on the terms of the individual remuneration package of executive Directors and senior management; (iii) making recommendations to the Board on the remuneration of independent non-executive Directors; (iv) reviewing and approving management's remuneration proposal with reference to corporate goals and objectives resolved by our Board from time to time; and (v) reviewing and/or approving matters relating to share schemes under Chapter 23 of the GEM Listing Rules. The model under code provision E.1.2(c)(ii) of the CG Code has been adopted.

Details of the Directors emoluments for the year ended 31 March 2023 are set out in Note 10 to the consolidated financial statements.

REMUNERATION COMMITTEE (CONTINUED)

The following sets out members of the Remuneration Committee during the year ended 31 March 2023:

Mr. Wan Aaron Chi Keung, *BBS*, *JP (Chairman)* (resigned on 1 July 2022)
Mr. Chan Chun Kit (resigned on 1 July 2022)
Dr. Sun Yongjing (resigned on 1 July 2022)
Mr. Chau Man Keung (resigned on 1 July 2022)
Mr. Ho Kar Ming *(Chairman)* (appointed on 1 July 2022)
Mr. Wong Chun Kwok (appointed on 1 July 2022)
Ms. So Shuk Wan (appointed on 1 July 2022)

The Remuneration Committee had held one meeting for the year ended 31 March 2023, which was attended by all the committee members, to review the remuneration structure for the executive Directors and senior management and make recommendations on the remuneration of the Directors and senior management.

The Remuneration Committee also determined the policy for remuneration of executive Directors, assessed performance of executive Directors and approved the terms of service contracts of executive Directors. During the year ended 31 March 2023, there were no material matters relating to the share option scheme of the Company which required review or approval by the Remuneration Committee.

The attendance of each member of the Remuneration Committee at the Remuneration Committee meeting during the year ended 31 March 2023 is as follows:

Director	Number of attendance/ Number of meetings
Mr. Wan Aaron Chi Keung, *BBS*, *JP (Chairman)* (resigned on 1 July 2022)	1/1
Mr. Chan Chun Kit (resigned on 1 July 2022)	1/1
Dr. Sun Yongjing (resigned on 1 July 2022)	1/1
Mr. Chau Man Keung (resigned on 1 July 2022)	1/1
Mr. Ho Kar Ming *(Chairman)* (appointed on 1 July 2022)	0/0
Mr. Wong Chun Kwok (appointed on 1 July 2022)	0/0
Ms. So Shuk Wan (appointed on 1 July 2022)	0/0

NOMINATION COMMITTEE

The Company established the Nomination Committee with written terms of reference on 26 February 2018. The terms of reference of the Nomination Committee is currently made available on the Stock Exchange's website and the Company's website.

The key responsibilities of the Nomination Committee include reviewing the structure, size and composition of the Board at least annually and make recommendations on any proposed changes to the Board, assessing the independence of independent non-executive directors of the Company and making recommendations to the Board on the appointment or re-appointment of directors of the Company.

The following sets out members of the Nomination Committee during the year ended 31 March 2023:

Dr. Sun Yongjing *(Chairlady)* (resigned on 1 July 2022)
Mr. Wan Aaron Chi Keung, *BBS*, *JP* (resigned on 1 July 2022)
Mr. Chan Chun Kit (resigned on 1 July 2022)
Mr. Chau Man Keung(resigned on 1 July 2022)
Ms. So Shuk Wan *(Chairlady)* (appointed on 1 July 2022)
Mr. Wong Chun Kwok (appointed on 1 July 2022)
Mr. Ho Kar Ming (appointed on 1 July 2022)

NOMINATION COMMITTEE (CONTINUED)

The Nomination Committee had held one meeting for the year ended 31 March 2023, which was attended by all the committee members, to review the independence of independent non-executive Directors and consider the retirement and proposed re-appointment of Directors at the annual general meeting of the Company.

The attendance of each member of the Nomination Committee at the Nomination Committee meeting during the year ended 31 March 2023 is as follows:

Director	Number of attendance/ Number of meetings
Dr. Sun Yongjing *(Chairlady)* (resigned on 1 July 2022)	1/1
Mr. Wan Aaron Chi Keung, *BBS*, *JP* (resigned on 1 July 2022)	1/1
Mr. Chan Chun Kit (resigned on 1 July 2022)	1/1
Mr. Chau Man Keung (resigned on 1 July 2022)	1/1
Ms. So Shuk Wan *(Chairlady)* (appointed on 1 July 2022)	0/0
Mr. Wong Chun Kwok (appointed on 1 July 2022)	0/0
Mr. Ho Kar Ming (appointed on 1 July 2022)	0/0

NOMINATION POLICY

According to the directors nomination policy of the Company, the Board and the Nomination Committee will follow established criteria and procedures for selecting and recommending suitable candidates in order to achieve a balanced and diversified Board in terms of skills, experience and perspectives.

The Nomination Committee will consider a variety of factors in the course of identifying, selecting and assessing the suitability of a proposed candidate, including but not limited to the following criteria:

- Direct industry experience;
- Professional and academic backgrounds;
- Achievements and contributions;
- Reputation;
- Independence (for independent non-executive Directors);
- Our board diversity policy; and
- Any other relevant and material factors as may be considered by the Nomination Committee.

The Board has also established nomination procedures for Directors' nomination pursuant to the GEM Listing Rules and the Company's articles of association as summarized below:

(a) Appointment of New Director

Regarding proposed appointment of new Director, the Nomination Committee must evaluate the proposed candidate based on the selection criteria mentioned above and make recommendations to the Board regarding whether the proposed candidates are qualified and appropriate for directorship.

For directorship nomination proposed by Shareholders at general meetings, the Nomination Committee should also evaluate such candidates in accordance to the same selection criteria and the Board should make recommendation to the Shareholders in respect of the proposed election of Director at the general meetings.

NOMINATION POLICY (CONTINUED)

(b) Re-election of Director at Annual General Meeting

Retiring Directors are eligible for nomination by the Board to stand for re-election at annual general meetings according to the articles of association of the Company.

The Nomination Committee and/or the Board should review the overall contribution, participation and performance of the retiring Director and the Board should then make recommendation to the Shareholders in respect of the proposed re-election of Director at general meetings.

BOARD DIVERSITY POLICY

Pursuant to the CG Code, the Board has adopted a board diversity policy (the "Policy"). The Company recognises and embraces the benefits of having a diverse Board. All Board appointments are made on merits and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. Pursuant to the Policy, the Company seeks to achieve Board diversity through the consideration of a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board taking into account factors based on its own business model and specific needs from time to time and with due regard for the benefits of diversity on the Board.

As at 31 March 2023, the Board comprised five males and one female with diverse age, background and experience in different industries, such as printing, accounting and finance industries. The Board considers that the Group achieved the Policy. The Company targets to avoid a single gender in the Board and is committed to further enhancing gender diversity as and when suitable candidates are identified. The Nomination Committee will deploy multiple channels to identify suitable candidates as Directors, including referral from Directors, shareholders, management, advisors of the Company and external agents as and when appropriate such that a robust pipeline of female successors to the Board can be established in the near future.

GENDER DIVERSITY AT WORKFORCE

The Group is dedicated to achieving a balance between growth and diversity in its business and governance practices. The Group is committed to ensuring that recruitment at all levels adheres to stringent diversity criteria in order to consider an expensive pool of talented individuals.

As at 31 March 2023, the Company had 69 employees, 36 of which (i.e. approximately 52%) are male and 33 of which (i.e. approximately 48%) are female.

The Board considers that gender diversity is achieved at workforce with balanced composition of male and female. The Group will continue to take gender diversity into consideration during recruitment.

RISK MANAGEMENT COMMITTEE

The Company established the Risk Management Committee with written terms of reference on 26 February 2018 and amended on 1 July 2020. The terms of reference of the Risk Management Committee is currently made available on the Stock Exchange's website and the Company's website.

The primary duties of the Risk Management Committee are to (i) advise the Board on risk-related issues; (ii) oversee the risk management framework to identify and deal with the risks faced by the Group such as business, financial, legal and regulatory risks; (iii) review reports on risks and breaches of risk policies; and (iv) review the effectiveness of the Company's risk control and/or mitigation plans.

RISK MANAGEMENT COMMITTEE (CONTINUED)

The following sets out members of the Risk Management Committee during the year ended 31 March 2023:

Mr. Chau Man Keung *(Chairman)* (resigned on 1 July 2022)
Mr. Wan Aaron Chi Keung, *BBS*, *JP* (resigned on 1 July 2022)
Dr. Sun Yongjing (resigned on 1 July 2022)
Mr. Chan Chun Kit (resigned on 1 July 2022)
Mr. Hsu Ching Loi (resigned on 1 July 2022)
Mr. Wong Chun Kwok *(Chairman)* (appointed on 1 July 2022)
Mr. Ho Kar Ming (appointed on 1 July 2022)
Ms. So Shuk Wan (appointed on 1 July 2022)

The Risk Management Committee has held one meeting for the year ended 31 March 2023 to review the risk management and internal control system of the Group and the effectiveness of the internal audit function of the Group and consider appointing an independent external consultant to independently perform internal control review and assess effectiveness and adequacy of the Group's risk management and internal control systems.

The attendance of each member of the Risk Management Committee at the Risk Management Committee meeting during the year ended 31 March 2023 is as follows:

Director	Number of attendance/ Number of meetings
Mr. Chau Man Keung *(Chairman)* (resigned on 1 July 2022)	1/1
Mr. Wan Aaron Chi Keung, *BBS*, *JP* (resigned on 1 July 2022)	1/1
Dr. Sun Yongjing (resigned on 1 July 2022)	1/1
Mr. Chan Chun Kit (resigned on 1 July 2022)	1/1
Mr. Hsu Ching Loi (resigned on 1 July 2022)	1/1
Mr. Wong Chun Kwok *(Chairman)* (appointed on 1 July 2022)	0/0
Mr. Ho Kar Ming (appointed on 1 July 2022)	0/0
Ms. So Shuk Wan (appointed on 1 July 2022)	0/0

CORPORATE GOVERNANCE FUNCTIONS

The Company's corporate governance functions are carried out by the Board pursuant to the code provisions as set out in the CG code.

The Board, as a whole, will perform the corporate governance functions in accordance with provision A.2.1 of the CG Code and has adopted written terms of reference in accordance with provisions of the CG Code which provide for, among others,

(i) developing and reviewing our Group's policies and practices on corporate governance;

(ii) reviewing and monitoring the training and continuous professional development of our Directors and senior management;

CORPORATE GOVERNANCE FUNCTIONS (CONTINUED)

(iii) reviewing and monitoring our Group's policies and practices on compliance with legal and regulatory requirements;

(iv) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and our Directors; and

(v) reviewing our Company's compliance with the CG Code and disclosure in the corporate governance reports of our Company.

For the year ended 31 March 2023, the Board held one meeting for reviewing the training and continuous professional development of Directors and senior management, reviewing the Company's compliance with the CG Code and reviewing the Company's disclosure in the Corporate Governance Report.

EMOLUMENT OF DIRECTORS AND SENIOR MANAGEMENT

Particulars of the Directors' remuneration for the year ended 31 March 2023 are set out in Note 10 to the consolidated financial statements.

Pursuant to code provision E.1.5 of the CG Code, the remuneration of the members of the senior management (other than the Directors) by band is set out below:

Remuneration by band	Number of individuals
Nil to HK$1,000,000	4

AUDITORS'S REMUNERATION

For the year ended 31 March 2023, BDO Limited was engaged as the Group's independent auditors. Apart from the provision of annual audit services, BDO Limited also provided the non-audit services to the Company. The remuneration paid/payable to BDO Limited, the auditors, is set out below:

Remuneration by nature	HK$
Audit services – Annual Audit	495,000
Non-audit services – Taxation	188,000

COMPANY SECRETARY

Mr. So Hang Fung ("Mr. So") was appointed as the Company Secretary on 9 February 2021. The biographical details of Mr. So are set out in the section headed "Biographical Details of Directors and Senior Management". For the year ended 31 March 2023, Mr. So has undertaken not less than 15 hours of relevant professional training in accordance with Rule 5.15 of the GEM Listing Rules.

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting.

Convening an extraordinary general meeting

According to Articles 58 of the articles of association of the Company, the Board may whenever it thinks fit call extraordinary general meetings. Any one or more members holding, at the date of deposit of the requisition, shares in the share capital of the Company that represent not less than one-tenth of the voting rights at general meetings of the Company on an one vote per Share basis shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Putting enquiries to the Board

Shareholders should direct their questions about their shareholdings to the Company's branch share registrar. Shareholders and the investment community may at any time make a request for the Company's information to the extent such information is publicly available. Any such questions shall be first directed to the company secretary at the Company's principal place of business in Hong Kong at Shop B3, G/F, Block 3, Kwun Tong Industrial Centre, 448-458 Kwun Tong Road, Kwun Tong, Hong Kong.

Putting forward proposals at general meeting

Shareholders should follow the procedures set out in the sub-section headed "Convening an extraordinary general meeting" above for putting forward proposals for discussion at general meetings.

Communication with the Shareholders and investors relations

The Company has adopted a Shareholders' communication policy to ensure the Shareholders have equal access to the information about the Company to enable the Shareholders to exercise their rights in an informed manner and engage actively with the Company. Information will be communicated to the Shareholders through the Company's quarterly reports, interim reports, annual reports, announcements, circulars and general meetings that may be convened as well as all the published disclosures submitted to the Stock Exchange. The Company also maintains a corporate website (www.uprintshop.hk) as a communication platform with Shareholders and investors. The annual general meeting provides a useful forum for shareholders to raise comments and exchange views with the Board. The Company keeps promoting investor relations and enhancing communication with existing Shareholders and potential investors. Those with questions for the Board may send written enquiries by post to the Company's principal place of business in Hong Kong at Shop B3, G/F, Block 3, Kwun Tong Industrial Centre, 448-458 Kwun Tong Road, Kwun Tong, Hong Kong.

SHAREHOLDERS' RIGHTS (CONTINUED)

The Board has reviewed the implementation and effectiveness of the Shareholders' communication policy of the Company for the year ended 31 March 2023, and is of the view that, through the various communication channels including but not limited to (a) holding of annual general meetings and extraordinary general meetings (if any); (b) timely dissemination of information on the Stock Exchange's website and (c) various manners to put forward enquiries to the Board as set out above, the Shareholders' communication policy had been properly and effectively implemented during the year ended 31 March 2023.

Voting by Poll

A resolution put to the vote of a meeting shall be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every member present in person (or being a corporation, is present by a duly authorised representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands.

DIRECTORS' AND AUDITORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board is responsible for presenting a balanced, clear and understandable assessment of annual, half-yearly and quarterly reports, other inside information announcements and other financial disclosures required under the GEM Listing Rules and other statutory requirements.

