

Execution version

DATE: 15 February 2023

RAINBOW KINGDOM LIMITED
(as the Vendor)

and

GRAND POPULAR LIMITED
(as the Purchaser)

and

GOLDWAY EDUCATION GROUP LIMITED
(as the Purchaser)

**AGREEMENT FOR SALE AND PURCHASE
OF 7.43% ISSUED SHARES OF
Orange Financial Printing Limited**

TANG TSO & LAU
Solicitors
Hong Kong
Ref : RL/16538/23/com

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THIS AGREEMENT is made on 15 February 2023

BETWEEN:

- (1) **RAINBOW KINGDOM LIMITED** a company incorporated in Hong Kong whose registered office is at Room 16B, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong (the “**Vendor**”);
- (2) **GRAND POPULAR LIMITED**, a company incorporated in the British Virgin Islands whose registered office is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands (the “**Purchaser**”);
- (3) **GOLDWAY EDUCATION GROUP LIMITED**, a company incorporated in the Cayman Islands whose registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and having its principal place of business in Hong Kong at Shop 203, Kin Sang Commercial Centre, Kin Sang Estate, Tuen Mun, New Territories, Hong Kong (“**Goldway**”).

WHEREAS:

- (A) **Orange Financial Printing Limited** (the “**Company**”) is a company incorporated in Hong Kong with limited liability and as at the date hereof has an issued share capital of HK\$3,000,000 and 3,000,000 ordinary shares have been issued and are fully paid up or credited as fully paid of which 222,993 shares are owned by the Vendor. Further particulars of the Company are set out in Schedule 1.
- (B) The Purchaser is a wholly owned subsidiary of Goldway, the shares of which are listed on GEM of the Stock Exchange.
- (C) The Vendor has agreed to sell and the Purchaser has agreed to purchase the Sale Shares (as defined below) subject to and upon the terms and conditions of this Agreement.

NOW IT IS HEREBY AGREED as follows:

1. INTERPRETATION

- 1.1 In this Agreement (including the Recitals and Schedule), unless the context requires otherwise, the following words and expression shall have the meanings ascribed to each of them respectively below:

“**associates**” has the meaning ascribed thereto under the GEM Listing Rules

“**Audited Accounts**” the audited financial statement of the Company for the year ended 31 December 2021, a copy of which has been attached to this Agreement as Exhibit “A”

“Business Day”	a day (other than a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of this Agreement
“Completion Date”	within five Business Days after the date of fulfillment (or waiver) of all the conditions set out in Clause 3.2
“Consideration”	has the meaning ascribed thereto in Clause 4.1
“Consideration Shares”	129,629,630 Goldway Shares to be allotted and issued at Completion by Goldway at the issue price of HK\$0.054 per Goldway Share, credited as fully paid, for the purpose of settlement of part of the Consideration
“Encumbrance”	any mortgage, charge, pledge, lien, (otherwise than arising by statute or operation of law), hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement or third party rights whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same and “Encumber” shall be construed accordingly
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Goldway Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of Goldway, which are listed on GEM of the Stock Exchange (stock code: 8160)
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Long Stop Date”	30 June 2023 or such later date as the Purchaser and Vendor may agree

“Management Accounts”	the unaudited management accounts of the Company for the year ended 31 December 2022, a copy of which has been attached to this Agreement as Exhibit “B”
“Sale Shares”	222,993 ordinary shares in the Company representing 7.43% of the issued shares of the Company
“SFC”	the Securities and Futures Commission of Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“this Agreement”	this agreement for the sale and purchase of the Sale Shares, as amended or supplemented from time to time
“Taxation”	all forms of taxation including overseas taxation and all forms of profits tax, interest tax, estate duty and stamp duty and all levies, imposts, duties, charges, fees, deductions and withholdings whatsoever charged or imposed by any statutory, governmental state, provincial, local government or municipal authority whatsoever and the expression “Tax” shall be construed according
“Warranties”	the representations, warranties and undertakings set out in Clause 7 and Schedule 2 and all other representations, undertakings and warranties provided by the Vendor under this Agreement
“HK\$” or “Hong Kong Dollar”	Hong Kong dollars, the lawful currency of Hong Kong

- 1.2 References herein to Clauses and the Schedules are to clauses in and the schedules to, this Agreement unless the context requires otherwise and the Schedules to this Agreement shall be deemed to form part of this Agreement.
- 1.3 The expressions “Vendor”, “Purchaser” and “Goldway” shall, where the context permits, include their respective successors and personal representatives and permitted assigns.
- 1.4 The headings are inserted for convenience only and shall not affect the construction of this Agreement.

1.5 Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing a gender include every gender.

1.6 In this Agreement, any reference to a document in the “agreed form” is to a form of the relevant document which is in form and substance reasonably satisfactory to the Purchaser and Vendor.

2. SALE AND PURCHASE OF THE SALE SHARES

2.1 Subject to and upon the terms and conditions of this Agreement, the Vendor shall as beneficial owner sell and the Purchaser shall purchase the Sale Shares free from all Encumbrances together with all rights now and hereafter attaching thereto.

2.2 Neither the Vendor nor the Purchaser shall be obliged to complete the sale and purchase of any of the Sale Shares unless all the Sale Shares are completed simultaneously.

3. CONDITIONS

3.1 The Purchaser shall and shall procure that its agents shall forthwith upon the signing of this Agreement conduct such review of the assets, liabilities, operations and affairs of the Company as it may reasonably consider appropriate and the Vendor shall provide and procure the Company and its agents to provide such assistance as the Purchaser or its agents may reasonably require in connection with such review.

3.2 Completion shall be conditional upon and subject to:

(a) the Purchaser being satisfied with the results of the due diligence review to be conducted under Clause 3.1;

(b) all necessary consents and approvals required to be obtained on the part of the Vendor, the Purchaser, Goldway and the Company in respect of this Agreement and the transactions contemplated thereunder having been obtained;

(c) all necessary waiver, consent, approval, licence, authorisation, permission, order and exemption (if required) from the relevant governmental or regulatory authorities or other third parties which are necessary in connection with this Agreement and the transactions contemplated thereunder having been obtained;

(d) Goldway’s shareholders having passed a resolution at a general meeting to approve the allotment and issue of the Consideration Shares pursuant to the Agreement;

(e) the Listing Committee of the Stock Exchange having granted listing of and permission to deal in the Consideration Shares and such approval not having been withdrawn or revoked;

(f) the obtaining of a valuation report on 7.43% equity interest of the Target of not less than HK\$9,100,000 from an independent professional valuer in such form and substance satisfactory to the Purchaser; and

(g) the Warranties remaining true and accurate in all material respects.

3.3 The Vendor shall use their best endeavours to assist the Purchaser in connection with the due diligence review to be conducted under Clause 3.1.

3.4 If the conditions set out in Clause 3.2 have not been satisfied (or waived by the Purchaser in respect of Clause 3.2 (a) and (g) only) on or before 5:00 p.m. on the Long Stop Date, this Agreement shall cease and determine (save and except Clauses 6, 10, 17 and 19 which shall continue to have full force and effect) and thereafter neither party shall have any obligations and liabilities towards each other hereunder save for any antecedent breaches of the terms hereof.

4. CONSIDERATION

4.1 The consideration for the sale and purchase of the Sale Shares shall be the sum of Hong Kong Dollar Nine Million (HK\$9,000,000) (the “**Consideration**”).

4.2 The Consideration shall be payable by the Purchaser to the Vendor as follows:

(a) HK\$2,000,000 in cash upon Completion;

(b) HK\$7,000,000 by way of issuance of the Consideration Shares by Goldway to the Vendor (or its nominee(s)) upon Completion.

5. COMPLETION

5.1 Completion shall take place at 4:00 p.m. on the Completion Date, or such other date as the Vendor and the Purchaser may agree in writing, at the offices of the Purchaser or such other place as the Vendor and Purchaser may agree when all the acts and requirements set out in this Clause 5 shall be complied with.

5.2 At Completion, the Vendor shall deliver or cause to be delivered to the Purchaser:

(a) instrument(s) of transfer and sold notes in respect of the transfer of the Sale Shares duly executed by the Vendor in favour of the Purchaser and/or its nominee(s) together with the appropriate sum representing the Vendor’s half share of the stamp duty payable;

(b) original share certificate(s) in respect of the Sale Shares;

(c) certified true copy of the resolutions of the board of directors of the Company referred to in Clause 5.3;

(d) such other documents as may be required to give to the Purchaser good

title to the Sale Shares and to enable the Purchaser or its nominees to become the registered owner thereof.

5.3 The Vendor shall procure meetings of the board of directors of the Company to be held at which resolutions shall be passed for:

(a) the approval for the transfer of the Sale Shares to the Purchaser (or its nominees) duly stamped (if necessary), issue the share certificate in name of the Purchaser (or its nominees) and the registration of such transfer and authorisation of execution of the same under seal for and on behalf of the Company.

5.4 Against compliance and fulfillment of all acts and requirements set out in Clauses 5.2 and 5.3:

(a) the Purchaser shall deliver to the Vendor a cheque drawn on a bank in Hong Kong in favour of the Vendor (or its nominee) in the sum of HK\$2,000,000;

(b) Goldway shall allot and issue the Consideration Shares to the Vendor (or its nominee), credited as fully paid, and deliver to the Vendor the original share certificate(s) for the Consideration Shares;

(c) Goldway and the Purchaser shall deliver to the Vendor a certified true copy resolutions of the board of directors of each of Goldway and the Purchaser approving this Agreement, the issue of the Consideration Shares and the transactions hereunder.