The Directors acknowledge their responsibility in preparing the consolidated financial statements of the Company for the year ended 31 March 2023 which give a true and fair view of the state of affairs of the Company. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern and accordingly continue to adopt the going concern approach in preparing the consolidated financial statements.

The responsibilities of the Company's auditor on the consolidated financial statements are set out in the independent auditors' report on pages 63 to 67 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for the risk management and internal control systems of the Group and reviewing their effectiveness.

The Board has overall responsibility for the design, implementation, monitor and review of the Group's internal control system including the internal control and risk management for the Company to ensure their effectiveness and efficiency. The objective of internal control is to safeguard the Company's assets and ensure its accounting records are properly maintained, so that all the financial information is accurate and reliable. The Group has adopted a series of internal control policies and procedures designed to provide reasonable assurance for achieving the objectives including effective and efficient operations, reliable financial reporting and compliance with applicable laws and regulations. All employees are committed to continually enhancing the risk management measures to ensure that these measures work in line with the growth of our business strategies and integrated into day-to-day operation of the business. The Board shall at least annually review its risk management and internal control system. The Board acknowledges that such risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

The main features of the risk management and internal control systems of the Group include:

- the identification of potential risks;
- the assessment and evaluation of risks;
- the development and continuous updating of mitigation measures; and
- the ongoing review of internal control procedures to ensure their effectiveness in respect of the Group's financial, operational, compliance controls and risk management functions.

The objectives of the risk management and internal control systems of the Group include:

- establishing and constantly improving the risks management and internal control system;
- ensuring the Group's risk management and internal control in compliance with the GEM Listing Rules requirements; and
- implementing the top-down approach and bottom-up approach that covers every aspect of the business.

The Board has a particular focus on determining the nature and extent of significant risks it is willing to take in achieving the business strategies of the Group. Each department of the Group is responsible for identifying its own risks and designing, implementing and monitoring the relevant risk management and internal control systems. The departments regularly conduct internal control assessment, such as by conducting interviews with relevant staff members and reviewing relevant documentation of the internal control system, to identify the risks that may potentially affect the Group's business and operations. It also provides recommendations for improvement and follows up on the effectiveness of implementation of such recommendations, where appropriate.

The Company's internal audit department monitors the internal control procedures and systems of the Group and reports its findings and recommendations to management of the Company and the Audit Committee. The internal audit department also assesses risk exposure, formulates audit plan and ensures the audit programs cover key internal control areas of operating subsidiaries on a rotational basis for the review by the Audit Committee.

The Audit Committee reviews at least annually the process by which the Group evaluates its control environment and risk assessment process, and the way in which business and control risks are managed through the assistance of the Company's internal audit department. Special review may also be performed on areas of concern identified by management or the Audit Committee from time to time.

RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

The Board considers that, during the year ended 31 March 2023, the Group has implemented a series of effective and adequate risk management and internal control policies and appropriate procedures to provide reasonable assurance for achieving the objectives including effective and efficient operations, safeguarding the Group's assets, provide reliable financial reporting and compliance of the relevant laws and regulations.

HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Company has established and maintained the procedures and internal controls for the handling and dissemination of inside information. The Company has adopted a code of conduct for dealing in securities of the Company by the Directors in accordance with Rules 5.46 to 5.67 of the GEM Listing Rules. Other employees of the Group who are likely to be in possession of inside information of the Company are also subject to dealing restrictions. The Group has strictly prohibited unauthorised use of confidential or inside information or any use of such information for the advantage of himself or others. Any inside information and any information which may potentially constitute inside information is promptly identified, assessed and escalated to the Board and for the Board to decide on the need for disclosure. Inside information and other information which is required to be disclosed pursuant to the GEM Listing Rules will be announced on the respective websites of GEM and the Company in due course.

CONSTITUTIONAL DOCUMENTS

At the annual general meeting of the Company held on 6 September 2022, special resolution was passed to approve the amendments to the then memorandum and articles of association of the Company and to adopt the second amended and restated memorandum and articles of association of the Company in order to, among other things, (i) bring them in line with the amendments made to the GEM Listing Rules and the applicable laws of the Cayman Islands; and (ii) incorporate other corresponding and house-keeping amendments to the then memorandum and articles of association of the Company. Details of the amendments made are set out in the circular of the Company dated 8 August 2022. An up-to-date version of the memorandum and articles of association of the Company has been posted on the websites of the Company and the Stock Exchange.

Environmental, Social and Governance Report

ABOUT THIS REPORT

Universe Printshop Holdings Limited (the "Company", "we", together with its subsidiaries, the "Group") strives continuously to incorporate sustainability initiatives into our daily operations and management. While sharing the vision of becoming the preferred choice of our stakeholders, we are committed to improving our Environmental, Social and Governance (ESG) performances by upholding good corporate governance standards, protecting our environment, engaging the community and promoting social integration.

This ESG Report ('the Report') aims to present our key performance indicators and milestones on the sustainability journey for the year ended 31 March 2023 ("FY2023") as compared to the year ended 31 March 2022 ("FY2022") (where applicable). All the information disclosed in this Report has been prepared by the ESG working group and confirmed by the Board. The Board is responsible for overseeing sustainable development for all operating companies under the Group and reviewing the progress made against ESG-related goals through annual Board Meeting. The progress of the following environmental targets made in FY2023 was reported in the following sections. We endeavour to provide a balanced, honest and transparent account of our performance.

The Report has complied with the mandatory disclosure requirements and the "comply or explain" provisions set out in the "Environmental, Social and Governance Reporting Guide" under Appendix 20 to the GEM Listing Rules from The Stock Exchange of Hong Kong Limited (SEHK). We value your feedback on the Company's overall sustainability practices and the related review. Please provide your comments by email to <ir@123print.com.hk>.

BOARD GOVERNANCE AND INVOLVEMENT

The Board is responsible for overseeing sustainable development for all operating companies under the Group. Information and management on sustainability risks and performance is reported to the Board. The sustainability committee group members meet annually to exchange information and best practices, manage climate-related risk, reduce costs and engage staff in sustainable development, and review environmental and social targets and progress.

The sustainability committee is delegated by the Board with the responsibility to execute our corporate sustainability strategy and initiatives. In turn, the direct reports in the Company have functional responsibility for carrying out sustainable business practice in specific areas, collecting and monitoring ESG related data.

The Group has developed its own corporate governance code (the CG Code) according to the principles as set out in the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules. The CG code sets out the corporate governance principles applied by the Group and is constantly reviewed to ensure transparency, accountability and independence. For details, please refer to Corporate Governance Report section.

REPORTING PRINCIPLES

Reporting Principles	Application
Materiality	To identify the material ESG-related issues to the Group, we conducted stakeholder engagement to identify and prioritise material ESG issues in our business operations.
Quantitative	Quantitative metrics are disclosed in this report to keep track of and evaluate our ESG performance. We measure and report key performance indicators (KPIs) across our environmental and social performance with the aid of a data monitoring system. Through the reporting of these KPIs and information in our report, we disclose elements that have the greatest impact on our business and stakeholders. In addition, we disclose historical data, including those from the base year of FY2022, to compare our performance and present our progress over time.
Balance	This report provides an unbiased disclosure of the Group's ESG performance by highlighting both achievements and challenges in ESG management.
Consistency	This report is prepared according to the ESG Reporting Guide issued by SEHK to provide consistent and comparable disclosures. We would provide explanation for any changes to the calculation methods or KPIs used, if any. In addition, we disclose historical data, including those from the base year of FY2022, to compare our performance and present our progress over time.

The subsidiaries of the Group in scope are:

- Universe Printing Holdings Limited
- Print Shop Limited
- Startec Colour Separation Printing Limited
- Net Printshop Limited

Environmental, Social and Governance Report

REPORTING METHODOLOGY

For the following environmental and social data, the above mentioned operations of the Group in scope are all included. There are no changes in the scope of this report from that of ESG report for FY2022.

The Report has complied with the mandatory disclosure requirements and the "comply or explain" provisions set out in the "Environmental, Social and Governance Reporting Guide" under Appendix 20 to the GEM Listing Rules from SEHK. For the calculation methodologies and conversion factors used for reporting, GHG emissions data is presented in carbon dioxide equivalent and was based on the information of the "GHG Protocol Corporate Accounting and Reporting Standard" issued by the World Resources Institute and the World Business Council for Sustainable Development, the "Government emission conversion factors for greenhouse gas company reporting" issued by the Department for Environment, Food & Rural Affairs in the UK, the "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes)" issued by the Electrical and Mechanical Services Department (EMSD) and the Environmental Protection Department (EPD) in Hong Kong, "How to Prepare an ESG Report?, Appendix 2: Reporting Guidance on Environmental KPIs" and "How to Prepare an ESG Report?, Appendix 3: Reporting Guidance on Social KPIs" issued by SEHK.

STAKEHOLDER ENGAGEMENT

As a responsible business, the Group always believes that meeting stakeholders' expectation is important in gaining support and trust. As such, stakeholders are identified and engaged by various channels on a regular basis. The stakeholders of the Group include shareholders, customers, employees, business partners and suppliers. Through these engagements, the Group is able to act on strategic development to balance and maximize various stakeholders' interests to the best possible level.

To understand the full spectrum of ESG aspects of the operation, the Company has engaged both the internal and external stakeholders about its potential environmental and social impacts. We engaged our business functions to identify key ESG issues and to assess their materiality to our business and stakeholders, through reviewing our operations, daily business dealings and internal discussions. We also engaged our external stakeholders through meetings, interviews, and direct phone calls. 50% of our external stakeholders and 50% of our internal stakeholders had responded to our survey. The results showed no change in the sustainability issues that the Group used to disclose in previous reports. Material ESG issues we have identified are: emissions, material consumption and waste management, natural resources and environment, climate change, employment and labour standard, health and safety, development and training, supply chain management, product and service responsibility, anti-corruption and community investment. Disclosures relating to the identified material ESG issues are included in this ESG Report pursuant to the disclosure requirements of the Environmental, Social and Governance Reporting Guide of SEHK.

Environmental, Social and Governance Report

ENVIRONMENTAL PERFORMANCE

In FY2023, we measured and managed the environmental performance in several aspects throughout our daily operations.

Air Emissions

Air pollution is one of the major environmental issues that is of great concern. As offset printing involves the use of ink and chemical solvent, our production inevitably generates volatile organic compounds (VOC). In FY2023, the Company disposed of all motor vehicles (FY2022: 4). The air emissions incurred by the use of fuel is negligible and therefore immaterial. Fuel saving measures are supported by management and monitored daily.

We have implemented the following measures to save fuel and minimise air emissions and their effects:

- Appropriate ventilation system at the production sites to reduce employees' exposure to hazardous emissions
- Separation of high emission processes from other operations
- Regular maintenance and cleaning of generators, vehicles and other machinery
- Green driving practices (e.g. drive smoothly, avoid accelerating hard and braking harshly, no idling engine)
- Adoption of shortest routing

Greenhouse Gas ("GHG") Emissions and Energy Conservation

Global climate change is a challenge that businesses and organisations around the world must face and address. We are committed to minimising the adverse impact that our operations may have on the environment. Using energy efficiently will definitely help us preserve resources and tackle climate change.

We have set the emission reduction target – reduction in greenhouse gas ("GHG") emission by 10% by year FY2027 compared to the base year FY2022; and energy use efficiency target – reduction in electricity consumption by 10% by year FY2027 compared to the base year FY2022. In FY2023, we reduced greenhouse gas emission by 29.49% and electricity consumption by 30.82% respectively compared to the base year FY2022.

In this reporting year, we consumed 1,200,114.00 kWh of electricity (FY2022: 1,734,687 kWh) with an intensity of 12,570.08 kWh/HKD'm revenue (FY2022: 15,263.15 kWh/HKD'm), equivalent to 490.87 tCO_2e of Scope 2 GHG emissions (FY2022: 696.99 tCO_2e). The total GHG emissions and carbon intensity were 494.11 tCO_2e and 5.18 tCO_2e/HKD'm revenue respectively (FY2022: 700.74 tCO_2e and 6.17 tCO_2e/HKD'm). The following tables show our GHG emissions and energy consumption.

GHG Emissions[1]	Unit	FY2023	FY2022 (Base year)
Total Scope 1 Emissions – Direct GHG Emissions	tCO_2e	0	0
Total Scope 2 Emissions – Energy Indirect GHG Emissions	tCO_2e	490.87	696.99
Total Scope 3 Emissions – Other Indirect GHG Emissions	tCO_2e	3.24	3.74
Total GHG Emissions	tCO_2e	494.11	700.74
Total GHG Emissions/HKD'm revenue	tCO_2e/ HKD'm revenue	5.18	6.17

Energy Consumption	Unit	FY2023	FY2022
Electricity Consumption	kWh	1,200,114	1,734,687
Electricity Consumption/HKD'm revenue	kWh/ HKD'm revenue	12,570.08	15,263.15

Electricity consumption accounts for a major part of our GHG emissions. To reduce our carbon footprint and energy usage to achieve the targets, we have implemented the following measures:

- Reminders and signs for office equipment (e.g. photocopiers, printer) to be switched to standby mode after use
- Regular maintenance of appliances and equipment as suggested by the relevant instruction manual
- Lighting zone segregation and individual lights made available only after office hours
- Limit access to the operation of air-conditioning units
- More environmentally friendly office temperature (24-26°C)
- Smart casual dress code for work
- Practices of switching off lighting, air-conditioning, computers and encouraging the use of energy-saving mode for all the applicable electronic appliances during lunch hours
- Reminders of 'use when necessary' and 'off after use' for lighting and air-conditioning
- Authorized staff switch on/off equipment before/after office hours

In this reporting year, the Group was not aware of any material non-compliance with relevant laws and regulations that would have a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

Material Consumption and Waste Management

We work diligently in reducing our waste from operations. The Group reckons the importance of waste reduction and waste management (e.g. waste classification at source for better recycling) and has thus implemented various initiatives to tackle the related issues.

Our non-hazardous waste reduction target is reduction of paper consumption (other than the raw materials for the production of products) by 10% by year 2032 compared to the base year FY 2022 and our hazardous waste reduction target is year-on-year improvement on recycling rate of hazardous waste. In FY2023, we reduced the overall non-hazardous waste by 80.3% compared to the base year FY2022.

Offset printing operations generate certain solid and liquid hazardous waste, including chemical solvent, ink residues and its containers. During the year ended 31 March 2023, we returned empty ink containers to manufacturer for reuse or recycling purposes. Liquid chemicals, such as waste plate developer, were collected in labelled containers before handing over to authorized service providers. The Group has been granted with the Registration of Waste Producer under the Waste Disposal (Chemical Waste) (General) Regulation (Cap. 354C) and complied with relevant procedural requirements.

The Group does its utmost to explore and maximise resources reuse and recycle opportunities. Paper and packaging materials constitute a significant portion of resources consumption. To fully utilise precious resources, incoming packaging materials like pallets and carton boxes were reused in the operation whenever possible. Scrap paper bins have also been set up in each shop and on each production floor, enabling convenient drop-off and collection by licensed recycler.