6. RESTRICTION ON ANNOUNCEMENTS

6.1 Each of the parties undertakes to the others that it will not, at any time after the date of this Agreement, divulge or communicate to any person other than to its professional advisers, or when required by law or any rule of any relevant stock exchange body, or to its respective officers or employees whose province it is to know the same any confidential information concerning the business, accounts, finance or contractual arrangements or other dealings, transactions or affairs of any of the others which may be within or may come to its knowledge and it shall use its best endeavours to prevent the publication or disclosure of any such confidential information concerning such matters.

6.2 No public announcement or communication of any kind shall be made in respect of the subject matter of this Agreement unless specifically agreed between the parties or unless an announcement is required pursuant to the applicable law and the regulations or the requirements of the Stock Exchange, the SFC or any other regulatory body or authority. Any announcement by any party required to be made pursuant to any relevant law or regulation or the requirements of the Stock Exchange, the SFC or any other regulatory body or authority shall be issued only after such prior consultation with the other party as is reasonably practicable in the circumstances.

7. VENDOR WARRANTIES

- 7.1 The Vendor hereby represent and warrant to the Purchaser and its successors and assigns that save and except for the matters disclosed in this Agreement, the Audited Accounts or the Management Accounts, the Warranties are true and accurate in all respects as at the date of this Agreement and will continue to be so up to and including the time of Completion.
- 7.2 Each of the Warranties is without prejudice to any other Warranty and, except here expressly or otherwise stated, no provision in any Warranty shall govern or limit the extent or application of any other provision in any Warranty. The Vendor hereby agrees that the Purchaser shall treat each of the Warranties as a condition of this Agreement.
- 7.3 The Vendor hereby agree to fully indemnify and keep the Purchaser and their assigns fully indemnified on demand from and against all losses, costs and expenses (including legal expenses) which the Purchaser may incur or sustain from or in consequence of any of the Warranties not being correct or fully complied with. This indemnity shall be without prejudice to any of the rights and remedies of the Purchaser and their assigns in relation to any such breach of Warranties and all such rights and remedies are hereby expressly reserved.
- 7.4 If at any time before Completion, the Purchaser finds that any of the Warranties is incorrect or has not been or is incapable of being fulfilled, the Purchaser shall have an option to rescind this Agreement by written notice to the Vendor. If the Purchaser shall elect to rescind this Agreement, the Vendor shall fully indemnify the Purchaser and keep the Purchaser fully indemnified in respect of all fees, costs and expenses (including legal fees) reasonably incurred by the Purchaser in connection with the negotiation, preparation, execution and rescission of this Agreement. The Purchaser's rights under this clause are in addition to and without prejudice to all other rights and remedies available to it and any partial exercise of or failure to exercise such rights shall not constitute a waiver of such rights or of any other rights whether conferred under this Agreement or otherwise.
- 7.5 The Warranties shall survive Completion and the rights and remedies of the Purchaser in respect of any breach of the Warranties shall not be affected by Completion or by the Purchaser rescinding, or failing to rescind this Agreement, or failing to exercise or delaying the exercise of any right or remedy, or by any other event or matter whatsoever, except a specific and duly authorised written waiver or release and no single or partial exercise of any right or remedy shall preclude any further or other exercise.
- 7.6 The Purchaser shall be entitled to take action both before and after Completion in respect of any breach or non-fulfillment of any of the Warranties and Completion shall not in any way constitute a waiver of any right of the Purchaser.
- 7.7 The Vendor undertake in relation to any Warranty which refers to the knowledge, information or belief of the Vendor that it has made full enquiry into the subject

matter of that Warranty and that it does not have the knowledge, information or belief that the subject matter of that Warranty may not be correct, complete or accurate.

- 7.8 The Vendor shall immediately inform the Purchaser in writing of any fact, matter, event or circumstance which renders any of the Warranties untrue, inaccurate or misleading or will give rise to a breach of any of the Warranties.

8. FURTHER ASSURANCE

- 8.1 The Vendor shall execute, do and perform or procure to be executed, done and performed by other necessary parties all such further acts, agreements, assignments, assurances, deeds and documents as the Purchaser may reasonably require to vest effectively the legal and beneficial ownership of the Sale Shares in the Purchaser.

- 8.2 The provisions of this Agreement including the Warranties insofar as the same shall not have been fully performed at Completion or expressly provide for rights and obligations after Completion, shall remain in full force and effect notwithstanding Completion.

9. ACCESS TO INFORMATION

The Vendor shall procure that, pending Completion, the Purchaser, their agents, representatives and professional advisers are given promptly on request full access to all such facilities and information regarding the business, assets, liabilities, contracts and affairs of the Company and other evidence of ownership of the assets owned by the Company as the Purchaser may reasonably require.

10. NOTICES

- 10.1 Each notice, demand or other communication given, made or serve under this Agreement shall be in writing and delivered or sent to the relevant party by prepaid postage (by airmail if to another country), facsimile transmission or personal delivery to its address or fax number as set out below (or such other address or fax number as the addressee has by five (5) days' prior written notice specified to the other parties):

To the Vendor

Address : Room 16B, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong

Fax Number :

To the Purchaser:

Address : Shop 203, Kin Sang Commercial Centre, Kin Sang Estate, Tuen Mun, New Territories, Hong Kong

Fax Number :

Attention : Board of directors

To Goldway:

Address : Shop 203, Kin Sang Commercial Centre, Kin Sang Estate, Tuen Mun, New Territories, Hong Kong

Fax Number :

Attention : Board of directors

- 10.2 Each notice, demand or other communication given, made or serve under this Agreement shall be deemed to have been given and received by the relevant parties (i) within two (2) days after the date of posting, if sent by local mail; four (4) days after the date of posting, if sent by airmail; (ii) when delivered, if delivered by hand; and (iii) on despatch, if sent by facsimile transmission.

11. THIRD PARTY RIGHTS

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) to enforce or to enjoy the benefit of any term of this Agreement. The consent of any person who is not a party to this Agreement is not required to rescind or vary this Agreement at any time.

12. TIME AND NO WAIVER

Time shall in every respect be of the essence of this Agreement but no failure on the part of any party hereto to exercise, and no delay on its part in exercising any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise of it or the exercise of any other right(s) or prejudice or affect any right(s) against any other parties hereto under the same liability, whether joint, several or otherwise. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

13. INVALIDITY

If at any time any one or more of the provisions of this Agreement is/are or become(s) illegal, invalid or unenforceable in any respect under laws of any jurisdiction, the legality, validity or enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

14. AMENDMENTS

This Agreement shall not be amended, supplemented or modified except by instruments in writing signed by each of the parties hereto.

15. ASSIGNMENT

This Agreement shall be binding on and enure to the benefit of each party hereto and its respective successors and permitted assigns provided that none of the parties hereto shall assign or transfer or purport to assign or transfer any of its

rights or obligations hereunder without the prior written consent of the other parties.

16. ENTIRE AGREEMENT

This Agreement constitutes an entire agreement between the parties hereto with respect to the matters dealt with herein and supersedes any previous agreements, arrangements, statements or transactions between the parties hereto in relation to the subject matters hereof.

17. COSTS AND STAMP DUTY

17.1 Each party shall bear its own costs and expenses (including legal fees) incurred in connection with the preparation, negotiation, execution and performance of this Agreement and all documents incidental or relating to Completion.

17.2 All stamp duty (if any) payable in respect of the sale and purchase of the Sale Shares shall be borne by the Vendor and the Purchaser in equal shares.

18. COUNTERPART

This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of parties hereto may execute this Agreement by signing any such counterparts.

19. GOVERNING LAW AND JURISDICTION

19.1 This Agreement shall be governed by and construed in accordance with the laws of Hong Kong.

19.2 The parties hereto hereby irrevocably submit to the non-exclusive jurisdiction of the courts of Hong Kong.

IN WITNESS WHEREOF this Agreement has been executed on the day and year first above written.

SCHEDULE 1

Details of the Company

Company name:	Orange Financial Printing Limited 奧盈財經印刷有限公司	
Place of incorporation:	Hong Kong	
Date of incorporation:	27 November 2015	
Company no.:	2313078	
Registered office:	Unit 1103, China Building, 29 Queen's Road Central, Hong Kong	
Amount of issued share capital:	HK\$3,000,000	
Number of Issued shares:	3,000,000 ordinary shares	
Shareholder(s):	Rainbow Kingdom Limited	222,993 shares (7.43%)
	Orange Capital Management Ltd.	602,757 shares (20.09%)
	Top Prima Limited	1,548,327 shares (51.61%)
	Summit Hero Limited	625,923 shares (20.86%)
Director(s):	Tsang Kwong Chiu Kevin	
	Corporate Capital Advisory Limited	

SCHEDULE 2

VENDOR WARRANTIES

Save as disclosed in this Agreement, the Audited Accounts or the Management Accounts:

1. GENERAL

- (A) All written information (except those prepared by any third parties) which has been given by the Vendor or by the directors, officers, advisers or agents of the Company to the Purchaser or its employees, agents or advisers in the course of negotiations leading to this Agreement is true and accurate in all material respects and there is no fact, matter or circumstance which has not been disclosed in writing to the Purchaser which renders any such information untrue, inaccurate or misleading in any material respects.
- (B) The facts stated in the Recitals to this Agreement are true and correct in all respects.
- (C) All facts concerning the Sale Shares and the business and affairs of the Company material for disclosure to an intending purchaser of the Sale Shares have been disclosed to the Purchaser and the Vendor are not aware of any facts or circumstances which might reasonably affect the willingness of a willing purchaser to purchase the Sale Shares on the terms of this Agreement.
- (D) The Vendor have the right, power and authority to enter into and perform this Agreement which constitute or when executed will constitute legal, valid and binding obligations on the Vendor in accordance with their respective terms.

2. OWNERSHIP OF SHARES

- (A) The Vendor is the sole legal and beneficial owner of the Sale Shares free from all Encumbrances and there are no agreements or arrangements to create any Encumbrance over or affecting any of the Sale Shares.
- (B) There are no agreements or arrangements in force which provide for the present or future issue, allotment or transfer of, or grant to any person the right whether conditional or otherwise to call for the issue, allotment or transfer of any share or loan capital of the Company including any option, right of pre-emption or conversion and no such right will be granted on or before Completion.

3. THE ACCOUNTS

The Audited Accounts and Management Accounts:

- (A) are complete and accurate in all material respects to which they relate and give a true and fair view of the state of affairs and financial position of the Company at the dates to which they relate;

- (B) have been prepared in accordance with Hong Kong Financial Reporting Standards (the “**Reporting Standards**”);
- (C) are not affected by any extraordinary, exceptional or non-recurring item (except as disclosed in the Audited Accounts and Management Accounts);
- (D) fully disclose all the assets and liabilities of the Company as at their respective dates;
- (E) make full provision or reserve or note in accordance with the Reporting Standards for all liabilities and capital commitments of the Company outstanding at the date to which they relate, including contingent, unqualified, deferred or disputed liabilities present.

4. **BOOK DEBTS**

- (A) The Company owes no debt to the Vendor or any of its associates.

5. **FINANCIAL RECORDS**

- (A) The Company has kept and duly made up all minutes books, registers and records and these and all other deeds and documents (properly stamped where necessary) belonging to or which ought to be in the possession of the Company are in its possession or control.
- (B) All the accounts, books, ledgers, financial and other records of whatsoever kind of the Company:
 - (1) are in its possession or control;
 - (2) have been fully, properly and accurately kept and completed up to date;
 - (3) do not contain any material inaccuracies and discrepancies of any kind; and
 - (4) give and reflect a true and fair view of all its transactions, and its financial, contractual and trading positions.

6. **TAXATION**

- (A) The Company has complied with all relevant legal requirements in all material respects relating to registration or notification for Taxation purposes.
- (B) The Company has:
 - (a) paid all Taxation (if any) due to be paid before the date of this Agreement and has made all deductions or withholding in accordance with all applicable Laws; and
 - (b) taken all necessary steps to obtain any repayment of or relief from Taxation available to it.

- (C) The returns for Taxation purposes which ought to have been made by or in respect of the Company in Hong Kong or any other part of the world, have been duly made and all such returns are up to date, correct and on a proper basis and are not the subject of any dispute with the relevant Taxation, revenue or other appropriate authorities.
- (D) The Company is not in dispute with any Taxation or revenue authority and no such dispute is pending or threatened.
- (E) There is no cause for any Taxation or revenue authority to raise additional assessments or impose penalties on the past tax returns of the Company.

7. CORPORATE MATTERS

- (A) The Company is not the holder or beneficial owner of, or has not agreed to acquire, any share or loan capital or any investments of any company (whether incorporated in Hong Kong or elsewhere).
- (B) The articles of association of the Company which had been supplied to the Purchaser is accurate and complete in all respects.
- (C) The registers of members and other statutory books of the Company have been properly kept and duly written up to date and contain an accurate and complete record of the matters with which they should deal with.
- (D) The minute books of directors' meetings and of shareholders' meetings respectively contain full and accurate records of all resolutions passed by the directors and the shareholders respectively of the Company and no resolutions have been passed by either the directors or the shareholders of the Company which are not recorded in the relevant minute books.
- (E) Since the date of its incorporation, no alteration has been made to the articles of association of the Company and no resolution of any kind of the shareholders of the Company has been passed save as otherwise disclosed herein or filed with the Registrar of Companies in the relevant jurisdiction.
- (F) The Company has never reduced, repaid or repurchased any of its share capital.
- (G) All returns, particulars, resolutions and documents required by the Companies Ordinance (Cap. 622) or any other legislation to be filed with the Registrar of Companies, or any other authority, in respect of the Company have been duly filed and were correct; and due compliance has been made with all the provisions of the Companies Ordinance (Cap. 622) and other relevant legislation.

8. DIVIDENDS AND DISTRIBUTIONS

- (A) Save as provided for in this Agreement, no dividends or other distributions has been, or is treated as having been, declared, made or paid by the Company since the latest date the Audited Accounts were made of.

9. INDEBTEDNESS

- (A) Save as disclosed in the Audited Accounts and Management Accounts, the Company does not have:-
- (1) any material borrowing or indebtedness in the nature of borrowing or any other credit facility including any bank overdrafts and acceptance credits;
 - (2) any mortgage, charge or debenture or any obligation (including a conditional obligation) to create a mortgage, charge or debenture or any Encumbrance or third party rights of whatever nature over any material part of its assets;
 - (3) any guarantee, letter of comfort, indemnity or suretyship in respect of the obligations or solvency of any other party;
 - (4) any indebtedness other than those arising in the ordinary course of business.
- (B) In relation to all mortgages, overdrafts and other loan or financial facilities available to the Company:-
- (1) full and accurate details have been disclosed to the Purchaser;
 - (2) there has been no contravention of, or non-compliance with, any provision of any of those documents;
 - (3) no steps for the early repayment of any indebtedness have been taken or threatened;
 - (4) there have not been, nor are there any circumstances whereby the continuation of any of the facilities might materially be prejudiced, or which might give rise to any alteration in the terms and conditions of any of the facilities; and
 - (5) save as provided for in this Agreement, none of the facilities may be terminated, or mature prior to its stated maturity as a result of the transfer of the Sale Shares or anything contemplated by this Agreement.
- (C) The Company has not lent any money or provided any credit to any person which has not been repaid or owns the benefit of any debt (whether or not due for repayment), other than debts which have arisen in the ordinary course of its business; and the Company has not made any loan or extended any credit contrary to the applicable laws and regulations and its constitutional documents.

- (D) Full particulars of all guarantees, securities and comfort letters given by the Company in respect of any obligations of any third party have been disclosed to the Purchaser, if any.

10. TRADING AND BUSINESS

- (A) Since the latest date the Audited Accounts were made of,
- (1) there has been no material and adverse change in the assets and liabilities, financial position and prospects of the Company;
 - (2) the business of the Company has been carried on in the ordinary and usual course;
 - (3) the Company has not become bound or liable to be called upon to repay prematurely any loan capital;
 - (4) otherwise than in its ordinary course of business, the Company has not (i) acquired any assets of whatsoever nature; (ii) sold, transferred or otherwise disposed of any assets of whatsoever nature; (iii) cancelled or waived or released or discounted in whole or in part any debts or claims;
- (B) Compliance with the terms of this Agreement does not and will not:
- (1) conflict with, or result in the breach of, or constitute a default under, any of the terms, conditions or provisions of any agreement or instrument to which the Company is a party, or any provision of the articles of association of the Company or any Encumbrance, lease, contract, order, judgment, award, injunction, regulation or other restriction or obligation of any kind or character by which or to which the Company or any asset of the Company is bound or subject;
 - (2) relieve any person from any obligation to the Company (whether contractual or otherwise), or enable any person to determine any obligation, or any right or benefit enjoyed by the Company;
 - (3) result in the creation, imposition, crystallisation or enforcement of any Encumbrance whatsoever on any of the assets of the Company; and
 - (4) result in any present or future indebtedness of the Company becoming due, or capable of being declared due and payable, prior to its stated maturity.
- (C) The Company is empowered and duly qualified to carry on its business in all jurisdictions in which it now carries on.
- (D) The Company is not and has not agreed to become a member of any joint venture, consortium, partnership or other unincorporated association; and the Company is not and has not agreed to become, a party to any agreement or arrangement for sharing commissions or other income.

11. COMPLIANCE WITH LAWS

- (A) The Company has conducted and is conducting its business in all respects in accordance with all applicable laws, regulations and codes of practice whether of Hong Kong or elsewhere and its articles of association from time to time in force and there is no violation of, or default with respect to any ordinance, statute, regulation, order, decree or judgment of any court or any governmental agency of Hong Kong or any foreign country.
- (B) The Company has obtained all necessary licences, permissions, authorisations, consents and exemptions from any person, authority or body for the proper carrying on of its business and all such licences, permissions, authorisations, consents and exemptions are in full force and effect and there are no circumstances (including the sale and purchase of the Sale Shares as provided in this Agreement) which may lead to any of such licences, permissions, authorisations, consents or exemptions being revoked or not being renewed in whole or in part.
- (C) The Company has not committed, or omitted to do any act or thing, the commission or omission of which is, or could be, in contravention of any ordinance, order, regulation (whether of Hong Kong or elsewhere) giving rise to any fine, penalty, default proceedings or other liabilities on its part.