To reduce our raw material consumption and waste generation, we have implemented the following measures:

- Reminders, signs and posters at collection points and prominent areas to encourage waste recycling
- Replacement of photocopying and printing of publications (newsletter/leaflet/report) by e-versions
- More eco-friendly printing practices (e.g. print when necessary, print double-sided, print in black & white)
- Procurement of electrical & electronic equipment only when necessary, and scheduled regular maintenance to prolong life span
- Cartridges of larger volume or longer life-span and recycled by manufacturer
- Box files consumption reduction by reusing old ones or applying electronic filing

- Paper consumption reduction by using e-communication with at least 90% of staff members having email/mobile access
- Repair broken items to avoid waste disposal
- Used furniture recycling by reselling or donation
- Reuse of supplies and stationeries (e.g. envelopes, single-side printed paper)
- Reuse of materials for decorating festive events (e.g. Christmas and Chinese New Year, etc.)
- Resale of unwanted second-hand products
- Conversion/Upgrading of old items into useful ones
- Minimising the use of chemicals (e.g. cleaning agents)
- Use of re-useable containers, dishes, cups and coffee filters in the pantry wherever possible
- Use of shredded waste paper for packaging
- Proper size packaging to avoid using fillers
- Minimising the use of tape and strapping for sealing

We measure different types of materials used to gauge our environmental performance. The following tables presents the material consumption in our business operations for FY2023:

Material Consumption	Unit	FY2023	FY2022
Paper Consumption	pieces	4,863,305.50	24,372,180.00
Ink Consumption	kg	3,607.00	21,182.50
Solvent Consumption	L	8,100.00	43,200.00
Zinc Plate Consumption	kg	10,913.39	53,287.33
Toner Consumption	kg	103.19	786.98
Packaging Materials Used	**Unit**	**FY2023**	**FY2022**
Carton Box Consumption	Tonnes	4.00	20.96

Amount of waste collected by weight for FY2023 is shown in following tables:

Non-hazardous Waste Generated	Unit	FY2023	FY2022
Paper	Tonnes	37.82	191.98
Hazardous Waste Generated	**Unit**	**FY2023**	**FY2022**
Ink Residue and Container	Tonnes	0.00	1.36
Zinc Plate	Tonnes	10.45	55.84
Toner	Tonnes	0.0034	0.0068
Plate Developer	Litre	1,000	10,120

The intensity of the waste collected for FY2023 is shown in the following tables:

Non-hazardous Waste Generated	Unit	FY2023	FY2022
Paper	Tonnes/HKD'm revenue	0.40	1.69

Note: Intensity is measured by dividing specific value by HKD'm revenue

Hazardous Waste Generated	Unit	FY2023	FY2022
Ink Residue and Container	Tonnes/HKD'm revenue	0.00	0.01
Zinc Plate	Tonnes/HKD'm revenue	0.11	0.49
Toner	Tonnes/HKD'm revenue	0.000036	0.000060
Plate Developer	Litre/HKD'm revenue	10.47	89.04

Note: Intensity is measured by dividing specific value by HKD'm revenue

Due to the nature of our business operation, our water consumption is not substantial and most of the water we use for our operations is for cooling processes in production and general purpose in daily operation and there were no issues in sourcing water that is fit for purpose.

Natural Resources and Environment

While benefiting from the natural resources, we always bear in mind the responsibilities and the obligations of protecting the environment and natural resources, particularly in terms of paper consumption. We therefore, in our business operations, have taken considerable efforts to monitor and minimise the negative impact on the environment.

In particular, as a paper-based business, we have implemented measures as follows:

- Use of Forest Stewardship Council® (FSC™)-certified/recycled paper, as a sustainably-managed forest source option, for production.

- Use of Forest Stewardship Council® (FSC™)-certified/recycled wood or paper products for our daily administration.

Climate Change

The Group realises the importance of the identification and mitigation of significant climate-related issues, therefore, the Group is committed to managing the potential climate-related risks which may impact the Group's business activities. The Group has set up risk management policy in identifying and mitigating different risks including climate-related risks. The Board meets annually and cooperates closely with key management to identify and evaluates climate-related risks and to formulate strategies to manage the identified risks.

For physical risk, the increased frequency and severity of extreme weather such as typhoons, storms and heavy rains can disrupt the Group's operations by damaging the production centre, print shops, and delayed products delivery from suppliers as well as to customers. To minimise the potential risks and hazards, the Group regularly maintains its facilities as to make sure the damage by extreme weather events are minimized. The Group has also established adverse weather guidance to protect our staffs. The Group will continuously review the potential impact of climate change on our business annually and implement corresponding measures to reduce any potential risks.

For transition risks, the Group identified the 2 major risks and their potential financial impact. Transition risk mitigation and resilience are under prudent discussion in view of the volatile social and political environment.

Transition risk type	Risk/Opportunity Driver	Potential financial impact
Policy and legal	Fulfilment of the set carbon-reduction target	Increased expenditure on energy-saving technology in operation
Market preference	Going paper-less/Replacing paper publication by electronic version	Decreased major income

SOCIAL PERFORMANCE

Employment and Labour Practices

Employment and Labour Standard

As key enablers in achieving its economic, environmental and social objectives of the Group, our employees are always regarded as the most valuable assets. We believe that creating a workplace that offers a strong sense of belonging can inspire our employees to champion our core values. We strive to create an environment where every employee can work happily and excel to his/her full potential.

We encourage promotions within the Group so that we can gradually train our employees to take up management executives roles. We also do our best to maintain open dialogue with employees and encourage discussion about their career goals.

To retain top-notch talents and attract young professionals, the Group regularly reviews and enhances its employees' remuneration terms and benefits. Competitive remuneration packages are structured to be commensurate with individual responsibilities, qualification, experience and performance. Eligibility requirements of various positions are set forth in written document as minimum entry criteria. The Group upholds the value of equal opportunities in terms of gender, pregnancy, marital status, disability, family status and race. Employees can report on discriminatory practices to the management or Human Resource Department.

The Group believes in equal opportunities and diversity in terms of age, sex, nationality, disability and religion. Any discrimination on race, gender, religion, national origin, physical or mental disability, age, sexual orientation, and gender identity are strictly prohibited during the employment process and workplace.

The Group has established policy to prevent unfair dismissal. An employee cannot be dismissed when she has been confirmed pregnant or after she has given notice of pregnancy. An employee cannot be dismissed when he or she takes a paid sick leave. Each employee that tenders resignation will be interviewed by the Human Resource Department to ascertain the reason for leaving the Group. The dismissed employee shall be given due notice or wages in lieu of notice, and the notice should not be given during his or her annual leave and maternity leave.

The employees of the Group can enjoy statutory holidays, maternity leave, annual leave and work-injury leave.

The Group prohibits the use of child labour and forced or compulsory labour at all its units and supply chain. No employee is made to work against his/her will or work as forced labour, or subject to corporal punishment or coercion of any type related to work. During our recruitment process, applicants are required to report their identity by showing their identity cards during the application for compliance with the statutory age requirements. The Human Resources Department also reviews the attendance records on a regular basis. If overtime work is discovered, investigation will be conducted immediately to ensure that employees are not forced to work overtime.

In case any child labour or forced labour is observed by our employees during daily business operations, our employees shall report to the Human Resources Department directly and senior departments for immediate verification. The Group will report to Labour Department without delay. If suppliers are found to have any employment of child labour and forced labour, immediate cessation of business would be conducted.

The Group strictly complies with relevant laws and regulations, including the Employment Ordinance (Cap. 57), anti-discrimination ordinances implemented by The Equal Opportunities Commission. During FY2023, there was no incident of non-compliance with relevant laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and/or other benefits and welfare and the Group did not encounter any issue with non-compliance and/or violate any relevant laws and regulations in respect of the prevention of child or forced labour.

As at 31 March 2023, the Group employed 69 staff in total. Below is the workforce statistic by geographical region, gender, age group, employment type and employment category:

	Staff Number
	31 March 2023
(a) Breakdown by region	
Employees – Hong Kong	69
(b) Breakdown by gender	
Employees – Female	33
Employees – Male	36
(c) Breakdown by age group	
Employees Age < 30	13
Employees Age 30-50	37
Employees Age > 50	19
(d) Breakdown by employment type	
Employees – Part-time	0
Employees – Full-time	69
(e) Breakdown by employment category	
Employees – General	38
Employees – Middle Level	16
Employees – Senior	8
Employees – Supervisory	7

Below is the workforce turnover statistic by geographical region, gender and age group:

	Turnover Rate (%)
(a) Breakdown by region	
Employees – Hong Kong	117.39
(b) Breakdown by gender	
Employees – Female	87.88
Employees – Male	144.44
(c) Breakdown by age group	
Employees Age < 30	84.62
Employees Age 30-50	89.19
Employees Age > 50	194.74

Health and Safety

Ensuring health and safety of our employees is one of our prime responsibilities. We strive to provide our employees with a safe working environment and reinforce their safety awareness by relevant information and training. The Group has formulated, implemented and regularly reviewed its safety guideline with reference to relevant laws, codes of practice, industry best practices and causes of accident. The comprehensive guideline covers aspects such as general printing process, chemical hazards, emergency plan, and risk assessment. In the event of work-related injury, the Group compensates the injured employee in accordance with the Employees' Compensation Ordinance (Cap. 282).

Reinforcing employees' safety awareness is of crucial importance as prevention is always better than cure. In addition to continuous safety training and affixing safety reminders, frontline staff are also provided with personal protective equipment (e.g. protective gloves) based on their job nature.

In view of the COVID-19 pandemic happened across 2022 and 2023, the Group has implemented corresponding health and safety measures in accordance with the advice from Centre for Health Protection, Department of Health, HKSAR government. An internal epidemic prevention and control structure has been established. For example, masks are provided to our staff for protection, staff are required to conduct rapid test before work, public spaces and area are fully disinfected and body temperature screening is conducted before staff enter their working space. Other requirements are implemented as per government's advice and our operations were resumed in an orderly manner.

In relation to the provision of a safe working environment and protecting employees from occupational hazards, the Group was not aware of any material non-compliance with relevant laws and regulations that would have a significant impact on the Group. No work-related fatalities in the past 3 reporting years (including FY2023) and no lost days due to work injury during the reporting year had been reported to our management.

Development and Training

To enable our talents to develop themselves to their fullest potential and to provide them with the essential skill sets to deliver the best, training sessions are arranged for new employees with regard to the skills set required for particular position, company policies, standards, as well as relevant laws.

During the reporting year, the breakdown of employees training data are as follows:

	% of employees trained	
	FY2023	FY2022
(a) Breakdown by employment category		
Employees – General	47.37	4.44
Employees – Middle Level	25.00	100.00
Employees – Senior	50.00	50.00
Employees – Supervisory	85.71	100.00
(b) Breakdown by gender		
Employees – Female	48.48	5.88
Employees – Male	44.44	17.91

	Average training hours completed per employee	
	FY2023	FY2022
(a) Breakdown by employment category		
Employees – General	13.26	0.36
Employees – Middle Level	6.00	48.50
Employees – Senior	6.00	1.00
Employees – Supervisory	5.57	2.40
(b) Breakdown by gender		
Employees – Female	13.82	0.12
Employees – Male	6.42	3.52

Operating Practice

Supply Chain Management

We are aware of the broader impact of our operations from our supply chain. Addressing the environmental and social risks in our supply chain is one of our major ways of minimising potential negative impacts of our procurement decisions.

In selecting suppliers, rigorous mechanism based on various standards is adopted to evaluate the pricing, quality assurance system, inventory management, production capacity, as well as sustainability risk management of potential suppliers. The Group conducts review on all existing suppliers annually, and sample production materials for quality inspection when necessary. We will also discontinue relationship with suppliers with poor environmental and social performance.

Environmentally friendly supply chain management is an opportunity to reduce carbon footprint and costs. The Group places high priority on purchasing eco-friendly materials for our printing products. As a paper-based business, we have implemented green procurement measures as follows:

- Use of Forest Stewardship Council® (FSC™)-certified/recycled paper, as a sustainable-managed forest source option, for production.
- Use of Forest Stewardship Council® (FSC™)-certified/recycled wood or paper products for our daily administration.

During the reporting year, the breakdown of suppliers are as follows:

	No. of suppliers
Breakdown by geographical region	
Hong Kong	51
Mainland China	2

All of the above 53 suppliers are subject to relevant supply chain policies and practices relating to engaging suppliers mentioned above.

Product and Service Responsibility

As a responsible company, we are fully aware of the importance to comply with relevant laws and regulations concerning the provision and use of our products and services, in particular intellectual property and confidentiality matters.

We support the protection of intellectual property rights, and strictly abides by all applicable laws, including the Copyright Ordinance (Cap. 528). Upon request for printing service, we will seek customer's confirmation that the printed materials will not infringe copyright of any third party or involve defamation, invasion of privacy, counterfeiting, indecency, or obscenity. If necessary, our relevant staff may ask customers to present authorised proof for verification and reserve the right of not providing the printing service which would connive at the breach of applicable laws.

To protect our customers' confidentiality and privacy, any use of personal information collected by the Group strictly complied with Personal Data (Privacy) Ordinance (Cap. 486). The Group is committed to exercising due diligence in preventing information leakage or transferal to unauthorised parties. Encryption and firewall technologies are deployed, reviewed and updated regularly to prevent unauthorised access. It is also mandatory for all new employees to sign non-disclosure agreement and follow standard documentation procedures.

The Group aims to ensure high quality standards for products we offer. We constantly communicate with our customers to ensure our products are up to standards. Communication and feedback channels are created for quality assurance and recall procedures.

No sold or delivered products were subjected to recalls for copyright or health, safety and environmental reasons during the reporting year.

During FY2023, we have received 0 service-related complaint and one product-related complaint. In accordance with the complaint handling mechanism, all complaints received were handled by designated staff and settled. We will look for areas of improvement if the complaint stands.

During FY2023, the Group has complied with all relevant laws and regulations that have a significant impact on the Group relating to health and safety, advertising, labelling and privacy matters.

Anti-corruption

We are committed to maintaining high standard of integrity when doing business as we strongly believe that it is essential to meet the expectations of our stakeholders.

To ensure the highest possible standards of openness, probity and accountability, the Group has implemented preventive measures and whistle-blowing procedures. Anti-corruption policy and declaration procedure guideline are set forth in accordance with the Prevention of Bribery Ordinance (Cap. 201) enforced by the Independent Commission Against Corruption ("ICAC") and are communicated to employees through staff handbook. It is an offence for any employee to obtain or accept any benefit for the purpose of seeking personal gain without permission of the Group. Any employee may report suspected misconduct or malpractice in breach of applicable laws to his or her immediate head or independent directors. To further prevent corruption and malpractices in the workplace, practical guide, training materials and information pack published by ICAC are shared with our employees and the board of directors. The Group aims to retain a high ethical standards and staff integrity of business organization. In addition, the Group's policies, including the anti-fraud policy, conflict of interest policy, and anti-corruption policy, were drafted based on the guide issued by ICAC. These policies are shared with both our employees and directors periodically. Since the internal training on the above-mentioned anti-corruption policies was scheduled at a time during our business unit relocation in FY2023, the training was rescheduled to the coming year. Our employees and directors have been provided with the relevant materials for information.