12. MATERIAL CONTRACTS

- (A) There is no claim under any agreement, instrument or arrangement which the Company is a party in respect of any default, breach, negligent or defective performance or otherwise and no such claim is threatened against the Company and there is no circumstances that will likely give rise to such a claim.
- (B) No party to any agreement with, or under an obligation to the Company is in default under it. The Company is not in material default under any agreement or covenant to which it is a party.
- (C) There is no offer, tender or the like outstanding which is capable of being converted into an obligation of the Company by acceptance, or other act of some other person, firm or company.
- (D) The Company is not a party to any contract, transaction, arrangement or liability which:
 - (1) is of an unusual or abnormal nature, or outside the ordinary and proper course of business;
 - (2) cannot readily be fulfilled or performed by it on time without undue, or unusual, expenditure of money, effort or personnel; or
 - (3) involves, or is likely to involve obligations or liabilities which, by reason of their nature or magnitude ought reasonably to be made known to an intending

purchaser of the Sale Shares.

- (D) There is not now outstanding any contract or arrangement to which the Company is a party and in which the Vendor or any director of the Company, is or has been interested, whether directly or indirectly.
- (E) The Company is not a party to, and its profits or financial position have not been affected by, any contract or arrangement which is not of an arm's length nature.

13. EMPLOYMENT

- (A) The Company does not have any contract, arrangement or understanding with present or former employees, directors or any related persons of the aforementioned persons or any person entitled to any benefits under any arrangement (directly or indirectly), save for any contract, arrangement or understanding entered into in the ordinary and usual course of business on normal commercial terms.
- (B) The Company has complied with all applicable laws in relation to its employees, directors, managers and contractors in all material respects, including without limitation, applicable codes of conduct and practice and contracts to which it is a party and pertaining to welfare funds, social benefits, medical benefits, insurance, retirement benefits, pensions and alike.
- (C) There is not in existence nor is it proposed to introduce any share incentive, share option, profit sharing, bonus or other incentive arrangements for or affecting any employees or former employees.
- (D) There is no claim by any person or his estate or dependents who is or had been an employee, director or other officer of the Company whether for any damages, compensation or other payments and there are no circumstances likely to give rise to such claim.

14. ASSETS

- (A) The Company owns and has good and marketable title to (except for current assets subsequently sold or realized in the normal and ordinary course of business) all the assets included in the Audited Accounts and Management Accounts and to all assets acquired since the date to which the Audited Accounts and Management Accounts had been made up and not subsequently sold or realized as aforesaid.
- (B) Save as disclosed in the Audited Accounts and Management Accounts, none of the property, assets, undertaking, goodwill or uncalled capital of the Company is subject to any Encumbrance or third party rights of whatever nature or is held under any hire purchase, leasing or rental agreement.

15. INSURANCES

- (A) The Company has taken out necessary insurance under the laws applicable to it to provide cover for claims for compensation/damages in respect of personal injury and

occupational diseases sustained by the employees in carrying out their duties and the Company has taken out all other necessary insurance usually insured by prudent companies carrying on the same type of business as the Company and in particular has maintained all insurance required by all applicable laws and regulations.

- (B) As far as the Vendor is aware, all such insurance policies taken out by the Company are in full force and effect and nothing has been done or omitted to be done which could make any insurance policy void or voidable.

16. LITIGATION

- (A) The Company is not engaged in any material litigation or arbitration proceedings, as plaintiff or defendant; there are no proceedings pending or threatened, either by or against the Company and, so far as the Vendor is aware, there are no circumstances which are likely to give rise to any litigation or arbitration.
- (B) There is no dispute with any revenue, or other official, governmental department in Hong Kong or elsewhere, in relation to the affairs of the Company and, so far as the Vendor is aware, there are no facts which may give rise to any dispute.
- (C) There are no claims pending or threatened, or capable of arising, against the Company by an employee or workman or third party, in respect of any accident or injury, which are not fully covered by insurance.
- (D) No order has been made, or petition presented, or resolution passed for the winding up of the Company nor has any distress, execution or other process been levied in respect of the Company which remains undischarged; nor is there any unfulfilled or unsatisfied judgment or court order outstanding against the Company.

17. INTELLECTUAL PROPERTY RIGHTS

- (A) The business of the Company as now carried on, does not, and is not likely to, infringe any intellectual property right (that is to say, patent, patent application, knowhow, trade or service mark, trade or service mark application, trade name, registered design, copyright, logo or other similar intellectual, industrial or commercial right) (“**Intellectual Property Rights**”) of any other person (and would not do so if the same were valid).
- (B) To the extent that the Company has been granted any licence for the use of any Intellectual Property Right, all such licences are in full force and effect.
- (C) The Company does not use any processes and is not engaged in any activities which involve the misuse of any knowhow, lists of customers or suppliers, trade secrets, technical processes or other confidential information (“**Confidential Information**”) belonging to any third party. There has been no actual or alleged misuse by any person of any of its Confidential Information. The Company has not disclosed to any person any of its Confidential Information except where such disclosure was properly made in the normal course of the Company’s business and was made subject to an agreement under which the recipient is obliged to maintain the confidentiality of such

Confidential Information and is restrained from further disclosing it or using it other than for the purposes for which it was disclosed by the Company.

18. POWERS OF ATTORNEY

There are no subsisting powers of attorney given by the Company and no person, as agent or otherwise, is entitled or authorised to bind or commit the Company to any obligation.

Exhibit A
Audited Accounts

ORANGE FINANCIAL PRINTING LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

<u>Contents</u>	<u>Page(s)</u>
Report of the directors	1 - 2
Report of the auditors	3 - 5
Financial statements	6 - 8
Statement of cash flows	9 - 10
Notes to the financial statements	11 - 29

JOHN LO & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
HONG KONG

ORANGE FINANCIAL PRINTING LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their annual report together with the audited financial statements for the year ended December 31, 2021.

Principal activity

The principal activity of the company during the year was the provision of financial printing services.

Business review

No business review is presented for the year ended December 31, 2021 as the company has been able to claim an exemption under section 388(3) of the Companies Ordinance Cap. 622 since it falls within the reporting exemption for the financial year.

Results

The results of the company for the year ended December 31, 2021 and the state of the company's affairs at that date are set out in the financial statements on pages 6 to 29.

Share capital

Details of the movements in share capital of the company are set out in Note 17 to the financial statements.

Dividends

An interim dividend of HK\$2.33 per share was paid on August 31, 2021. The directors do not recommend the payment of a final dividend for the year ended December 31, 2021.

Property, plant and equipment

Movements in property, plant and equipment during the year are set out in Note 9 to the financial statements.

Directors

The directors who held office during the financial year and up to the date of this report are:-

Mr. Tsang Kwong Chiu, Kevin
Corporate Capital Advisory Limited (Appointed on December 10, 2021)

In accordance with articles 20 and 21 of the company's articles of association, the directors shall retire and, being eligible, offer themselves for re-election.

Directors' interests in transactions, arrangements and contracts that are significant in relation to the company's business

Except for as set out in Note 20 to the financial statements, no other transactions, arrangements or contracts of significance in relation to the company's business to which the company, and any of its fellow subsidiaries or its parent company was a party, and in which a director of the company had a material interest, subsisted at the end of the year or at any time during the year.

Arrangements to acquire shares or debentures

At no time during the year the company was a party to any arrangement to enable the director of the company to acquire benefits by means of acquisition of shares in or debentures of the company or any other body corporate.

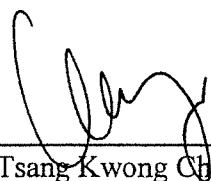
Management contracts

Except for as set out in Note 20 to the financial statements, no other 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.

Auditors

A resolution for the re-appointment of Messrs. John Lo & Co. as auditors of the company is to be proposed at the forthcoming annual general meeting.

By Order of the Board



Mr. Tsang Kwong Chiu, Kevin
Director
Hong Kong, 12 APR 2022



JOHN LO & Co.

CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)

盧榮棠會計師事務所

Room 2601, Universal Trade Centre, 3-5A Arbutnot Road, Central, Hong Kong. 香港中環亞畢諾道三至五號A環貿中心二六〇一室
T電話：(852) 2869 4268 F傳真：(852) 2525 7785 E電郵：johnloco@biznetvigator.com W網址：www.johnloco.com

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
ORANGE FINANCIAL PRINTING LIMITED
(Incorporated in Hong Kong with limited liability)

Opinion

We have audited the financial statements of Orange Financial Printing Limited set out on pages 6 to 29, which comprise the statement of financial position as at December 31, 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the company as at December 31, 2021, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company 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.

Other information

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

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

Other information (Continued)

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

Responsibilities of directors and those charged with governance for the financial statements

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

In preparing the financial statements, the directors are responsible for assessing the company'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 company or to cease operations, or have no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the financial statements

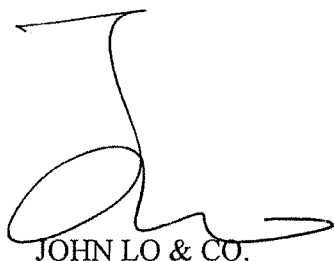
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA 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 financial statements.

Auditors' responsibilities for the audit of the financial statements (Continued)

As part of an audit in accordance with HKSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 company'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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



JOHN LO & CO.

Certified Public Accountants (Practising)

Hong Kong, 12 APR 2022

ORANGE FINANCIAL PRINTING LIMITED**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME****FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Note</u>	<u>2021</u> HK\$	<u>2020</u> HK\$
Revenue	4	95,681,242	58,378,744
Direct costs		(46,302,683)	(28,390,862)
		<hr/>	<hr/>
Gross profit		49,378,559	29,987,882
Other income	5	142,050	2,375,689
		<hr/>	<hr/>
		49,520,609	32,363,571
Selling and distribution expenses		(9,082,528)	(6,903,779)
Administrative expenses		(24,669,752)	(18,184,498)
Finance costs	6(a)	(172,977)	(463,479)
		<hr/>	<hr/>
Profit before tax	6	15,595,352	6,811,815
Income tax	8(a)	-	-
		<hr/>	<hr/>
Profit for the year		15,595,352	6,811,815
Other comprehensive income		-	-
		<hr/>	<hr/>
Total comprehensive income for the year		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 11 to 29 form part of these financial statements.

ORANGE FINANCIAL PRINTING LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021

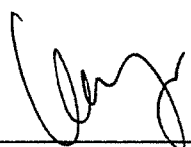
	<u>Note</u>	<u>Share capital</u> HK\$	<u>(Accumulated losses) / retained profits</u> HK\$	<u>Total</u> HK\$
At February 1, 2020		40,000,000	(44,542,967)	(4,542,967)
Total comprehensive income for the year		-	6,811,815	6,811,815
<hr/>				
At December 31, 2020 and at January 1, 2021		40,000,000	(37,731,152)	2,268,848
Total comprehensive income for the year		-	15,595,352	15,595,352
Reduction of capital	17	(37,000,000)	37,000,000	-
Dividend paid	18	-	(7,000,000)	(7,000,000)
<hr/>				
At December 31, 2021		3,000,000	7,864,200	10,864,200
<hr/> <hr/>				

The notes on pages 11 to 29 form part of these financial statements.

ORANGE FINANCIAL PRINTING LIMITED**STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021**

	<u>Note</u>	<u>2021</u>	<u>2020</u>
		HK\$	HK\$
Non-current assets			
Property, plant and equipment	9	19,381,610	7,230,290
Current assets			
Trade and other receivables	10	23,806,510	11,269,797
Cash at banks and in hand		2,106,924	3,975,236
		<u>25,913,434</u>	<u>15,245,033</u>
Current liabilities			
Trade and other payables	12	10,323,503	7,344,906
Provision for labour dissension		-	415,333
Provision for annual leave		385,444	238,699
Loan from holding company	14	-	1,910,597
Lease liabilities	15	5,964,186	6,296,940
Bank loan	16	1,223,927	815,029
		<u>17,897,060</u>	<u>17,021,504</u>
Net current assets / (liabilities)		<u>8,016,374</u>	<u>(1,776,471)</u>
Total assets less current liabilities		27,397,984	5,453,819
Non-current liabilities			
Lease liabilities	15	12,153,891	-
Bank loans	16	4,379,893	3,184,971
		<u>16,533,784</u>	<u>3,184,971</u>
Net assets		<u>10,864,200</u>	<u>2,268,848</u>
Capital and reserves			
Share capital	17	3,000,000	40,000,000
Retained profits / (accumulated losses)		7,864,200	(37,731,152)
Total equity		<u>10,864,200</u>	<u>2,268,848</u>

Approved by the Board of Directors on 12 APR 2022



 Mr. Tsang Kwong Chiu, Kevin

 For and on behalf of
 CORPORATE CAPITAL ADVISORY LIMITED
 企業融資顧問有限公司



 Corporation Capital Advisory Limited

The notes on pages 11 to 29 form part of these financial statements.

ORANGE FINANCIAL PRINTING LIMITED**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>2021</u>	<u>2020</u>
	HK\$	HK\$
Operating activities		
Profit before tax	15,595,352	6,811,815
Depreciation of owned assets	934,253	1,219,759
Depreciation of right-of-use assets	6,805,632	7,190,640
Loss on disposals of property, plant and equipment	1,313	3,578
Bad debts written off	983,143	1,512,728
Bank loan interest	142,380	45,684
Interest on lease liabilities	14,927	-
Interest on loan from holding company	15,670	417,795
Provision for annual leave	146,745	238,699
	<hr/>	<hr/>
Operating profit before working capital changes	24,639,415	17,440,698
Increase in trade and other receivables	(13,519,856)	(3,617,519)
(Decrease) / increase in trade and other payables	2,984,459	(812,488)
Payment of labour dissension	(415,333)	-
	<hr/>	<hr/>
Net cash generated from operating activities	<u>13,688,685</u>	<u>13,010,691</u>

ORANGE FINANCIAL PRINTING LIMITED**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Note</u>	<u>2021</u>	<u>2020</u>
	HK\$	HK\$	HK\$
Net cash generated from operating activities		13,688,685	13,010,691
Investing activities			
Purchase of property, plant and equipment	(1,246,288)	(395,386)	
Proceeds from disposals of property, plant and equipment	-	2,800	
Net cash used in investing activities		(1,246,288)	(392,586)
Financing activities			
Decrease in loan from holding company	19(a) (1,932,129)	(6,143,359)	
Proceed from new bank loan	19(a) 2,000,000	4,000,000	
Repayment of bank loans	19(a) (538,560)	(45,684)	
Payment of lease liabilities	19(a) (6,840,020)	(7,190,640)	
Dividend paid	(7,000,000)	-	
Net cash used in financing activities		(14,310,709)	(9,379,683)
Net (decrease) / increase in cash and cash equivalents		(1,868,312)	3,238,422
Cash and cash equivalents at beginning of the year		3,975,236	736,814
Cash and cash equivalents at end of the year		2,106,924	3,975,236
Analysis of the balances of cash and cash equivalents			
Cash at banks and in hand		2,106,924	3,975,236

The notes on pages 11 to 29 form part of these financial statements.

ORANGE FINANCIAL PRINTING LIMITED**NOTES TO THE FINANCIAL STATEMENTS****1. General**

Orange Financial Printing Limited is a private company incorporated in Hong Kong with limited liability. The company's registered office is located at Unit 1103, China Building, 29 Queen's Road Central, Hong Kong. The principal activity of the company is the provision of financial printing services.

These financial statements are presented in Hong Kong dollars, unless otherwise stated.

2. Significant accounting policies**a) Statement of compliance**

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), the collective term which includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance.

The HKICPA has issued certain new and revised HKFRSs that are effective or available for early adoption for the current accounting period of the company. Note 3 provides information on any changes in accounting policies resulting from initial application of these standards to the extent that they are relevant to the company for the current and prior accounting periods reflected in these financial statements.

b) Basis of preparation

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the period presented, unless otherwise stated.

The measurement basis used in preparing the financial statements is historical cost.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

2. Significant accounting policies (Continued)

b) Basis of preparation (Continued)

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.

c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

The depreciable amount of an item of property, plant and equipment is allocated on a systematic basis over its estimated useful life using the straight-line method. The estimated useful life used for depreciation is as follows:

Computer and office equipment	- 4 years
Computer software	- 4 years
Furniture and fixtures	- 5 years
Leasehold improvement	- 1~5 years
Right-of-use assets	- Over the unexpired term of lease

The company assesses at the end of each reporting period whether there is any indication that any items of property, plant and equipment may be impaired and that an impairment loss recognised in prior periods for an item may have decreased. If any such indication exists, the company estimates the recoverable amount of the item. An impairment loss, being the amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount, or a reversal of impairment loss is recognised immediately in profit or loss.

Gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised and is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

d) Trade and other receivables

A receivable is recognised when the company's right to consideration is unconditional. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the company has an unconditional right to consideration, the amount is presented as a contract asset. Receivables are stated at amortised cost using the effective interest method less allowance for credit losses (see Note 2(e)).

2. Significant accounting policies (Continued)

e) Impairment of financial assets

The company recognises loss allowances for expected credit loss on the financial instruments that are not measured at fair value through profit or loss. The company considers the probability of default upon initial recognition of financial assets and assesses whether there has been a significant increase in credit risk on an ongoing basis.

The company considers the credit risk on a financial instrument is low if the financial instrument has a low risk of default, the debtor has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the debtor to fulfil its contractual cash flow obligations.

The carrying amount of the receivables is reduced through the use of the receivable impairment charges account. Changes in the carrying amount of the receivable impairment charges account are recognised in profit or loss. The receivable is written off against the receivable impairment charges account when the company has no reasonable expectations of recovering the receivable.