During FY2023, we did not identify any non-compliance with relevant laws and regulations in relation to corruption, bribery, extortion, fraud and money laundering in our Group or employees and there was no legal case regarding corrupt practices brought against our Group or employees, which will have a significant impact on the Group. The Group will regularly review its internal anti-corruption system and improve it when necessary.

Community Investment

We pursue sustainable development of our community by assessing and managing the social impact of our operations and by supporting initiatives that create effective and lasting benefits to the community in which the Group operates.

The Group participated in philanthropic activities in the area of sponsorship of charitable sales focusing on areas including education, health and elderly care. During the year ended 31 March 2023, the Group donated a total amount of HK$3,488 to a local charity with a dedication to the area of health. The Group hopes to bring more positive effects to the development of the community together with its own growth.

ESG GUIDE CONTENT INDEX

Disclosure, Aspects, General Disclosure and KPIs	Description	FY 2023 ESG Report Reference/ Statement
A. Environmental **Aspect A1: Emissions** General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	Environmental Performance: – GHG Emissions and Energy Conservation – Material Consumption and Waste Management
KPI A1.1	The types of emissions and respective emissions data	Not material to the Group's business since our business does not involve any activity that will produce significant amount of air emissions.
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Environmental Performance: – GHG Emissions and Energy Conservation
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Environmental Performance: – Material Consumption and Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Environmental Performance: – Material Consumption and Waste Management
KPI A1.5	Description of emission target(s) set and steps taken to achieve them	Environmental Performance: – GHG Emissions and Energy Conservation
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	Environmental Performance: – Material Consumption and Waste Management

Disclosure, Aspects, General Disclosure and KPIs	Description	FY 2023 ESG Report Reference/ Statement
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	Environmental Performance: – GHG Emissions and Energy Conservation – Material Consumption and Waste Management
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	Environmental Performance: – GHG Emissions and Energy Conservation
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	Not material to the Group's business since our business does not involve any activity that will consume significant amount of water.
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	Environmental Performance: – GHG Emissions and Energy Conservation
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	Environmental Performance: – Material Consumption and Waste Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Environmental Performance: – Material Consumption and Waste Management

Disclosure, Aspects, General Disclosure and KPIs	Description	FY 2023 ESG Report Reference/ Statement
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources	Environmental Performance: – Natural Resources and Environment
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Environmental Performance: – Natural Resources and Environment
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer	Environmental Performance: – Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	Environmental Performance: – Climate Change
B. Social		
Aspect B1 Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	Social Performance: Employment and Labour Practices – Employment and Labour Standard
KPI B1.1	Total workforce by gender, employment type (for example, full time or part time), age group and geographical region	Social Performance: Employment and Labour Practices – Employment and Labour Standard
KPI B1.2	Employee turnover rate by gender, age group and geographical region	Social Performance: Employment and Labour Practices – Employment and Labour Standard

Disclosure, Aspects, General Disclosure and KPIs	Description	FY 2023 ESG Report Reference/ Statement
KPI B1.2		
Aspect B2 Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	Social Performance: Employment and Labour Practices – Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	Social Performance: Employment and Labour Practices – Health and Safety
KPI B2.2	Lost days due to work injury	Social Performance: Employment and Labour Practices – Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	Social Performance: Employment and Labour Practices – Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	Social Performance: Employment and Labour Practices – Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	Social Performance: Employment and Labour Practices – Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category	Social Performance: Employment and Labour Practices – Development and Training

Disclosure, Aspects, General Disclosure and KPIs	Description	FY 2023 ESG Report Reference/ Statement
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	Social Performance: Employment and Labour Practices – Employment and Labour Standard
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	Social Performance: Employment and Labour Practices – Employment and Labour Standard
KPI B4.2	Description of steps taken to eliminate such practices when discovered	Social Performance: Employment and Labour Practices – Employment and Labour Standard
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain	Social Performance: Operating Practice – Supply Chain Management
KPI B5.1	Number of suppliers by geographical region	Social Performance: Operating Practice – Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored	Social Performance: Operating Practice – Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Social Performance: Operating Practice – Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	Social Performance: Operating Practice – Supply Chain Management

Disclosure, Aspects, General Disclosure and KPIs	Description	FY 2023 ESG Report Reference/ Statement
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	Social Performance: Operating Practice – Product and Service Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Social Performance: Operating Practice – Product and Service Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with	Social Performance: Operating Practice – Product and Service Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	Social Performance: Operating Practice – Product and Service Responsibility
KPI B6.4	Description of quality assurance process and recall procedures	Social Performance: Operating Practice – Product and Service Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	Social Performance: Operating Practice – Product and Service Responsibility

Disclosure, Aspects, General Disclosure and KPIs	Description	FY 2023 ESG Report Reference/ Statement
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	Social Performance: Operating Practice – Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Social Performance: Operating Practice – Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	Social Performance: Operating Practice – Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff	Social Performance: Operating Practice – Anti-corruption
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	Social Performance: Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	Social Performance: Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area	Social Performance: Community Investment

Independent Auditor's Report

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TO THE SHAREHOLDERS OF UNIVERSE PRINTSHOP HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Universe Printshop Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 68 to 119, which comprise the consolidated statement of financial position as at 31 March 2023, and the consolidated statement of 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 a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the "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.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 3(c) to the consolidated financial statements which indicates that the Group incurred a loss of HK$20,502,806 for the year ended 31 March 2023 and had net current liabilities and net liabilities of HK$16,586,265 and HK$680,817 respectively as at that date. These conditions, along with other matters set forth in note 3(c), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

BDO Limited
香港立信德豪會計師事務所有限公司

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KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, 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. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment assessment of property, plant and equipment, intangible assets and right-of-use assets

(Refer to notes 4(h), 5(c) and 13 to the consolidated financial statements)

As at 31 March 2023, the Group had property, plant and equipment, intangible assets and right-of-use assets with net carrying amounts before current year's impairment charge of HK$10,899,767, HK$574,067 and HK$9,299,555 respectively, which are subject to impairment assessment when impairment indicators are identified. Management assessed that as at 31 March 2023, impairment indication existed and accordingly, management performed impairment assessment for these assets in accordance with Group's accounting policies. The property, plant and equipment, intangible assets and right-of-use assets were tested for impairment at cash-generating unit ("CGU") level. The recoverable amount of the CGU which is comprised of the above assets is determined using value-in-use calculation.

Based on the value-in-use calculation, impairment loss of HK$992,652, HK$81,244 and HK$1,316,104, totalling HK$2,390,000, was recognised during the year for property, plant and equipment, intangible assets and right-of-use assets respectively.

We have identified the impairment assessment of property, plant and equipment, intangible assets and right-of-use assets as a key audit matter due to the preparation of the value-in-use calculation requires significant estimation and judgment by the management with respect to the key assumptions adopted in the cash flow projection including future revenue growth and gross profit margin, as well as the adoption of discount rate.

Our procedures in relation to management's impairment assessment on property, plant and equipment, intangible assets and right-of-use assets included:

- Obtaining an understanding on management's processes and controls in respect of the impairment trigger assessment process;
- Checking the mathematical accuracy of the value-in-use calculation;
- Challenging the reasonableness of key assumptions of the cash flow projection of the CGU including revenue growth, gross profit margin and discount rate based on our knowledge of the business and having regard to the market and economy conditions;
- Assessing whether the key assumptions has been determined and applied on a consistent basis across the Group;
- Comparing current year's actual results with the figures included in the prior year's cash flow projection to assess reliability of management's forecast;
- Considering appropriateness of the basis used by the management in estimating the fair value less costs of disposal of these assets;
- Checking on a sample basis the accuracy and relevance of the input data used by the management to supporting evidence; and
- Assessing the disclosure made over the impairment assessment.

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

In preparing the consolidated financial statements, the directors 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.

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 the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment 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.

- 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.

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

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

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

Lee Ming Wai
Practising Certificate no. P05682
Hong Kong, 27 June 2023

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2023

	Notes	2023 HK$	2022 HK$
Revenue	6	95,473,879	113,651,958
Cost of sales		(80,781,580)	(89,255,875)
Gross profit		14,692,299	24,396,083
Other income	7	3,875,812	1,232,745
Other gains	7	1,184,460	229,155
Administrative and other expenses		(36,978,233)	(28,814,535)
Impairment loss on property, plant and equipment, right-of-use assets and intangible assets	13(a)	(2,390,000)	–
Loss from operations		(19,615,662)	(2,956,552)
Finance cost	8(a)	(824,601)	(702,584)
Loss before taxation	8	(20,440,263)	(3,659,136)
Income tax expense	9	(62,543)	(787,629)
Loss and total comprehensive income for the year attributable to owners of the Company		(20,502,806)	(4,446,765)
		HK cents	HK cents
Loss per share	12		
Basic and diluted		(2.28)	(0.49)

Consolidated Statement of Financial Position

As at 31 March 2023

	Notes	2023 HK$	2022 HK$
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	13	9,907,115	8,978,774
Right-of-use assets	13	7,983,451	9,305,903
Intangible assets	14	492,823	36,643
Deposits paid		1,087,065	1,575,832
Deferred tax assets	22	353,120	229,773
		19,823,574	20,126,925
Current assets			
Inventories	16	763,520	2,814,087
Trade and other receivables, prepayments and deposits	17	5,988,874	6,494,995
Prepaid tax		1,279,209	809,209
Cash and cash equivalents	18(a)	4,958,855	19,112,762
		12,990,458	29,231,053
Current liabilities			
Trade and other payables and accruals	19	19,872,606	15,748,679
Contract liabilities	20	1,813,469	1,727,655
Lease liabilities	21	7,790,648	7,448,348
Provision for reinstatement cost	23	100,000	140,000
		29,576,723	25,064,682
Net current (liabilities)/assets		(16,586,265)	4,166,371
Total assets less current liabilities		3,237,309	24,293,296

Consolidated Statement of Financial Position

As at 31 March 2023

	Notes	2023 HK$	2022 HK$
Non-current liabilities			
Lease liabilities	21	3,498,956	4,238,027
Deferred tax liabilities	22	419,170	233,280
		3,918,126	4,471,307
Net (liabilities)/assets		(680,817)	19,821,989
CAPITAL AND RESERVES			
Share capital	24(b)	9,000,000	9,000,000
Reserves	24(c)	(9,680,817)	10,821,989
(Capital deficiency)/Total equity		(680,817)	19,821,989

Approved and authorised for issue by the board of directors on 27 June 2023.

LAM Shing Tai
Director

HSU Ching Loi
Director

Consolidated Statement of Changes in Equity

For the year ended 31 March 2023

	Share capital (Note 24(b)) HK$	Share premium (Note 24(c)(i)) HK$	Capital reserve (Note 24(c)(ii)) HK$	Accumulated losses HK$	Total HK$
At 1 April 2021	9,000,000	29,644,379	20,077,867	(34,453,492)	24,268,754
Loss and total comprehensive income for the year	–	–	–	(4,446,765)	(4,446,765)
At 31 March and 1 April 2022	9,000,000	29,644,379	20,077,867	(38,900,257)	19,821,989
Loss and total comprehensive income for the year	–	–	–	(20,502,806)	(20,502,806)
At 31 March 2023	9,000,000	29,644,379	20,077,867	(59,403,063)	(680,817)

Consolidated Statement of Cash Flows

For the year ended 31 March 2023

	Notes	2023 HK$	2022 HK$
Cash flows from operating activities			
Cash (used in)/generated from operations	18(b)	(41,567)	6,086,043
Tax paid		(470,000)	(127,245)
Net cash (used in)/generated from operating activities		(511,567)	5,958,798
Cash flows from investing activities			
Payment for the purchase of property, plant and equipment and intangible asset		(5,950,293)	(1,696,157)
Proceeds from sale of property, plant and equipment		2,082,381	–
Interest received		8,364	32,640
Net cash used in investing activities		(3,859,548)	(1,663,517)
Cash flows from financing activities			
Capital element of lease payments	18(c)	(8,958,191)	(8,125,704)
Interest element of lease payments	18(c)	(824,601)	(702,584)
Net cash used in financing activities		(9,782,792)	(8,828,288)
Net decrease in cash and cash equivalents		(14,153,907)	(4,533,007)
Cash and cash equivalents at the beginning of the year		19,112,762	23,645,769
Cash and cash equivalents at the end of the year	18(a)	4,958,855	19,112,762

Notes to the Financial Statements

For the year ended 31 March 2023

1 GENERAL INFORMATION

Universe Printshop Holdings Limited (the "Company") is a public limited company incorporated in the Cayman Islands on 27 April 2017 as an exempted company and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 28 March 2018. The Company was incorporated in the Cayman Islands under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is Shop B3, G/F, Block 3, Kwun Tong Industrial Centre, 448-458 Kwun Tong Road, Kwun Tong, Hong Kong.

The Company acts as an investment holding company. The subsidiaries of the Company (together, the "Group") are principally engaged in the provision of general printing services and trading of printing products. The principal activities of its principal subsidiaries are set out in note 15.

On 4 April 2022, New Metro Inc., a company incorporated in the British Virgin Islands with limited liability, which is wholly owned by Mr. Lam Shing Tai ("Mr. Lam"), entered into a sale and purchase agreement (the "Sale and Purchase Agreement") with certain shareholders (the "Selling Shareholders") of the Company including Mr. Chau Man Keung ("Mr. Chau"), an executive director of the Company, Mr. Leung Yuet Cheong, a former executive director of the Company, Mr. Wong Man Hin Joe, a former executive director of the Company and Mr. Wang Hsiung Yu, a senior management of the Company. Pursuant to the Sale and Purchase Agreement, New Metro Inc. conditionally agreed to acquire an aggregate of 354,354,000 shares of the Company from those Selling Shareholders, representing approximately 39.37% of the total issued share capital of the Company as at the date of entering into the Sale and Purchase Agreement. Completion of the Sale and Purchase Agreement took place on 4 April 2022 (the "Completion"). After the Completion, Mr. Chau continues to hold 41,366,000 shares, approximately 4.6% of the total number of issued shares of the Company. On the same date, New Metro Inc., Mr. Lam, Mr. Chau, and Mr. Hsu Ching Loi ("Mr. Hsu"), an executive director of the Company, entered into the Deed of Acting in Concert Undertaking (the "Deed"), pursuant to which the parties to the Deed have agreed to consolidate their respective interests, representing approximately 56.28% of the entire issued shares of the Company, and control directly and/or indirectly in the Company and to vote on any resolution to be passed at any shareholders' meeting of the Company in an unanimous manner. The Deed took effect from 4 April 2022. Prior to the Completion of the Sale and Purchase Agreement and Deed being in effect, Mr. Chau was the controlling shareholder of the Company.

In the opinion of the directors, New Metro Inc. is the ultimate parent undertaking of the Company.

2 ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new or revised HKFRSs – effective 1 April 2022

In the current year, the Group has applied for the first time the following new standards, amendments and interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are relevant to and effective for the Group's consolidated financial statements for the annual period beginning on 1 April 2022:

Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRS 3	Reference to the Conceptual Framework
Annual Improvements to HKFRSs 2018-2020	Amendments to HKFRS 9 Financial Instruments and Amendments to Illustrative Examples accompanying HKFRS 16 Lease

The adoption of the above new or amended HKFRSs that are effective from 1 April 2022 did not have any significant impact on the Group's accounting policies or financial results and financial position. The Group has not early applied any new or amended HKFRSs that is not yet effective for the current accounting period.

(b) New or revised HKFRSs that have been issued but are not yet effective

The following new or revised HKFRSs, potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKAS 1	Non-current Liabilities with Covenants[2]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current[2]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[1]
HK Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[2]
Amendments to HKAS 8	Definition of Accounting Estimates[1]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[2]
Amendments to HKFRS 10 and HKAS 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 2023.
[2] Effective for annual periods beginning on or after 1 January 2024.
[3] Effective for annual periods beginning on or after a date to be determined.

The directors anticipate that all of the relevant pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. The directors have accessed the possible impact of these new or revised standards on the Group's results and financial position in the first year of application. The directors consider that these new or revised HKFRSs are not yet effective are unlikely to have a material impact to the Group's results and financial position upon application.

3 BASIS OF PREPARATION

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with HKFRSs, which collective term includes all individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of the Stock Exchange.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis. The measurement bases are fully described in the accounting policies as set out in note 4.

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management's best knowledge and judgment of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

(c) Going concern assumption

The Group incurred a net loss of HK$20,502,806 for the year ended 31 March 2023 and as of that date, the Group had net current liabilities and capital deficiency of HK$16,586,265 and HK$680,817 respectively. These conditions may cast significant doubt on the Group's ability to continue as a going concern. When considering the appropriateness of the use of the going concern basis for the purpose of the preparation of these consolidated financial statements, the directors have prepared a cash flow forecast covering a period of 15 months from the end of the reporting period ("Cash Flow Forecast"). In preparing the Cash Flow Forecast, the directors have given careful consideration of the future liquidity and performance of the Group and available sources of finance in assessing whether the Group will have sufficient resources to continue as a going concern. The following plans and measures for mitigating the liquidity pressure and improving the financial position of the Group have been considered in the Cash Flow Forecast:

(i) In April 2023, the Group disposed of two offset printers (as included in plant and machinery) at the total consideration of HK$5,972,000;

(ii) In addition to the above to improve the Group's gross margin, the management has optimised the business operations to react to the change of customers' demand by expanding digital printing service. To this end, the Group invested in advanced printing machinery and this investment is expected to enhance the Group's competitiveness by saving the production time and the per unit production cost. As disclosed in note 30(b), the acquisition of the advanced printing machinery was approved by the independent shareholders of the Company at the relevant general meeting on 21 June 2023;

(iii) In May 2023, the Company raised net proceeds of approximately HK$3,730,000 from the issue of subscription shares to independent third parties (note 30(a)); and

(iv) An interest-free loan facility (the "Loan Facility") of HK$15,000,000 has been granted to the Company by Mr. Lam, being the 100% owner of New Metro Inc., which is the controlling shareholder of the Company, to provide additional funding to the Group. The first advance of HK$10,000,000 was drawn down by the Group in April 2023 and available facility as at the date of these consolidated financial statements was HK$5,000,000. Under the Loan Facility, the Group is not required to repay outstanding balance until such time when repayment will not affect the Group's ability to repay other creditors in normal course of business.

3 BASIS OF PREPARATION (CONTINUED)

(c) Going concern assumption (Continued)

In the opinion of the directors, taking into account the above plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due. Accordingly, the directors consider that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, the use of the going concern basis depends on successful implementation of the above plans and measure that there are uncertainties inherently associated with their future outcomes, that include (1) carrying out the Group's business plan successfully as mentioned in note (ii) above and generating the necessary net operating cash inflows during the forecast period; and (2) obtaining of funding successfully, as and when needed, from Mr. Lam as mentioned in note (iv) above and Mr. Lam honoring its undertaking to the Group. As a result, there is material uncertainty related to conditions that may cast significant doubt on the Group's ability to continue as a going concern, and therefore, that it may be unable to realise its assets or discharge its liabilities in the normal course of business.

Should the Group fail to achieve the above plans and measures, it might not be able to continue as a going concern, and adjustments would have to be made to write down the carrying value of the Group's assets to their recoverable amounts, to provide for any further financial liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

(d) Functional and presentation currency

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the same as the functional currency of the Company.

4 SIGNIFICANT ACCOUNTING POLICIES

(a) Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (note 4(b)). 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 comprehensive income from the dates of acquisition or up to the dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Business combination and basis of consolidation (Continued)

The Group accounts for business combinations using the 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 the 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 HKFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

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. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee; exposure, or rights, to variable returns from the investee; and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

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. The carrying amount of the replaced part is derecognised. All other costs, such as repairs and maintenance are recognised as an expense in profit or loss during the financial period in which they are incurred.

Property, plant and equipment are depreciated so as to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The useful lives are as follows:

Furniture and equipment	5 years
Computer equipment	5 years
Leasehold improvements	Shorter of lease term and 5 years
Plant and machinery	4-10 years
Motor vehicle	3 years

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount (note 4(h)).

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Intangible assets

Intangible assets acquired separately are initially recognised at cost. The cost of intangible assets acquired in a business combination is fair value at the date of acquisition. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is provided on a straight-line basis over their useful lives. Intangible assets with indefinite useful lives are carried at cost less any accumulated impairment losses. Software is amortised over of 3 to 10 years. The amortisation expense is recognised in profit or loss and included in administrative expenses.

(e) Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

(f) Leases – the Group as lessee

All leases are required to be capitalised in the consolidated statement of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low- value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term less than 12 months. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

Right-of-use asset

Right-of-use asset is recognised at cost and comprises: (i) the amount of the initial measurement of the lease liability; (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Except for right-of-use asset that meets the definition of an investment property or a class of property, plant and equipment to which the Group applies the revaluation model, the Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-of-use assets at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability.

Right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Leases – the Group as lessee (Continued)

Lease liability

Lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

The following payments for the use of the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, the Group measures the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g. a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

(g) Financial instruments

(i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), 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.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Financial instruments (Continued)

(i) Financial assets (Continued)

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. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost: Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

Fair value through other comprehensive income ("FVOCI"): Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

FVTPL: They include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. FVTPL are measured at fair value with changes in fair value and interest income are recognised in profit or loss.

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Equity investments at FVOCI are measured at fair value. Dividend income are recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss. All other equity instruments are classified as FVTPL, whereby changes in fair value, dividends and interest income are recognised in profit or loss.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Financial instruments (Continued)

(ii) Impairment loss on financial assets

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

ECL is 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 measures loss allowances for trade receivables using simplified approach and has calculated ECL based on lifetime ECL. The Group has established 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.

For other debt financial assets, the Group applies general approach to measure ECL based on the 12-month ECL. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL.

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

The Group consider a financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter into bankruptcy or other financial reorganisation; or
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Financial instruments (Continued)

(ii) Impairment loss on financial assets (Continued)

The Group presumes that default does not occur later than when a financial asset is 90 days past due.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

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.

(iii) Financial liabilities

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial liability at FVTPL, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

Financial liabilities may be designated upon initial recognition as at FVTPL if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the liabilities or recognising gains or losses on them on a different basis; (ii) the liabilities are part of a group of financial liabilities which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial liability contains an embedded derivative that would need to be separately recorded.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Financial instruments (Continued)

(iii) Financial liabilities (Continued)

Financial liabilities at fair value through profit or loss (Continued)

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise, except for the gains and losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade and other payables are subsequently measured at amortised cost, using the 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.

(iv) Effective interest method

The effective interest method 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. The 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.

(v) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(vi) 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 HKFRS 9 *Financial Instruments* ("HKFRS 9").

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

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Impairment of assets (other than financial assets)

At the end of each reporting period, the Group reviews the carrying amounts of the following 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:

- Investment in a subsidiary;
- property, plant and equipment;
- right-of-use assets; and
- intangible assets

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. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised as an expense immediately.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

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 relevant asset is carried at a revalued amount under another HKFRS, in which case the reversal of the impairment loss is treated as a revaluation increase under that HKFRS.

Value in use is based on the estimated future cash flows expected to be derived from the asset, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

(i) Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks and short-term, highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. Short-term employee benefits are recognised in the year when the employees render the related service. Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

(ii) Defined contribution retirement plan

Contributions to defined contribution retirement plans are recognised as an expense in profit or loss when the services are rendered by the employees.

The Group participates in a pension scheme ("MPF Scheme") under the rules and regulations of the Mandatory Provident Fund Scheme Ordinance for all employees in Hong Kong. The contributions to the MPF Scheme are based on minimum statutory contribution requirement of 5% of eligible employees' relevant aggregate income up to a maximum contribution of HK$1,500 per employee per month. The assets of this pension scheme are held separately from those of the Group in independently administered funds. Other than the contributions, the Group has no further obligation for the payment of retirement and other postretirement benefits of its employees in Hong Kong.

(iii) Termination benefits

Termination benefits are recognised on the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

(k) Income tax

Income taxes for the year comprise 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.

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, 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 differences and it is probable that the temporary differences will not reverse in the foreseeable future.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Income tax (Continued)

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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(l) 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 a 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.

(m) Recognition of revenue and other income

Revenue from contracts 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:

(i) provides all the benefits received and consumed simultaneously by the customer;

(ii) creates or enhances an asset that the customer controls as the Group performs; or

(iii) 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.

If the control of the goods or services is transferred 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 of time when the customer obtain control of the goods or service.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Recognition of revenue and other income (Continued)

When the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, 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 with the customer, and interest income is accrued separately under the effective interest method. 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 HKFRS 15 *Revenue from Contract with Customers* ("HKFRS 15").

The principal activities of the Group are provision of general printing services and trading of printing products. Printing services offered to the Group's customers comprise offset printing, toner-based digital printing and ink-jet printing and the printing products include stationery, advertisements, periodicals, directories and catalogues etc. The Group also provides other services to customers which include production of other printing-related products such as pre-ink stamps, plastic name-cards, printed eco-bags and printed plastic folders. Revenue from the provision of general printing services and trading of printing products is recognised at a point in time when the printing products and the printing-related products are delivered to and accepted by customers. Generally there is only one performance obligation in the contracts with the customers. No element of financing is deemed to be as the sales are made with credit terms of 30 to 90 days, which is consistent with the market practice.

Other income mainly include:

(i) Interest income is accrued on a time basis on the principal outstanding at the applicable interest rate.

(ii) Scrap sale income is recognised at a point in time when the scrap materials are delivered to the counterparty.

Principal versus agent consideration

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Contract assets and liabilities

A contract asset represents the Group's right to consideration in exchange for services that the Group has transferred to a customer that is not yet unconditional. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

(o) Government grants

Government grants are recognised when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Government grants that are receivable as compensation for expenses or losses already incurred or for purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable and are recognised as other income and other gains.

(p) Related parties

(1) 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 Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Company or the Company's parent.

(2) An entity is related to the Group if any of the following conditions apply:

(i) The entity and the Company 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 employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (1).

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Related parties (Continued)

(2) An entity is related to the Group if any of the following conditions apply: (Continued)

(vii) A person identified in (1)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

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.

(q) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(a) Exposure to additional tax assessments in respect of prior years

In February 2022 and 2023, certain subsidiaries of the Company received additional tax assessments from the Inland Revenue Department ("IRD") of Hong Kong in respect of the years of assessment 2015/16 and 2016/2017. The amount of additional tax charge is HK$5.6 million in total. In connection to the additional tax assessments, the Group purchased tax reserve certificates amounting to HK$470,000 in total. Based on the communication with the IRD, the directors are of the view that such additional tax assessments are of protective nature and were issued to keep the 2015/16 and 2016/2017 tax years technically open in view of the statutory time-bar. In the opinion of the directors, the IRD had no specific basis in arriving at the profits assessed under the additional assessments. As a result, the Group is of the view that there is no present obligation and no reliable basis for estimating, and making provision for potential tax liabilities, if any, and the corresponding tax penalty and interest, if any, as at the date of issuance of these consolidated financial statements.

The Group is subject to income tax in which there are many transactions and calculations for which the ultimate tax determination is uncertain. The directors have exercised judgment and considered all relevant fact and circumstances for anticipated tax audit issues based on estimates of whether additional taxes will be due, including assessment of the conditions giving rise to the additional tax assessments, reassessment of the Group's tax position by the management and the undertaking from a shareholder to indemnify the Group against such liabilities should all or part of the additional tax assessment (including penalties, fines and interest should they arise) be found conclusive against the Group. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

(b) Going concern basis

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the plan and measures taken as detailed in note 3(c). In the Cash Flow Forecast prepared by the directors, a number of scenarios were considered to address the uncertainty in respect of the key assumptions underlying the forecast. The directors determined that the most likely amount method is the appropriate method to use in estimating the future financing need of the Group. Based on the Cash Flow Forecast, the directors considered the Loan Facility provided by Mr. Lam as mentioned in note 3(c) is adequate in supporting the Group to fulfill its financing need.

(c) Principal versus agent consideration (principal)

The Group engages in provision of general printing services and trading products. In processing and delivering the printing products to the customers, the Group may engage subcontractors to carry out the processing work. In respect of the arrangements with the subcontractors, the directors assessed that the Group acts as the principal as it controls the printing goods before they are transferred to customer. The Group is primarily responsible for fulfilling the promise to deliver the printing goods to customers and is subject to inventory risk. The Group also has discretion in establishing prices.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Estimation uncertainty

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

In addition to information disclosed elsewhere in these consolidated financial statements, other key sources of estimation uncertainty that have a significant risk of resulting a material adjustment to the carrying amounts of assets and liabilities within next financial year are as follows:

(a) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account the estimated residual value. The Group reviews the estimated useful lives of property, plant and equipment regularly in order to determine the amount of depreciation expense to be recorded during any reporting period. The useful lives are based on the Group's historical experience with similar assets taking into account anticipated technological changes. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

(b) Impairment of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on the historical default rates for the groups of customers categorised for similar risk characteristic as reflected by days past due. At the end of the reporting period, the historical observed default rates are updated when necessary. The assessment of the correlation among historical observed default rates and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and the Group's historical credit loss experience may not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 26(a).