If, in a subsequent period, the amount of expected credit losses decreases, the reversal would be adjusted to the receivable impairment charges account at the reporting date. The amount of any reversal is recognised in profit or loss.

f) Trade and other payables

Trade and other payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

g) Cash and cash equivalents

Cash comprises cash on hand and at bank and demand deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

h) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the statement of profit or loss and other comprehensive income except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

2. Significant accounting policies (Continued)

h) Income tax (Continued)

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary difference support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

i) Revenue

The company recognises revenue from contracts with customers when (or as) the company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. When (or as) a performance obligation is satisfied, the company recognises as revenue the amount of the transaction price (which excludes estimates of variable consideration that are constrained in accordance with HKFRS 15) that is allocated to that performance obligation. Further details of the company's revenue and other income recognition policies are as follows:

- (i) Revenue from provision of financial printing services on initial public offering projects is recognised over time as the performance obligation is satisfied when the customer receives and uses the benefits simultaneously.
- (ii) Provision of integrated commercial printing services, financial printing services on financial documents and other printing services are recognised at a point in time at which the customer obtains the control of the promised asset, which generally coincides with the time when the goods are delivered to customers and the title is passed.
- (iii) Interest income is recognised on a time-proportion basis, taking into account the principal outstanding, using the effective interest rate applicable.

2. Significant accounting policies (Continued)

j) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

k) Employee benefits

- (i) Salaries, annual bonuses, paid annual leave, leave passage and the cost to the company of non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the company.
- (ii) Contributions to Mandatory Provident Funds as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance are recognised as an expense in the statement of profit or loss and other comprehensive income as incurred.

l) Leases

At inception of a contract, the company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

At the lease commencement date, the company recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

2. Significant accounting policies (Continued)

l) Leases (Continued)

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (Note 2(c)).

The company presents right-of-use assets in 'property, plant and equipment' and presents lease liabilities separately in the statement of financial position.

m) Related parties

- (a) A person, or a close member of that person's family, is related to the company 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.

- (b) An entity is related to the company if any of the following conditions applies:
 - (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 company or an entity related to the company.

2. Significant accounting policies (Continued)

m) Related parties (Continued)

(b) An entity is related to the company if any of the following conditions applies (Continued):

- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (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.

3. Application of new and revised Hong Kong Financial Reporting Standards

(a) New and revised HKFRSs which are effective in 2021 and adopted by the company

In 2021, the company has initially applied the new and revised HKFRSs issued by the HKICPA that are relevant to the company's financial statements, including:

HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2 (amendments)
HKFRS 16	Covid-19-Related Rent Concessions (amendments)

The adoption of these new and revised HKFRSs does not have any material effect on the results or financial position of the company for the current and/or prior accounting periods. Accordingly, no prior period adjustment has been required.

(b) New and amended standards which are effective in 2021 and not relevant to the company's operation

The HKICPA has issued a number of HKAS, HKFRS, amendments and interpretations which are effective for the company's financial year beginning on January 1, 2021. The directors of the company consider these standards, amendments and interpretations do not have any impact on the company's financial statements since they are not relevant to the company.

3. Application of new and revised Hong Kong Financial Reporting Standards (Continued)

- (c) Standards, amendments and interpretations to existing standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards (collectively, the “Amendments”) have been published that are mandatory for accounting periods commencing on or after January 1, 2022. Some of the Amendments are relevant and applicable to the company; however, they have not been early adopted in these financial statements. The directors are of the view that the impact on the financial statements will not be significant other than certain additional disclosures.

4. Revenue

Revenue represents revenue arising from provision of financial printing services in Hong Kong. An analysis of the company’s revenue for the year is as follows:

	<u>2021</u>	<u>2020</u>
	HK\$	HK\$
<i>Revenue from contracts with customers:</i>		
Initial public offering	43,616,386	20,770,058
Financial statements	35,692,330	23,137,140
Compliance	12,574,676	10,197,734
Debt offering	1,549,085	2,438,380
Miscellaneous services	2,248,765	1,835,432
	<u>95,681,242</u>	<u>58,378,744</u>

5. Other income

	<u>2021</u>	<u>2020</u>
	HK\$	HK\$
Interest income	20	20,005
Subsidies under Anti-epidemic fund	-	2,355,684
Sundry income	142,030	-
	<u>142,050</u>	<u>2,375,689</u>

6. Profit before tax

Profit before tax is arrived at after charging:-

	<u>2021</u>	<u>2020</u>
	HK\$	HK\$
(a) Finance costs		
Bank loan interest	142,380	45,684
Interest on lease liabilities	14,927	-
Interest on loan from holding company	15,670	417,795
	<u>172,977</u>	<u>463,479</u>
(b) Other costs		
Auditors' remuneration	80,000	65,000
Bad debts written off	983,143	1,512,728
Provision for bad debts	4,756,375	-
Depreciation of owned assets	934,253	1,219,759
Depreciation of right-of-use assets	6,805,632	7,190,640
Staff costs - Directors' remuneration (Note 7)	200,000	-
- Others (salaries and other staff benefits)	26,965,863	20,865,643
Contribution to defined contribution plans (included in staff costs)	823,927	700,301
Short-term leases	624,648	291,524

7. Directors' remuneration

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

	<u>2021</u>	<u>2020</u>
	HK\$	HK\$
Fees	Nil	Nil
Salaries and other benefits	200,000	Nil

8. Income tax

a) Income tax in the statement of profit or loss and other comprehensive income:-

No provision for current Hong Kong profits tax has been made as the company's current year taxable profits has been set-off by previous years' losses (2020: Nil).

The company has deductible temporary differences of HK\$2,881,973 (2020: HK\$2,968,745) arising from accumulated depreciation of property, plant and equipment in the financial statements in excess of cumulative depreciation allowances for tax purposes.

The company has cumulative tax losses of HK\$18,543,520 (2020: HK\$34,273,578). The tax losses do not expire under current tax legislation.

The company has not recognised deferred tax assets in respect of these deductible temporary differences and tax losses as it is uncertain that future taxable profits against which the temporary differences and the losses can be utilised will be available in the relevant tax jurisdiction and entity.

b) Reconciliation between tax expense and accounting profit at applicable tax rate:-

	<u>2021</u> HK\$	<u>2020</u> HK\$
Profit before tax	15,595,352	6,811,815
Notional tax thereon, calculated at the tax rate of 16.5%	2,573,233	1,123,949
Tax effect of non-taxable income	(3)	(388,688)
Tax effect of non-deductible expenses	36,547	111,127
Tax effect of deductible temporary difference not recognised	(14,317)	146,815
Tax effect of unused tax losses not recognised	(2,595,460)	(993,203)
	-	-

9. Property, plant and equipment

	Computer and office equipment	Computer software	Furniture and fixtures	Leasehold improvements	Right-of-use assets	Total
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Cost:						
At 1.1.2020	1,745,522	1,610,968	245,084	4,368,075	20,363,130	28,332,779
Additions	90,271	-	66,260	238,855	-	395,386
Disposals	(20,638)	-	(43,087)	-	(1,472,310)	(1,536,035)
At 31.12.2020	1,815,155	1,610,968	268,257	4,606,930	18,890,820	27,192,130
Accumulated depreciation:						
At 1.1.2020	1,507,964	1,577,406	160,995	2,959,183	6,875,550	13,081,098
Charge for the year	133,325	33,562	54,248	998,624	7,190,640	8,410,399
Written back on disposals	(20,259)	-	(37,088)	-	(1,472,310)	(1,529,657)
At 31.12.2020	1,621,030	1,610,968	178,155	3,957,807	12,593,880	19,961,840
Net book value: At 31.12.2020	194,125	-	90,102	649,123	6,296,940	7,230,290
Cost:						
At 1.1.2021	1,815,155	1,610,968	268,257	4,606,930	18,890,820	27,192,130
Additions	491,120	18,000	134,490	602,678	18,646,230	19,892,518
Disposals	(34,460)	-	(34,391)	(172,415)	(18,890,820)	(19,132,086)
At 31.12.2021	2,271,815	1,628,968	368,356	5,037,193	18,646,230	27,952,562
Accumulated depreciation:						
At 1.1.2021	1,621,030	1,610,968	178,155	3,957,807	12,593,880	19,961,840
Charge for the year	156,589	4,500	43,192	729,972	6,805,632	7,739,885
Written back on disposals	(34,460)	-	(33,078)	(172,415)	(18,890,820)	(19,130,773)
At 31.12.2021	1,743,159	1,615,468	188,269	4,515,364	508,692	8,570,952
Net book value: At 31.12.2021	528,656	13,500	180,087	521,829	18,137,538	19,381,610

The company has obtained the right to use properties as its offices through tenancy agreements. The leases typically run for an initial period of 2-5 years. None of the leases includes variable lease payments. Disclosure for leases include:

	2021	2020
	HK\$	HK\$
Depreciation charges for right-of-use assets	6,805,632	7,190,640
Interest on lease liabilities	14,927	-
Expense relating to short-term leases		
- lease term of more than one month	624,648	291,524
Total cash outflow for leases (Note 19(b))	7,464,668	7,482,164
Additions to right-of-use assets	18,646,230	-
Carrying amount of right-of-use assets	18,137,538	6,296,940

10. Trade and other receivables

	<u>2021</u> HK\$	<u>2020</u> HK\$
Accounts receivable	17,557,275	8,957,318
Rental, utility and other deposits	2,408,275	2,209,637
Prepayments	81,247	102,842
Other receivable	86,836	-
Amount due from holding company (Note 11)	3,672,877	-
	<u>23,806,510</u>	<u>11,269,797</u>

11. Loan to controlled bodies corporate

Loan to controlled bodies corporate disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation is as follows:-

- a) Name of borrower : Top Prima Limited
- b) Relationship : Holding company (controlled by director Mr. Tsang Kwong Chiu, Kevin)
- c) Terms of the loan : Repayable on demand
- d) Interest rate : Interest free
- e) Security : None
- f) Maximum balance during the year : HK\$ 3,672,877
- g) Balance at the beginning of the year : Nil
- h) Balance at the end of the year : HK\$ 3,672,877

12. Trade and other payables

	<u>2021</u> HK\$	<u>2020</u> HK\$
Accounts payable	5,875,836	4,264,163
Accruals	4,247,667	2,938,481
Received in advance	-	136,400
Amount due to a director (Note 13)	200,000	-
Interest payable on loan from holding company	-	5,862
	<u>10,323,503</u>	<u>7,344,906</u>

13. Amount due to a director

The amount due to a director is unsecured, non-interest bearing and has no specified repayment terms.