(c) Impairment of property, plant and equipment, right-of-use assets and intangible assets

Management assessed that as at 31 March 2023, there were indications of impairment in respect of the Group's property, plant and equipment, intangible assets and right-of-use assets. Accordingly, management performed impairment testing for these assets by comparing their carrying amounts with their recoverable amounts following the accounting policy for impairment of non-financial assets (note 4(h)). Property, plant and equipment, intangible assets and right-of-use assets are tested for impairment at cash- generating unit ("CGU") level. The recoverable amount of the CGU which is composed of these assets is determined using value-in-use calculations. Based on the value-in-use calculations of the CGU, impairment loss of HK$2,390,000 was recognised for the year which was allocated as to HK$992,652, HK$81,244 and HK$1,316,104 for property, plant and equipment, intangible assets and right-of-use assets respectively.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Estimation uncertainty (Continued)

(c) Impairment of property, plant and equipment, right-of-use assets and intangible assets (Continued)

The cash flow projection adopted under the value-in-use calculations incorporates a number of key estimates and assumptions about future events and therefore, are subject to uncertainty and might materially differ from the actual results. In making these key estimates and judgments, the directors take into consideration assumptions that are mainly based on market conditions existed at the end of the reporting period. These estimates are regularly compared to actual market data and actual transactions entered into by the Group. The value-in-use calculations also require the management to exercise judgement to determine an appropriate discount rate for the cash flow projection. The management has adopted multiple scenarios in the value-in-use calculations to address estimation uncertainty. Future changes in the events and conditions underlying the estimates and judgement would affect the estimation of recoverable amount and may result in adjustment to their carrying amounts.

Details about the estimates used in assessing the impairment are set out in note 13.

6 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are the provision of general printing services and trading of printing products. The revenue of each printing products is as follows:

	2023 HK$	2022 HK$
Revenue from contracts with customers within the scope of HKFRS 15		
Timing of revenue recognition – At a point in time		
– Offset printing	72,458,817	81,991,991
– Toner-based digital printing	6,984,808	8,413,079
– Ink-jet printing	14,625,255	19,369,230
– Other printing related products	1,404,999	3,877,658
	95,473,879	113,651,958

6 REVENUE AND SEGMENT REPORTING (CONTINUED)

(a) Revenue (Continued)

The Group's customer base is diversified with no customer with whom the amount of sale transactions have exceeded 10% of the Group's revenue for the year ended 31 March 2023 (2022: Nil).

The Group has applied the practical expedients in HKFRS 15 to recognise revenue and not to disclose the remaining performance obligations for the contract of sales of goods.

(b) Segment reporting

Segment information represents those information reported to the Group's senior executive management who are the chief operating decision makers for the purposes of resources allocation and assessment of performance. The Group is managed based on the financial information of the Group as a whole as reported under HKFRS. Such information does not contain profit or loss information of particular product or service line or geographical area. The Group's senior executive management allocate resources and assess performance of the Group on an aggregated basis based on such information. Therefore, the Group's senior executive management have determined that the Group has only one single reportable segment which is provision of printing services and trading of printing products.

The Group's revenue is solely derived from external customers based in Hong Kong, which is the location at which products are delivered, and the Group's non-current assets are located in Hong Kong.

7 OTHER INCOME AND OTHER GAINS

	2023 HK$	2022 HK$
Other income		
Interest income from bank	8,364	32,640
Scrap sale income	248,040	1,131,347
Government grant (note)	3,341,600	–
Sundry income	277,808	68,758
	3,875,812	1,232,745
Other gains		
Net exchange gain	–	43
Gain on disposal of property, plant and equipment	998,847	–
Gain on lease modification	185,613	229,112
	1,184,460	229,155

Note:

During the year ended 31 March 2023, the Group received government grants of (i) HK$2,741,600 in total from Employment Support Scheme ("ESS") under the Anti-epidemic Fund launched by the HKSAR Government; and (ii) HK$600,000 from Technology Voucher Programme ("TVP") launched by the Innovation and Technology Commission. Under the ESS, the Group is required to spend the grant on paying wages to employees and not to implement redundancies during the subsidy period. There were no unfulfilled conditions or obligation relating to these government grants.

8 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

		2023 HK$	2022 HK$
(a)	**Finance cost**		
	Interest on lease liabilities (note 21)	824,601	702,584
(b)	**Staff costs (including directors' remuneration)#**		
	Salaries, wages and other benefits	25,011,337	27,653,087
	Contributions to defined contribution retirement plans^	1,012,896	1,140,573
		26,024,233	28,793,660
(c)	**Other items**		
	Auditor's remuneration	495,000	450,000
	Cost of inventories recognised as expenses#	80,781,580	89,255,875
	Depreciation of property, plant and equipment# (note 13)	2,369,766	1,579,581
	Depreciation of right-of-use assets# (note 13)	7,848,545	4,842,344
	Amortisation of intangible assets (note 14)	38,576	84,128
	Short-term leases expense	592,946	850,369
	Impairment loss recognised on trade receivables (note 17(b))	300,463	17,856

Cost of inventories included the amounts of HK$5,360,285, HK$1,397,770 and HK$2,694,513 (2022: HK$10,052,905, HK1,251,191 and HK$2,196,432) respectively relating to staff costs, depreciation of property, plant and equipment and depreciation of right-of-use assets, which amounts are also included in the respective total amounts disclosed separately in this note for each of these types of expenses.

^ For the year ended 31 March 2023, no forfeited contribution in respect of the defined contribution retirement plans were utilised by the Group to reduce the contribution payable to the plans (2022: nil). As at 31 March 2023, no forfeited contribution under these plans is available to reduce future contribution (2022: nil).

9 INCOME TAX EXPENSE

Income tax expense in the consolidated statement of comprehensive income represents:

	2023 HK$	2022 HK$
Current tax		
Hong Kong Profits Tax for the year	–	–
Over provision in respect of prior years	–	(20,001)
	–	(20,001)
Deferred tax		
Charged to profit or loss (note 22)	62,543	807,630
	62,543	787,629

Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.

The provision of Hong Kong Profits Tax, is calculated at tax rate of 16.5% on the estimated assessable profits for the year, except for the qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 of assessable profits of the qualifying entity are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

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

	2023 HK$	2022 HK$
Loss before taxation	(20,440,263)	(3,659,136)
Tax calculated at Hong Kong Profits Tax rate of 16.5%	(3,372,643)	(603,757)
Tax effect of non-deductible expenses	562,204	303,773
Tax effect of non-taxable income	(554,325)	(7,035)
Tax effect of tax losses not recognised	3,442,966	1,037,806
Tax effect of other temporary differences not recognised	–	76,843
Over provision in respect of prior years	–	(20,001)
Others	(15,659)	–
Income tax expense	62,543	787,629

10 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Company (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	Directors' fees HK$	Salaries, allowances and benefits in kind HK$	Discretionary bonuses HK$	Retirement scheme contributions HK$	2023 Total HK$
Executive directors					
Mr. Chau	–	960,000	–	18,000	978,000
Mr. Hsu	–	900,000	–	18,000	918,000
Mr. Leung Yuet Cheong (note i)	–	192,000	–	4,500	196,500
Mr. Wong Man Hin Joe (note i)	–	186,000	–	4,500	190,500
Mr. Lam (note ii)	72,000	–	–	–	72,000
Independent non-executive directors					
Mr. Wan Aaron Chi Keung (note i)	36,000	–	–	–	36,000
Mr. Chan Chun Kit (note i)	36,000	–	–	–	36,000
Ms. Sun Yongjing (note i)	36,000	–	–	–	36,000
Mr. Ho Kar Ming (note ii)	108,000	–	–	–	108,000
Mr. Wong Chun Kwok (note ii)	108,000	–	–	–	108,000
Ms. So Shuk Wan (note ii)	108,000	–	–	–	108,000
	504,000	2,238,000	–	45,000	2,787,000

	Directors' fees HK$	Salaries, allowances and benefits in kind HK$	Discretionary bonuses HK$	Retirement scheme contributions HK$	2022 Total HK$
Executive directors					
Mr. Chau	–	960,000	–	18,000	978,000
Mr. Hsu	–	900,000	–	18,000	918,000
Mr. Leung Yuet Cheong (note i)	–	744,000	–	18,000	762,000
Mr. Wong Man Hin Joe (note i)	–	768,000	–	18,000	786,000
Independent non-executive directors					
Mr. Wan Aaron Chi Keung (note i)	144,000	–	–	–	144,000
Mr. Chan Chun Kit (note i)	144,000	–	–	–	144,000
Ms. Sun Yongjing (note i)	144,000	–	–	–	144,000
	432,000	3,372,000	–	72,000	3,876,000

10 DIRECTORS' EMOLUMENTS (CONTINUED)

Notes:

(i) Mr. Leung Yuet Cheong, Mr. Wong Man Hin Joe, Mr. Wan Aaron Chi Keung, Mr. Chan Chun Kit and Ms. Sun Yongjing were resigned as director on 1 July 2022.

(ii) Mr. Lam, Mr. Ho Kar Ming, Mr. Wong Chun Kwok and Ms. So Shuk Wan were appointed as director on 1 July 2022.

During the current year and in prior year, no director received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for loss of office. In addition, no director waived or agreed to waive any emoluments.

11 FIVE HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT'S EMOLUMENTS

Of the five individuals with the highest emoluments, two (2022: four) are directors whose emoluments are disclosed in note 10. The emoluments in respect of the remaining three (2022: one) highest paid individuals are as follows:

	2023 HK$	2022 HK$
Salaries and other allowances and benefits in kind	2,340,000	778,027
Retirement scheme contributions	54,000	18,000
	2,394,000	796,027

The emoluments of the above non-director highest paid individuals are within the following band:

	2023 Number of individuals	2022 Number of individuals
Nil to HK$1,000,000	3	1

The emoluments paid or payable to members of senior management are within the following band:

	2023 Number of individuals	2022 Number of individuals
Nil to HK$1,000,000	4	4

During the year, no emoluments were paid by the Group to the highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2022: nil).

12 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share was based on the loss attributable to owners of the Company of HK$20,502,806 (2022: HK$4,446,765) and the weighted average number of ordinary shares in issue of 900,000,000 during the year (2022: 900,000,000).

(b) Diluted loss per share

The diluted loss per share is the same as the basic loss per share as the Group did not have dilutive potential ordinary shares in issue during the current year and in prior year.

13 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

Property, plant and equipment

	Leasehold improvements HK$	Furniture and equipment HK$	Plant and machinery HK$	Computer equipment HK$	Motor vehicle HK$	Total HK$
Cost:						
At 1 April 2021	4,086,979	680,576	37,884,349	462,531	485,587	43,600,022
Additions	166,100	–	1,508,057	22,000	–	1,696,157
Disposals	(4,054)	–	–	–	–	(4,054)
Transfer from ROU assets (note (b))	–	–	–	–	651,000	651,000
At 31 March 2022 and 1 April 2022	4,249,025	680,576	39,392,406	484,531	1,136,587	45,943,125
Additions	1,820,170	144,340	3,135,137	274,646	–	5,374,293
Disposals	(3,985,647)	(640,637)	(10,834,802)	(20,457)	(1,136,587)	(16,618,130)
At 31 March 2023	2,083,548	184,279	31,692,741	738,720	–	34,699,288
Accumulated depreciation and impairment:						
At 1 April 2021	(2,717,478)	(631,449)	(30,453,403)	(457,672)	(477,822)	(34,737,824)
Charge for the year	(454,874)	(18,364)	(1,087,191)	(11,387)	(7,765)	(1,579,581)
Written back on disposals	4,054	–	–	–	–	4,054
Transfer from ROU assets (note (b))	–	–	–	–	(651,000)	(651,000)
At 31 March 2022 and 1 April 2022	(3,168,298)	(649,813)	(31,540,594)	(469,059)	(1,136,587)	(36,964,351)
Charge for the year	(998,588)	(18,272)	(1,300,868)	(52,038)	–	(2,369,766)
Impairment (note (a))	(154,472)	(21,049)	(783,458)	(33,673)	–	(992,652)
Written back on disposals	3,174,827	632,541	10,570,332	20,309	1,136,587	15,534,596
At 31 March 2023	(1,146,531)	(56,593)	(23,054,588)	(534,461)	–	(24,792,173)
Net book value:						
At 31 March 2023	937,017	127,686	8,638,153	204,259	–	9,907,115
At 31 March 2022	1,080,727	30,763	7,851,812	15,472	–	8,978,774

13 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (CONTINUED)

Right-of-use assets

	Leased properties HK$	Machinery HK$	Total HK$
At 1 April 2021	4,553,814	2,825,529	7,379,343
Additions	1,467,007	–	1,467,007
Charge for the year	(4,118,512)	(723,832)	(4,842,344)
Effect of lease modification	5,301,897	–	5,301,897
At 31 March 2022 and 1 April 2022	7,204,206	2,101,697	9,305,903
Additions	9,035,596	–	9,035,596
Derecognise upon the commencement of the sub-lease as a finance lease	(904,836)	–	(904,836)
Charge for the year	(7,124,713)	(723,832)	(7,848,545)
Impairment (note (a))	(1,121,104)	(195,000)	(1,316,104)
Effect of lease modification	(288,563)	–	(288,563)
At 31 March 2023	6,800,586	1,182,865	7,983,451

Details about the leases of the right-of-use assets and the lease liabilities recognised are disclosed in note 21.

Notes:

(a) As assessed by the directors, impairment indications existed and thus the Group's property, plant and equipment, right-of-use assets and intangible assets were tested for impairment at the end of the reporting period. Based on the manner in which the Group was managed and operated, management assessed that property, plant and equipment, right-of-use assets and intangible assets together constitute the Group's business of provision of printing services and trading of printing products and thus those assets were aggregated to form a cash-generating unit (CGU) for the purpose of impairment assessment. The recoverable amount of the CGU was determined based on value-in-use calculations, which comprised cash flow projections prepared based on the financial budget approved by the management. The period covered by the value-in-use calculations was five years.

Based on the result of the impairment assessment, the recoverable amount of the CGU was estimated to be approximately HK$18,383,389, which was lower than its carrying amount by HK$2,390,000. Accordingly, impairment loss of HK$2,390,000 was recognised for the year ended 31 March 2023 which was allocated as to HK$992,652 to property, plant and equipment, HK$1,316,104 to right-of-use assets and HK$81,244 to intangible assets (note 14). Impairment loss was recognised for property, plant and equipment, right-of-use assets and intangible assets during the year ended 31 March 2023 which was mainly due to the dampening economic activities and sluggish retail industry after the COVID-19 pandemic having a direct impact to the recovery progress of markets in Hong Kong. The demand for the Group's printing service was highly reliant on the level of local business and market activities undertaken by the Group's downstream customers, which was driven by market sentiment. The Group's financial budget was revised to reflect to current assessment of the economic and market conditions and additional impairment loss of HK$2,390,000 was resulted from the assessment.