14. Loan from holding company

In previous year, the loan from holding company was unsecured, interest bearing at 8% p.a. and repayable within one year.

15. Lease liabilities

At reporting date, the lease liabilities were repayable as follows:-

	<u>2021</u>	<u>2020</u>
	HK\$	HK\$
Within one year	5,964,186	6,296,940
After 1 year but within 5 years	12,153,891	-
	<u>18,118,077</u>	<u>6,296,940</u>

16. Bank loans

At reporting date, the bank loan was repayable as follows:-

	<u>2021</u>	<u>2020</u>
	HK\$	HK\$
Within one year	1,223,927	815,029
After 1 year but within 5 years	4,379,893	3,184,971
	<u>5,603,820</u>	<u>4,000,000</u>

The bank loan were secured by director's personal guarantee.

17. Share capital

	<u>2021</u>		<u>2020</u>	
	No. of shares	HK\$	No. of shares	HK\$
<i>Ordinary shares, issued and fully paid :-</i>				
At January 1,	40,000,000	40,000,000	40,000,000	40,000,000
Reduction of capital during the year	(37,000,000)	(37,000,000)	-	-
At December 31,	<u>3,000,000</u>	<u>3,000,000</u>	<u>40,000,000</u>	<u>40,000,000</u>

The company has passed a special resolution on June 24, 2021 to approve a reduction of the share capital of the company from HK\$40,000,000 to HK\$3,000,000 by reduction of HK\$37,000,000.

18. Dividend

	<u>2021</u> HK\$	<u>2020</u> HK\$
Interim dividend declared and paid HK\$2.33 per share (2020 :Nil) per share	7,000,000	-

19. Notes to cash flow statements

a) Reconciliation of liabilities arising from financing activities:

	Loan from holding company HK\$	Interest payable on loan from holding company HK\$	Lease liabilities HK\$	Bank loan HK\$	Total HK\$
At January 1, 2020	8,053,956	780,958	13,487,580	-	22,322,494
<i>Changes from cash flows:</i>					
Decrease in loans	(6,143,359)	(1,192,891)	-	-	(7,336,250)
Repayment of bank loans	-	-	-	(45,684)	(45,684)
Proceed from new bank loan	-	-	-	4,000,000	4,000,000
Payment of lease liabilities	-	-	(7,190,640)	-	(7,190,640)
	(6,143,359)	(1,192,891)	(7,190,640)	3,954,316	(10,572,574)
<i>Non-cash changes:</i>					
Interest expenses	-	417,795	-	45,684	463,479
At December 31, 2020 and at January 1, 2021	1,910,597	5,862	6,296,940	4,000,000	12,213,399
<i>Changes from cash flows:</i>					
Decrease in loan	(1,910,597)	(21,532)	-	-	(1,932,129)
Proceed from new bank loan	-	-	-	2,000,000	2,000,000
Repayment of bank loans	-	-	-	(538,560)	(538,560)
Payment of lease liabilities	-	-	(6,840,020)	-	(6,840,020)
	(1,910,597)	(21,532)	(6,840,020)	1,461,440	(7,310,709)
<i>Non-cash changes:</i>					
Increase in lease liabilities from entering into new leases during the year	-	-	18,646,230	-	18,646,230
Interest expenses	-	15,670	14,927	142,380	172,977
	-	15,670	18,661,157	142,380	18,819,207
At December 31, 2021	-	-	18,118,077	5,603,820	23,721,897

19. Notes to cash flow statements (Continued)**b) Total cash outflow for leases**

	<u>2021</u> HK\$	<u>2020</u> HK\$
Cash outflow for		
- principal portion of the lease liabilities	6,825,093	7,190,640
- interest portion of the lease liabilities	14,927	-
- short-term leases	624,648	291,524
	<u>7,464,668</u>	<u>7,482,164</u>

20. Related party transactions

In addition to the transactions and balances disclosed elsewhere in these financial statements, the company had the following material related party transactions:-

	<u>2021</u> HK\$	<u>2020</u> HK\$
Interest on loan from holding company	15,670	417,795
Management fee paid to a corporate director - Corporate Capital Advisory Limited	528,000	-
	<u>543,670</u>	<u>417,795</u>

The company's director, Mr. Tsang Kwong Chiu, Kevin is the director of both holding company, Top Prima Limited and the corporate director - Corporate Capital Advisory Limited.

21. Capital disclosure

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern, so that it can continue to provide returns for the shareholders and benefits for other stakeholders.

The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to the shareholders, return capital to the shareholders, issue new shares, or sell assets to reduce debt. No changes were made in the objectives, policies and processes during the year.

The company monitors capital using gearing ratio, which is the company's total liabilities over its total assets. The company's policy is to keep the gearing ratio at a reasonable level.

22. Financial instruments

The company has classified its financial instruments in the following categories:

	<u>2021</u>	<u>2020</u>
	HK\$	HK\$
Financial assets		
<i>At amortised cost:-</i>		
- Trade and other receivables	23,806,510	11,269,797
- Cash at banks and in hand	2,106,924	3,975,236
	<u>25,913,434</u>	<u>15,245,033</u>
Financial liabilities		
<i>At amortised cost:-</i>		
- Trade and other payables	10,323,503	7,344,906
- Provision for labour dissension	-	415,333
- Provision for annual leave	385,444	238,699
- Loan from holding company	-	1,910,597
- Lease liabilities	18,118,077	6,296,940
- Bank loan	5,603,820	4,000,000
	<u>34,430,844</u>	<u>20,206,475</u>

The company is exposed to credit risk, liquidity risk and market risk (currency risk and interest rate risk) arising in the normal course of its business. The company's risk management objectives, policies and processes mainly focus on minimising the potential adverse effects of these risks on its financial performance and position by closely monitoring the individual exposure.

a) Credit risk

The company's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at December 31, 2021 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position.

In order to minimise the credit risk associated with trade debtors, the management reviews credit approvals, credit limits, and carries out other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the company reviews the recoverable amount of each individual financial assets at the end of each reporting period to ensure that adequate allowances are made for irrecoverable amounts. The directors therefore consider that the said credit risk is minimal.

22. Financial instruments (Continued)

a) Credit risk (Continued)

Summary quantitative data

	<u>2021</u> HK\$	<u>2020</u> HK\$
Accounts receivable	17,557,275	8,957,318
Rental, utility and other deposits	2,408,275	2,209,637
Prepayments	81,247	102,842
Other receivable	86,836	-
Amount due from holding company	3,672,877	-
Cash at banks and in hand	2,106,924	3,975,236
	<u>25,913,434</u>	<u>15,245,033</u>

An analysis of the age of financial assets that are past due as at the reporting dates but not impaired:-

	<u>2021</u> HK\$	<u>2020</u> HK\$
Current (not past due)	8,075,866	3,422,044
Past due up to:		
- 30 days	2,045,805	1,612,876
- 31 to 60 days	2,276,607	178,387
- Over 60 days	5,158,997	3,744,011
	<u>17,557,275</u>	<u>8,957,318</u>

The company's management considers that all the above financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash balance to meet its financial commitments and to ensure adequate funding from the shareholders so as to enable the company to meet its liabilities as and when they fall due and to continue operating for the foreseeable future.

22. Financial instruments (Continued)

b) Liquidity risk (Continued)

As at December 31, 2021, the aging of the company's financial liabilities based on the remaining period at the end of the reporting period to the maturity date, in contractual undiscounted cash flows, is as follows:

Summary quantitative data

	Within 1 year or on demand	More than 1 year	Carrying amount
	HK\$	HK\$	HK\$
<u>2021</u>			
Accounts payable	5,875,836	-	5,875,836
Accruals	4,247,667	-	4,247,667
Amount due to a director	200,000	-	200,000
Provision for annual leave	385,444	-	385,444
Lease liabilities	5,964,186	12,153,891	18,118,077
Bank loan	1,223,927	4,379,893	5,603,820
	<u>17,897,060</u>	<u>16,533,784</u>	<u>34,430,844</u>
<u>2020</u>			
Accounts payable	4,264,163	-	4,264,163
Accruals	2,938,481	-	2,938,481
Provision for annual leave	238,699	-	238,699
Received in advance	136,400	-	136,400
Interest payable on loan from holding company	5,862	-	5,862
Provision for labour dissension	415,333	-	415,333
Loan from holding company	1,910,597	-	1,910,597
Lease liabilities	6,296,940	-	6,296,940
Bank loan	815,029	3,184,971	4,000,000
	<u>17,021,504</u>	<u>3,184,971</u>	<u>20,206,475</u>

22. Financial instruments (Continued)

c) Market risk

i) Currency risk

The company's exposure to currency risk is minimal as all material financial assets and liabilities are denominated in its functional currency.

ii) Interest rate risk

The company's exposure to cash flow interest rate risk is minimal because the company does not have any floating rate borrowings.

23. Parent and ultimate holding company

At December 31, 2021, the directors consider the immediate parent and ultimate holding company to be Top Prima Limited, which was incorporated in Seychelles.

(For management purposes only)

ORANGE FINANCIAL PRINTING LIMITED

DETAILED INCOME STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>
	HK\$	HK\$
Revenue		
Printing services		
Initial public offering	43,616,386	20,770,058
Financial statements	35,692,330	23,137,140
Compliance	12,574,676	10,197,734
Debt Offering	1,549,085	2,438,380
Miscellaneous services	2,248,765	1,835,432
	<hr/>	<hr/>
	95,681,242	58,378,744
Direct costs (Sch A.)	46,302,683	28,390,862
	<hr/>	<hr/>
Gross profit	49,378,559	29,987,882
	<hr/>	<hr/>
Other income		
Interest income	20	20,005
Subsidies under Anti-epidemic fund	-	2,355,684
Sundry income	142,030	-
	<hr/>	<hr/>
	142,050	2,375,689
	<hr/>	<hr/>
	49,520,609	32,363,571
	<hr/>	<hr/>
Less: Selling and distribution expenses (Sch B.)	9,082,528	6,903,779
Administrative expenses (Sch C.)	24,669,752	18,184,498
Finance costs (Sch C.)	172,977	463,479
	<hr/>	<hr/>
	33,925,257	25,551,756
	<hr/>	<hr/>
Profit for the year	15,595,352	6,811,815
	<hr/> <hr/>	<hr/> <hr/>

The detailed income statement relating to the year ended December 31, 2021 and 2020 included in this statutory accounts does not constitute the company's statutory annual financial statements for those years but is derived from those statutory financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:-

As the company is a private company, the company is not required to deliver its financial statements to the Registrar of Companies, and has not done so.

The company's auditors have reported on those financial statements for both years. The auditors' reports were unqualified; did not include a reference to the matters to which the auditors drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Companies Ordinance.

(For the management purposes only)
Sch. A

ORANGE FINANCIAL PRINTING LIMITED

DIRECT COSTS

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>
	HK\$	HK\$
Direct costs		
Client messing	1,383,933	1,217,720
Medical insurance	129,195	126,766
MPF contributions	562,486	457,764
Newspaper publishment	720,500	345,000
Other direct costs	616,650	137,400
Printing	8,318,905	5,493,909
Salaries and bonus	13,175,323	10,351,912
Translation fee	20,619,521	10,260,391
Typeset	776,170	-
	<hr/>	<hr/>
Total direct costs transferred to detailed income statement	46,302,683	28,390,862
	<hr/> <hr/>	<hr/> <hr/>

(For the management purposes only)
Sch. B

ORANGE FINANCIAL PRINTING LIMITED

SELLING AND DISTRUBUTION EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>
	HK\$	HK\$
Selling and distribution expenses		
Advertising and promotion	227,317	238,676
Commission	6,250	98,895
Entertainment	508,365	254,454
MPF contributions	122,900	121,400
Salaries and bonus	8,217,696	6,190,354
	<hr/>	<hr/>
Total selling and distribution expenses transferred to detailed income statement	9,082,528	6,903,779
	<hr/> <hr/>	<hr/> <hr/>

ORANGE FINANCIAL PRINTING LIMITED

ADMINISTRATIVE EXPENSES AND FINANCE COST

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u> HK\$	<u>2020</u> HK\$
Administrative expenses		
Auditors' remuneration	80,000	65,000
Bad debts written off	983,143	1,512,728
Bank charges	6,257	9,524
Business registration fee	500	500
Depreciation of owned assets	934,253	1,219,759
Depreciation of right-of-use assets	6,805,632	7,190,640
Directors' remuneration	200,000	-
Electricity, water and gas	136,627	66,032
Insurance	123,229	119,685
IT expenses	687,397	573,621
Legal and professional fee	157,157	37,247
Loss on disposals of property, plant and equipment	1,313	3,578
Management fee	528,000	-
Miscellaneous	26,037	11,335
MPF contributions	138,541	121,137
Office supplies and consumables	606,611	499,192
Postage, printing and stationery	1,028,813	918,579
Provision for annual leave	146,745	238,699
Provision for bad debts	4,756,375	-
Rent	624,648	291,524
Rates and building management fees	1,543,700	1,514,632
Repairs and maintenance	113,546	5,020
Salaries and bonus	4,748,917	3,623,076
Staff welfare	102,613	32,587
Telephone, fax and internet	87,097	91,699
Travelling	102,601	38,704
Total administrative expenses		
transferred to detailed income statement	<u>24,669,752</u>	<u>18,184,498</u>
Finance costs		
Bank loan interest	142,380	45,684
Interest on lease liabilities	14,927	-
Interest on loan from holding company	15,670	417,795
Total finance costs transferred to		
detailed income statement	<u>172,977</u>	<u>463,479</u>

Exhibit B

Management Accounts

ORANGE FINANCIAL PRINTING LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<unaudited> 1.1.2022 to 31.12.2022 <u>HK\$</u>	1.1.2021 to 31.12.2021 <u>HK\$</u>	1.1.2020 to 31.12.2020 <u>HK\$</u>	1.2.2019 to 31.12.2019 <u>HK\$</u>
Revenue	94,282,320	95,681,242	58,378,744	39,167,759
Direct costs	-45,089,259	-46,302,683	-28,390,862	-22,576,600
Gross profit	49,193,061	49,378,559	29,987,882	16,591,159
Other income	1,759,325	142,050	2,375,689	144
	50,952,386	49,520,609	32,363,571	16,591,303
Selling and distribution expenses	-8,770,600	-9,082,528	-6,903,779	-5,929,727
Administrative expenses	-19,823,864	-24,669,752	-18,184,498	-15,435,357
Finance costs	-609,722	-172,977	-463,479	-471,088
Profit / (loss) before tax	21,748,200	15,595,352	6,811,815	-5,244,869
Income tax	-	-	-	-
Profit / (loss) for the year / period	21,748,200	15,595,352	6,811,815	-5,244,869
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the year / period	<u>21,748,200</u>	<u>15,595,352</u>	<u>6,811,815</u>	<u>-5,244,869</u>

ORANGE FINANCIAL PRINTING LIMITED
BALANCE SHEET

	<unaudited> 31.12.2022	31.12.2021	31.12.2020	31.12.2019
	HK\$	HK\$	HK\$	HK\$
Non-current assets				
Property, plant and equipment	12,764,113	19,381,610	7,230,290	15,251,681
Current assets				
Trade and other receivables	25,856,433	23,806,510	11,269,797	9,165,006
Cash at banks and in hand	7,555,039	2,106,924	3,975,236	736,814
Total Current assets	<u>33,411,472</u>	<u>25,913,434</u>	<u>15,245,033</u>	<u>9,901,820</u>
Current liabilities				
Trade and other payables	11,092,709	10,323,503	7,344,906	7,739,599
Provision for labour dissension	-	-	415,333	415,333
Provision for annual leave	535,444	385,444	238,699	-
Loan from holding company	-	-	1,910,597	8,053,956
Dividend payable	10,000,000			
Lease liabilities	6,340,196	5,964,186	6,296,940	7,190,640
Bank Loan	696,406	1,223,927	815,029	-
Total Current liabilities	<u>28,664,755</u>	<u>17,897,060</u>	<u>17,021,504</u>	<u>23,399,528</u>
Net current liabilities	<u>4,746,717</u>	<u>8,016,374</u>	<u>-1,776,471</u>	<u>-13,497,708</u>
Total assets less current liabilities	17,510,830	27,397,984	5,453,819	1,753,973
Non-current liabilities				
Lease liabilities	5,813,695	12,153,891	-	6,296,940
Bank Loans	7,084,736	4,379,893	3,184,971	-
Net (liabilities) / assets	<u>4,612,399</u>	<u>10,864,200</u>	<u>2,268,848</u>	<u>-4,542,967</u>
Capital and reserves				
Share capital	3,000,000	3,000,000	40,000,000	40,000,000
Retained profits / (Accumulated losses)	1,612,399	7,864,200	-37,731,152	-44,542,967
	<u>4,612,399</u>	<u>10,864,200</u>	<u>2,268,848</u>	<u>-4,542,967</u>

EXECUTION PAGE

THE VENDOR

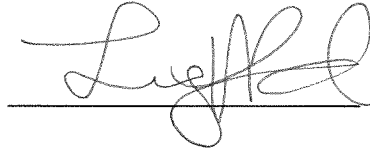
SIGNED by *Zp Sin Nam Ingrid*

for and on behalf of

RAINBOW KINGDOM LIMITED

in the presence of:


)
)
)
)
)



A handwritten signature in black ink, appearing to read 'Zp Sin Nam Ingrid', is written over a horizontal line.

THE PURCHASER

SIGNED by *Tao Wah Wai Calvin*)
)
for and on behalf of)
GRAND POPLUAR LIMITED)
in the presence of:)



GOLDWAY

SIGNED by *Tao Wah Wai Calvin*)
)
for and on behalf of)
GOLDWAY EDUCATION GROUP)
LIMITED)
in the presence of:)