Having regard to the high level of estimation uncertainty, management has considered multiple scenarios in the cash flow projections, each of which are probability weighted. The key assumptions used by the management in the value-in-use calculations of the CGU include: (i) annual sale growth rates projected for the 5-year forecast period ranged 4.0% - 30.8% under base case; and not exceed 20% and 10% respectively under negative case and worst case; (ii) gross profit margin ranged between 15% to 20% for all scenarios; and (iii) pre-tax discount rate of 12.3%. These assumption were determined based on past performance and management's expectations in respect of the market conditions as well as the economy and political changes which had impact on the Group. The pre-tax discount rate used reflects the specific risks related to the business and industry in which the CGU was engaged.

13 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (CONTINUED)

Right-of-use assets (Continued)

Notes: (Continued)

In respect of last year, the directors assessed that impairment indications existed and thus the Group's property, plant and equipment and right-of-use assets were tested for impairment at the end of the reporting period of last year. Consistently the recoverable amount of the CGU was determined based on value-in-use calculations, which comprised cash flow projections prepared based on the financial budget approved by the management. The period covered by the value-in-use calculation was five years. The key assumptions used by the management in the value-in-use calculations of the CGU include: (i) sales growth rates ranged from 4.0% to 20.5%; (ii) gross profit margin was maintained at similar level as have achieved in last year; and (iii) pre-tax discount rate of 13.0%. Based on the result of the impairment assessment, the recoverable amount of the CGU was estimated to be higher than its carrying amount. Accordingly, no further impairment provision was made in the last financial year.

(b) The Group has acquired a motor vehicle under finance lease arrangements, which was ended on 5 October 2021. The corresponding motor vehicle was transferred to property, plant and equipment as the Group's own assets in last financial year.

14 INTANGIBLE ASSETS

	Software HK$
Cost:	
At 1 April 2021, 31 March 2022 and 1 April 2022	416,691
Addition	576,000
At 31 March 2023	992,691
Accumulated amortisation:	
At 1 April 2021	(295,920)
Charge for the year	(84,128)
At 31 March and 1 April 2022	(380,048)
Charge for the year	(38,576)
Impairment (note 13(a))	(81,244)
At 31 March 2023	(499,868)
Net book value:	
At 31 March 2023	492,823
At 31 March 2022	36,643

15 INVESTMENTS IN SUBSIDIARIES

The following is a list of subsidiaries of the Group. The class of shares held is ordinary unless otherwise stated.

Name of the company	Place of incorporation and kind of legal entity	Particulars of issued share capital	Proportion of ownership interest			Principal activities and place of operation
			Group's effective interest	Held by the Company	Held by a subsidiary	
Universe Printshop Limited	The Cayman Islands, limited liability company	13,334 shares of United States Dollars ("US$") 1.00 each	100%	100%	–	Investment holding in Hong Kong
All in 1 Printing (Group) Limited	Hong Kong, limited liability company	10,000,000 shares	100%	–	100%	Investment holding in Hong Kong
Universe Printing Holdings Limited	Hong Kong, limited liability company	10,000,000 shares	100%	–	100%	Provision of general printing services and trading of printing products in Hong Kong
Print Shop Limited	Hong Kong, limited liability company	10,000,000 shares	100%	–	100%	Provision of printing services and solutions in Hong Kong
Startec Colour Separation Printing Limited	Hong Kong, limited liability company	10,000,000 shares	100%	–	100%	Provision of printing services and solutions in Hong Kong
Net Printshop Limited	Hong Kong, limited liability company	100,000 shares	100%	–	100%	Provision of printing services and solutions in Hong Kong

16 INVENTORIES

Inventories in the consolidated statement of financial position comprise:

	2023 HK$	2022 HK$
Raw materials	325,433	1,436,010
Work in progress	120,793	581,494
Finished goods	317,294	273,948
Consumable stores	–	522,635
	763,520	2,814,087

17 TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	2023 HK$	2022 HK$
Trade receivables	4,502,459	5,602,987
Less: Loss allowance (note (b))	(1,116,807)	(816,344)
	3,385,652	4,786,643
Other receivables and deposits	1,976,827	822,302
Prepayments	626,395	886,050
	5,988,874	6,494,995

Non-credit customers are required to pay sales consideration in full at the time of collecting the printing products. Credit customers are generally given credit period of 30 to 90 days.

(a) Ageing analysis of trade receivables

At 31 March 2023, the ageing analysis of trade receivables, based on invoice date and net of allowance for impairment, is as follows:

	2023 HK$	2022 HK$
Within 1 month	1,536,002	1,520,610
1 to 2 months	570,682	1,274,058
2 to 3 months	141,237	677,690
Over 3 months	1,137,731	1,314,285
	3,385,652	4,786,643

Further details on the Group's credit policy are set out in note 26(a).

(b) Impairment of trade receivables

The movements in loss allowance for impairment of trade receivables during the reporting period are as follows:

	2023 HK$	2022 HK$
At the beginning of the reporting period	816,344	798,488
Impairment loss recognised	300,463	17,856
At the end of the reporting period	1,116,807	816,344

The Group measures impairment provision for trade receivables at the amount equal to lifetime ECLs. Further details on the Group's credit policy and credit risk arising from trade receivables are set out in note 26(a).

18 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Cash and cash equivalents comprise:

	2023 HK$	2022 HK$
Cash at bank and on hand	4,958,855	19,112,762

Cash at banks earns interest at floating rates based on daily bank deposit rates.

(b) Reconciliation of loss before taxation to cash (used in)/generated from operations:

	Notes	2023 HK$	2022 HK$
Loss before taxation		(20,440,263)	(3,659,136)
Adjustment for:			
Finance cost	8(a)	824,601	702,584
Depreciation of property, plant and equipment	8(c)	2,369,766	1,579,581
Depreciation of right-of-use assets	8(c)	7,848,545	4,842,344
Amortisation of intangible assets	8(c)	38,576	84,128
Gain on disposal of property, plant and equipment	7	(998,847)	–
Gain on lease modification	7	(185,613)	(229,112)
Impairment loss on property, plant and equipment and right-of-use assets	13(a)	2,390,000	–
Interest income	7	(8,364)	(32,640)
Reversal of provision for reinstatement cost	23	(40,000)	(10,000)
Impairment loss recognised on trade receivables	8(c)	300,463	17,856
(Reversal of provision)/Provision for long service payments	19	(50,139)	1,178,960
		(7,951,275)	4,474,565
Changes in working capital:			
Decrease/(Increase) in inventories		2,050,567	(133,546)
Decrease in trade and other receivables, prepayments and deposits		1,599,261	2,397,020
Increase/(Decrease) in trade and other payables and accruals		4,174,066	(342,129)
Increase/(Decrease) in contract liabilities		85,814	(309,867)
Cash (used in)/generated from operations		(41,567)	6,086,043

18 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(c) Reconciliation of liabilities arising from financing activities:

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

	Lease liabilities HK$
At 1 April 2021	13,272,287
Changes from financing cash flows:	
Capital element of lease payments	(8,125,704)
Interest element of lease payments	(702,584)
Total changes from financing cash flows	(8,828,288)
Other changes:	
Increase in lease liabilities from entering into new leases	1,467,007
Increase in lease liabilities from lease modification	5,072,785
Finance cost on lease liabilities	702,584
Total other changes	7,242,376
At 31 March and 1 April 2022	11,686,375
Changes from financing cash flows:	
Capital element of lease payments	(8,958,191)
Interest element of lease payments	(824,601)
Total changes from financing cash flows	(9,782,792)
Other changes:	
Increase in lease liabilities from entering into new leases	9,035,596
Decrease in lease liabilities from lease modification	(474,176)
Finance cost on lease liabilities	824,601
Total other changes	9,386,021
At 31 March 2023	11,289,604

19 TRADE AND OTHER PAYABLES AND ACCRUALS

	2023 HK$	2022 HK$
Trade payables	15,572,702	10,129,705
Other payables and accruals	1,763,950	1,764,246
Accrual for staff costs	1,735,224	2,158,768
Provision for long service payments	800,730	1,695,960
	19,872,606	15,748,679

As of the end of the reporting period, the ageing analysis of trade payables, based on the invoice date, is as follows:

	2023 HK$	2022 HK$
Within 1 month	4,471,770	6,375,986
1 to 2 months	3,859,788	2,047,262
2 to 3 months	3,411,942	1,692,443
Over 3 months	3,829,202	14,014
	15,572,702	10,129,705

The movements in provision for long service payments are as follows:

	2023 HK$	2022 HK$
At the beginning of the year	1,695,960	685,212
Payment for long services payments	(845,091)	(168,212)
(Reversal of provision)/Provision for long services payments	(50,139)	1,178,960
At the end of the year	800,730	1,695,960

According to Part VB of the Hong Kong Employment Ordinance ("the Ordinance"), the Group is liable to make long service payments to employees who are employed under the jurisdiction of the Ordinance and have completed the required number of years of service on termination of their employment, where the termination of employment meets the required circumstances as specified in the Ordinance.

A provision has been made by the Group based on the best estimate of the long service payments that are required to be made to these employees in respect of their service to date, less any amounts that would be expected to be met out of the Group's contributions to its defined contribution retirement schemes and mandatory provident funds. A portion of the above provision is expected to be utilised after more than one year. However, it is not practicable to segregate this amount from the amounts payable within the next year.

The Mandatory Provident Fund Schemes Ordinance passed in 1995 permits the Group to utilise the Group's mandatory provident funds contributions, plus/minus any positive/negative returns thereof (collectively, the "Eligible Offset Amount"), for the purpose of offsetting provision for long service payments to an employee (the "Offsetting Arrangement"). The provision for long service payments, if any, is presented on a net basis.

19 TRADE AND OTHER PAYABLES AND ACCRUALS (CONTINUED)

The Employment & Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 was gazetted on 17 June 2022, which will eventually abolish the Offsetting Arrangement. The Amendment will come into effect prospectively from a date to be determined by the Hong Kong SAR Government, which is expected to be in 2025 (the "Transition Date"). Under the amended Ordinance, the Eligible Offset Amount after the Transition Date can only be applied to offset the pre-Transition Date provision for long service payments but no longer eligible to offset the post-Transition Date provision for long service payments. Furthermore, the provision for long service payments before the Transition Date will be grandfathered and calculated based on the last monthly wages immediately preceding the Transition Date.

In April 2023, the Hong Kong SAR Government has announced the Amendment will come into effect on 1 May 2025. Subject to further information about the abolition of the Offsetting Arrangement including the government subsidy for the long service payment obligations of employers, as well as more concrete guidance from the HKICPA that is going to issue for the subject matter, management would consider and determine the Group's accounting policy and implement any necessary policy change on the provision for the long service payments obligation of the Group.

20 CONTRACT LIABILITIES

	2023 HK$	2022 HK$
Contract liabilities arising from sales of printing products	1,813,469	1,727,655

Movements in contract liabilities are as follows:

	2023 HK$	2022 HK$
At the beginning of the reporting period	1,727,655	2,037,522
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(1,727,655)	(2,037,522)
Increase in contract liabilities as a result of billing in advance of delivering the printing products	1,813,469	1,727,655
At the end of the reporting period	1,813,469	1,727,655

Contract liabilities represent deposits received or advance billing from customers for sales of printing products. The amount of contract liabilities at the end of the reporting period is expected to be recognised as revenue in twelve months.

21 LEASE LIABILITIES

The Group leases retail shops, production workshops, office premises, car parks, machinery and motor vehicles for use in its operation. The periodic rent is fixed over the lease term, and the leases are generally negotiated for an initial period of one to five years (2022: one to five years) for leased properties and motor vehicles and five years (2022: five years) for machinery, with some leases of properties which initial lease period is one year or less and thus not being capitalised. Some of the leases contain early termination option, which is not reflected in the measurement of lease liabilities.

At 31 March 2023, the carrying amounts of lease liabilities are not reduced by the amount of payments that would be avoided from exercising early termination option because it was considered reasonably certain that the Group would not exercise its right to terminate the lease. Total lease payments of HK$2,147,700 (2022: HK$3,566,450) are potentially avoidable if the Group were to exercise the options at the earliest opportunity.

The movements of the right-of-use assets of these leases are disclosed in note 13. The movements of lease liabilities in respect of these leases are as follows:

	Leased properties HK$	Machinery HK$	Motor vehicles HK$	Total HK$
At 1 April 2021	8,329,568	4,858,757	83,962	13,272,287
Additions	1,467,007	–	–	1,467,007
Lease modification	5,072,785	–	–	5,072,785
Finance cost (note 8(a))	388,612	312,492	1,480	702,584
Lease payments	(7,271,877)	(1,470,969)	(85,442)	(8,828,288)
At 31 March 2022 and 1 April 2022	7,986,095	3,700,280	–	11,686,375
Additions	9,035,596	–	–	9,035,596
Lease modification	(474,176)	–	–	(474,176)
Finance cost (note 8(a))	599,990	224,611	–	824,601
Lease payments	(8,311,824)	(1,470,968)	–	(9,782,792)
At 31 March 2023	8,835,681	2,453,923	–	11,289,604

The Group's lease liabilities are secured by the underlying machinery with carrying value of HK$1,377,865 as at 31 March 2023 (2022: HK$2,101,697).

21 LEASE LIABILITIES (CONTINUED)

Future lease payments are due as follows:

	Minimum lease payment HK$	Finance cost HK$	Present value of minimum lease payments HK$
As at 31 March 2023			
Within one year	8,367,675	(577,027)	7,790,648
After one year but within two years	3,159,111	(137,980)	3,021,131
After two years but within five years	486,065	(8,240)	477,825
	12,012,851	(723,247)	11,289,604

	Minimum lease payment HK$	Finance cost HK$	Present value of minimum lease payments HK$
As at 31 March 2022			
Within one year	7,934,485	(486,137)	7,448,348
After one year but within two years	2,872,921	(231,852)	2,641,069
After two years but within five years	1,650,255	(53,297)	1,595,958
	12,457,661	(771,286)	11,686,375

The present value of future lease payments are analysed as follows:

	2023 HK$	2022 HK$
Current liabilities	7,790,648	7,448,348
Non-current liabilities	3,498,956	4,238,027
	11,289,604	11,686,375

22 DEFERRED TAXATION

The movements of the components of deferred taxation and the amounts of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position at the end of the reporting period are as follows:

	Tax losses HK$	Temporary difference related to property, plant and equipment and right-of-use assets HK$	Total HK$
At 1 April 2021	116,545	687,578	804,123
Charged to profit or loss (note 9)	(262)	(807,368)	(807,630)
At 31 March and 1 April 2022	116,283	(119,790)	(3,507)
Charged to profit or loss (note 9)	(265)	(62,278)	(62,543)
At 31 March 2023	116,018	(182,068)	(66,050)

	2023 HK$	2022 HK$
Represented by:		
Deferred tax assets	353,120	229,773
Deferred tax liabilities	(419,170)	(233,280)
	(66,050)	(3,507)

As at 31 March 2023, the Group had estimated unused tax losses of approximately HK$57,116,000 (2022: approximately HK$35,113,000) available for offset against future profits. The tax losses have no expiry date under the current tax legislation. Deferred tax asset in respect of tax losses of approximately HK$703,000 (2022: HK$705,000) has been recognised. Deferred tax assets have not been recognised for tax losses of approximately HK$56,413,000 (2022: HK$34,408,000) as in the opinion of the directors, it is not probable that taxable profits will be available for utilising such losses.

23 PROVISION FOR REINSTATEMENT COST

	2023 HK$	2022 HK$
At the beginning of the reporting period	140,000	150,000
Addition of provision for reinstatement costs	50,000	–
Reversal of provision for reinstatement costs	(90,000)	(10,000)
At the end of the reporting period	100,000	140,000

23 PROVISION FOR REINSTATEMENT COST (CONTINUED)

Under the terms of certain leases in respect of properties entered into by the Group, the Group is required to reinstate the properties to the original physical conditions at the end of the respective leases. Provision is therefore made for the best estimate of the expected costs that related to the restoration of the alternations made to the properties.

24 CAPITAL AND RESERVES

(a) Movements in the Company's reserves

	Share capital HK$	Share premium HK$	Accumulated losses HK$	Total equity HK$
At 1 April 2021	9,000,000	29,644,379	(18,951,264)	19,693,115
Loss and total comprehensive income for the year	–	–	(1,798,752)	(1,798,752)
At 31 March and 1 April 2022	9,000,000	29,644,379	(20,750,016)	17,894,363
Loss and total comprehensive income for the year	–	–	(23,679,922)	(23,679,922)
At 31 March 2023	9,000,000	29,644,379	(44,429,938)	(5,785,559)

(b) Share capital

	Par value HK$	Number of shares HK$	Amount HK$
Authorised:			
At 1 April 2021, 31 March 2022 and 31 March 2023	0.01	2,000,000,000	20,000,000
Issued and fully paid:			
At 1 April 2021, 31 March 2022 and 31 March 2023	0.01	900,000,000	9,000,000

24 CAPITAL AND RESERVES (CONTINUED)

(c) Nature and purpose of reserves

(i) Share premium

The share premium account is governed by the Company Law of the Cayman Islands and may be applied by the Company subject to the provision, if any, of its memorandum and articles of association in paying distributions or dividends to equity shareholders.

No distribution or dividend may be paid to the equity shareholders out of the share premium account unless immediately following the date on which the distribution or dividends is proposed to be paid, the Company will be able to pay its debts as they fall due in the ordinary course of business.

(ii) Capital reserve

The capital reserve represented the difference between the par value of the Company's shares issued and the equity of Universe Printshop Limited acquired pursuant to a reorganisation completed on 8 June 2017 in connection with the listing of the Company's share on GEM of the Stock Exchange (the "Reorganisation"). Pursuant to the Reorganisation, the Company issued 13,334 shares of US$1.00 each to the then shareholders of Universe Printshop Limited in consideration of acquiring their equity interests held in Universe Printshop Limited. The difference between the then shareholders' equity of Universe Printshop Limited over the par value of the shares issued by the Company was transferred to the capital reserve at the date of reorganisation.

(d) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group defines "capital" as total equity. The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group is not subject to externally imposed capital requirements. As at 31 March 2023, the Group had capital deficiency of HK$680,817. As detailed in note 3(c), some plans and measures have been taken to increase the capital of the Group and to enable the Group to continue as a going concern.

25 FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments at the end of the reporting period are as follows:

	2023 HK$	2022 HK$
Financial assets		
Financial assets measured at amortised cost		
Trade and other receivables and deposits	6,325,043	7,060,277
Cash and cash equivalents	4,958,855	19,112,762
	11,283,898	26,173,039
Financial liabilities		
Financial liabilities measured at amortised cost		
Trade and other payables and accruals	19,071,876	14,052,719
Other financial instruments		
Lease liabilities	11,289,604	11,686,375

The carrying amounts of the Group's financial assets and liabilities carried at amortised cost are not materially different from their fair values as at the end of the reporting period due to their short-term nature.

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

The Group mainly exposes to credit and liquidity risks arising from the normal course of its business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to bank deposits and trade and other receivables and deposits (note 17). The carrying amounts of bank deposits and trade and other receivables and deposits represent the Group's maximum exposure to credit risk in respect of these items. The Group has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Cash is deposited with financial institutions with sound credit ratings and the Group has exposure limit to any single financial institution. Given their high credit ratings, management consider it is remote that any of these financial institutions and counterparties will fail to meet their obligations.

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(a) Credit risk (Continued)

In respect of trade receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Credit customers are generally given credit period of 30 to 90 days. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECL. Except for the designated corporate customers and debtors which are assessed to be credit-impaired and thus are assessed for impairment individually, trade receivables are grouped under a provision matrix by reference to historical data on default experience of the debtors. The expected credit losses also incorporate forward looking information with reference to general macroeconomic conditions that may affect the ability of the debtors to settle the trade receivables. Trade receivables have been grouped based on shared credit risk characteristics and the days past due.

In the provision matrix, the ECL rates adopted to different age groups of the trade receivables which are subject to collective assessment are as follow:

	2023					
	Gross carrying amount	Individual assessed loss allowance	Balance under collective assessment	ECL rate	Collective assessed loss allowance	Total loss allowance
	HK$	HK$	HK$		HK$	HK$
Not past due	1,823,607	–	1,823,607	0%	–	–
Past due:						
– 30 days or below	683,849	–	683,849	0.03%	230	230
– 31 days to 90 days	343,511	–	343,511	0.03%	104	104
– Over 90 days	1,651,492	1,083,518	567,974	5.80%	32,955	1,116,473
	4,502,459	1,083,518	3,418,941		33,289	1,116,807

	2022					
	Gross carrying amount	Individual assessed loss allowance	Balance under collective assessment	ECL rate	Collective assessed loss allowance	Total loss allowance
	HK$	HK$	HK$		HK$	HK$
Not past due	2,047,934	–	2,047,934	0%	–	–
Past due:						
– 30 days or below	1,043,498	–	1,043,498	0.03%	330	330
– 31 days to 90 days	1,141,153	–	1,141,153	0.03%	343	343
– Over 90 days	1,370,402	783,454	586,948	5.49%	32,217	815,671
	5,602,987	783,454	4,819,533		32,890	816,344

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(a) Credit risk (Continued)

ECLs rates are based on the past credit loss experience of the debtor. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the trade receivables.

The Group has adopted general approach to measure ECLs on financial assets including other receivables, deposits and other financial assets at amortised costs as disclosed in note 4(g)(ii). Under the general approach, the Group applies the "3-stage" impairment model for ECLs measurement based on change in credit risk since initial recognition as follows:

Stage 1: If the credit risk of the financial instrument has not increased significantly since initial recognition, the financial instrument is included in Stage 1.

Stage 2: If the credit risk of the financial instrument has increased significantly since its initial recognition but is not deemed to be credit impaired, the financial instrument is included in Stage 2.

Stage 3: If the financial instrument is credit impaired, the financial instrument is included in Stage 3.

The ECLs for financial instruments in Stage 1 are measured at an amount equivalent to 12-month ECLs whereas the ECLs for financial instruments in Stage 2 or Stage 3 are measured at an amount equivalent to lifetime ECLs. When determining whether the risk of default has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit risk assessment and including forward-looking information. In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change in the debtors' ability to meet their debt obligations;
- actual or expected significant changes in the operating results of the debtors;
- significant changes in the expected performance and behaviour of the debtors, including changes in the payment status of debtors; and
- actual or expected significant adverse change in the regulatory, economic, or technological environment in which the debtors operate that results in a significant change in the debtors' ability to meet their debt obligations.

The credit risk of the Group's other receivables and deposits as at the end of the reporting period has not increased significantly since initial recognition and the amounts of ECLs were insignificant and no provision was made accordingly.

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(b) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements and to ensure that it maintains sufficient reserves of cash and adequate committed funding lines from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities and lease liabilities, which are based on contractual undiscounted cash flows and the earliest date the Group can be required to pay:

	Carrying amount HK$	Total contractual undiscounted cash flow HK$	Within 12 months or on demand HK$	More than 1 year but less than 2 years HK$	More than 2 years but less than 5 years HK$
As at 31 March 2023					
Trade payables, other payables and accruals	19,071,876	19,071,876	19,071,876	–	–
Lease liabilities	11,289,604	12,012,851	8,367,675	3,159,111	486,065
	30,361,480	31,084,727	27,439,551	3,159,111	486,065
As at 31 March 2022					
Trade payables, other payables and accruals	14,052,719	14,052,719	14,052,719	–	–
Lease liabilities	11,686,375	12,457,661	7,934,485	2,872,921	1,650,255
	25,739,094	26,510,380	21,987,204	2,872,921	1,650,255

At 31 March 2023, the Group had net current liabilities and capital deficiency of HK$16,586,265 and HK$680,817 respectively. Having taken into account measures disclosed in note 3(c), the directors of the Company are satisfied that the Group will have sufficient working capital for its present requirements.

27 MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these consolidated financial statements, the Group entered into the following material related party transactions.

(a) Key management personnel remuneration

All members of key management personnel are the directors of the Group and their remuneration is disclosed in note 10.

(b) Transactions with related parties

	2023 HK$	2022 HK$
Lease payments made to the following related companies, the majority shareholding of each of which is held by two directors:		
– Universe Printing Company Limited	1,565,000	2,569,324
– Universe Samfine Limited	190,000	456,000
Salaries and retirement scheme contribution paid to:		
– Ms. NG Lai Nga, spouse of a director	315,000	315,000
– Ms. SIU Man Yam, spouse of a director	50,400	100,800

28 SHARE OPTION SCHEME

The Company adopted a share option scheme by written resolutions of shareholders passed on 26 February 2018. The purpose of the share option scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners and service providers of the Group and to promote the success of the business of the Group.

The subscription price of a share in respect of any particular option granted under the share option scheme shall be a price solely determined by the directors and notified to a participant and shall be at least the higher of: (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a business day; (ii) the average closing prices of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option; or (iii) the nominal value of a share on the date of grant of the option.

The total number of shares issued and to be issued upon the exercise of options granted to any participant (including both exercised and outstanding options) under the share option scheme, in any 12-month period up to the date of grant shall not exceed 1% of the Company's shares in issue. Any further grant of options in excess of such limit must be separately approved by shareholders in general meeting with such grantee and his close associates (or his associates if such grantee is a connected person) abstaining from voting. An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to the Company on acceptance of an offer for the grant of option(s) is HK$1.0.

28 SHARE OPTION SCHEME (CONTINUED)

An option may be exercised in accordance with the terms of the share option scheme at any time during a period as the directors may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof. The share option scheme will remain in force for a period of ten years commencing on the date of its adoption on 26 February 2018 and will expire at the close of business on 25 February 2028. Under the said scheme, the maximum number of shares of the Company that may be issued upon the exercise of options that may be granted is 90,000,000 shares, representing approximately 10% of the issued share capital of the Company at the end of the reporting period. No share options were granted under the share option scheme since its adoption.

29 DIVIDEND

No dividend was paid or proposed during the year, nor has any dividend been proposed since the end of the reporting period (2022: Nil).

30 EVENTS AFTER THE END OF THE REPORTING PERIOD

(a) Issuance of subscription shares

On 19 April 2023, the Company entered into a subscription agreement ("Subscription Agreement") with independent third parties ("Subscribers") pursuant to which, the Company has conditionally agreed to allot and issue, and the Subscribers have conditionally agreed to subscribe for a total of 98,000,000 shares of the Company at the subscription price of HK$0.04 per subscription share ("Subscription"). The conditions of the Subscription Agreement have been fulfilled and completion took place on 3 May 2023. The gross proceeds and net proceeds (after deducting the expenses related to the Subscription) from the Subscription are HK$3.92 million and approximately HK$3.73 million respectively. Details of the Subscription are disclosed in the Company's announcements dated 19 April 2023 and 3 May 2023.

(b) Acquisition of machinery

On 16 May 2023, Universe Printing Holdings Limited, a subsidiary of the Company, entered into an acquisition agreement with a vendor and a foreign trade agent for the acquisition of two sets of advanced printers at the consideration of HK$18,700,000. The acquisition was approved by the independent shareholders of the Company at the relevant general meeting on 21 June 2023. Details of the acquisition of machinery are disclosed in the Company's announcement and circular dated 16 May 2023 and 31 May 2023 respectively.

31 STATEMENT OF FINANCIAL POSITION OF HOLDING COMPANY

	Notes	2023 HK$	2022 HK$
ASSETS AND LIABILITIES			
Non-current assets			
Investment in a subsidiary	15	133	133
Current assets			
Other receivables		320,676	191,611
Amount due from subsidiaries		13,239,870	36,664,737
Cash and cash equivalents		70,576	71,251
		13,631,122	36,927,599
Current liabilities			
Accruals		424,773	349,341
Amounts due to subsidiaries		18,992,041	18,684,028
		19,416,814	19,033,369
Net current (liabilities)/assets		(5,785,692)	17,894,230
Net (liabilities)/assets		(5,785,559)	17,894,363
CAPITAL AND RESERVES			
Share capital	24(b)	9,000,000	9,000,000
Share premium	24(a)	29,644,379	29,644,379
Accumulated losses	24(a)	(44,429,938)	(20,750,016)
(Capital deficiency)/Total equity		(5,785,559)	17,894,363

Approved and authorised for issue by the board of directors on 27 June 2023.

LAM Shing Tai
Director

HSU Ching Loi
Director

Financial Summary

For the year ended 31 March 2023

A summary of the results and the assets, liabilities and equity of the Group for the last five financial years, as extracted from the audited financial statements in this annual report and prior year financial statements are as follows:

	Year ended 31 March				
	2023 HK$'000	2022 HK$'000	2021 HK$'000	2020 HK$'000	2019 HK$'000
Revenue	95,474	113,652	103,133	133,428	152,725
Gross profit	14,692	24,396	20,298	25,069	28,335
Loss and total comprehensive income for the year	(20,503)	(4,447)	(12,536)	(15,511)	(5,335)

	As at 31 March				
	2023 HK$'000	2022 HK$'000	2021 HK$'000	2020 HK$'000	2019 HK$'000
Non-current assets	19,824	20,127	18,840	27,280	24,003
Current assets	12,990	29,231	35,801	43,980	55,239
Total assets	32,814	49,358	54,641	71,260	79,242
Current liabilities	29,577	25,065	24,959	27,320	25,167
Non-current liabilities	3,918	4,471	5,413	7,135	1,759
Total liabilities	33,495	29,536	30,372	34,455	26,926
(Capital deficiency)/Total equity	(681)	19,822	24,269	36,805	52,316

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

Hong Kong, 27 June 2023

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

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

This announcement will remain on the website of the Stock Exchange at www.hkexnews.hk on the "Latest Listed Company Information" page for at least 7 days from the date of its posting. This announcement will also be published and remains on the website of the Company at www.uprintshop.hk.