環球印館控股有限公司
Universe Printshop Holdings Limited

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 8448

Annual Report 2024

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

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Lam Shing Tai *(Chairman and Chief Executive Officer)(appointed as Chief Executive Officer on 1 July 2023)*
Mr. Chau Man Keung *(Vice Chairman)* (resigned on 1 July 2023)
Mr. Hsu Ching Loi *(Chief Executive Officer) (resigned on 1 July 2023)*
Ms. Li Shuang *(appointed on 1 July 2023)*
Mr. Kao Jung *(appointed on 1 July 2023)*
Mr. Yip Chi Man *(appointed on 1 July 2023)*

Independent Non-Executive Directors

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

AUDIT COMMITTEE

Mr. Wong Chun Kwok *(Chairman)*
Mr. Ho Kar Ming
Ms. So Shuk Wan

REMUNERATION COMMITTEE

Mr. Ho Kar Ming *(Chairman)*
Mr. Wong Chun Kwok
Ms. So Shuk Wan

NOMINATION COMMITTEE

Ms. So Shuk Wan *(Chairlady)*
Mr. Wong Chun Kwok
Mr. Ho Kar Ming

RISK MANAGEMENT COMMITTEE

Mr. Wong Chun Kwok *(Chairman)*
Mr. Ho Kar Ming
Ms. So Shuk Wan

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

Mr. Lam Shing Tai
Mr. So Hang Fung

AUTHORISED REPRESENTATIVE (FOR THE PURPOSE OF THE COMPANIES ORDINANCE)

Mr. Lam Shing Tai

COMPLIANCE OFFICER

Mr. Lam Shing Tai *(appointed on 1 July 2023)*
Mr. Chau Man Keung *(resigned on 1 July 2023)*

Corporate Information

COMPANY SECRETARY

Mr. So Hang Fung

REGISTERED OFFICE

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

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

2nd floor
Tsing Yi Industrial Centre Phase 1
No. 1 to 33 Cheung Tat Road
Tsing Yi, New Territories
Hong Kong

LEGAL ADVISERS AS TO HONG KONG LAWS

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

PRINCIPAL BANKER

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

AUDITOR

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

COMPANY'S WEBSITE

http://www.uprintshop.hk/

STOCK CODE

8448

Chairman's Statement

Dear Shareholders,

On behalf of the board of Directors (the "Board"), I am pleased to present the annual report of the Company for the year ended 31 March 2024 ("FY2024").

BUSINESS REVIEW AND OUTLOOK

The Group primarily offers printing services to its clients, which include offset printing, ink-jet printing and toner-based digital printing. In addition to these printing services, the Group also provides other printing-related products such as pre-ink stamps, plastic name-cards, printed eco-bags and printed plastic folders.

For the year ended 31 March 2024 ("FY2024"), the Group reported revenue of approximately HK$69.9 million, reflecting a decrease of approximately 26.8% compared to the revenue of approximately HK$95.5 million for the year ended 31 March 2023 ("FY2023"). The Group experienced a total comprehensive loss attributable to equity holders of the Company of approximately HK$28.4 million in FY2024, compared to a total comprehensive loss attributable to equity holders of the Company of approximately HK$20.5 million in FY2023. Excluding the impact of one-off items in the respective financial periods, the net operating loss was approximately HK$22.7 million in FY2024, compared to approximately HK$21.2 million in FY2023.

The one-off items in FY2024 included (i) an impairment loss on property, plant and equipment, right-of-use assets and intangible assets of approximately HK$6.5 million (FY2023: HK$2.4 million); (ii) legal and professional fees related to the Group's fundraising activities and notifiable transactions of approximately HK$0.7 million (FY2023: HK$1.4 million); (iii) a gain on modification of leases for retail shops and machinery of approximately HK$0.6 million (FY2023: HK$0.2 million); (iv) a gain on disposal of property, plant and equipment of approximately HK$0.9 million (FY2023: HK$1.0 million); and (v) government subsidies of approximately HK$13,000 (FY2023: HK$3.3 million).

The ongoing economic downturn in Hong Kong has posed significant challenges for our business during FY2024. Despite these formidable obstacles, we have remained unwavering in our commitment to sustainability, innovation and excellence.

Our primary focus has been on adapting our operations to the rapidly shifting landscape. This included leveraging new technologies and optimising our processes to maintain efficiency and quality in our services. We have also continued to invest in sustainable practices, reinforcing our dedication to environmental responsibility even in the face of economic adversity.

During FY2024, we faced additional operational challenges due to the early termination of a production agreement and lease arrangements announced by the Company in November 2023, which necessitated relocating our factory twice. This disruption significantly affected our production capabilities. However, as set out in the report of the Company dated 20 November 2023, we have then secured a rental agreement for a property in Tsing Yi, and we anticipate that our new production site will be ready for operation in the second quarter of the year ending 31 March 2025.

Looking ahead, we are excited to announce the expansion of our printing business into mainland China starting from the year ending 31 March 2025. This strategic move is expected to open up new opportunities and broaden our market reach. In addition to our core printing services, we will also be engaging in the supply of raw materials and equipment for the printing industry, further diversifying our portfolio and strengthening our position in the market. We are optimistic that these initiatives will drive growth and enhance our competitive edge in the coming years.

Chairman's Statement

APPRECIATION

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

Mr. LAM Shing Tai
Chairman
Hong Kong, 25 June 2024

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

In FY2024, the Group's total revenue experienced a decline of approximately HK$25.5 million or approximately 26.8%, with total revenue amounting to approximately HK$69.9 million, as compared to approximately HK$95.5 million in FY2023. This decrease in revenue was primarily due to the reduced demand for and downward pressure in prices of the Company's printing services.

Costs of sales

The major components of the cost of sales are raw material cost, sub-contracting fee, manufacturing overhead and staff costs. In FY2024, the total cost of sales decreased from approximately HK$80.8 million in FY2023 to approximately HK$60.5 million. This decrease was the combined results of (i) the lower volume of sales orders, which was in line with the decline in revenue; and (ii) the relocation of the Group's production facilities increased reliance on subcontracting services and significantly impacted the Group's cost structure.

Gross profit and gross profit margin

The Group's gross profit decreased from approximately HK$14.7 million in FY2023 to approximately HK$9.4 million in FY2024. This decrease was in line with the decline in revenue. The gross profit margin also decreased from approximately 15.4% in FY2023 to approximately 13.5% in FY2024. This was primarily due to (i) the increase in per unit fixed costs resulting from the reduced production volume; and (ii) the relocation of the Group's production facilities increased reliance on subcontracting services and significantly impacted the Group's cost structure, leading to a decline in overall profitability.

Other income

The Group's other income decreased significantly from approximately HK$3.9 million in FY2023 to approximately HK$190,000 in FY2024. The primary reason behind this decrease is the significant decline in government subsidies by approximately HK$3.3 million from FY2023 to FY2024. The subsidies granted to us during FY2023 represented government grants under the Employment Support Scheme of the Anti-epidemic Fund launched by the Hong Kong government in response to the COVID-19 pandemic and the technology voucher programme launched by the Innovation and Technology Commission.

Other gains

Other gains increased from approximately HK$1.2 million in FY2023 to approximately HK$1.5 million in FY2024, which substantially represented the (i) gain on disposal of property, plant and equipment of approximately HK$0.9 million in FY2024 (FY2023: HK$1.0 million); and (ii) gain on modification of leases for retail shops and machinery of approximately HK$0.6 million (FY2023: HK$0.2 million).

Administrative and other expenses

Administrative and other expenses primarily comprise staff costs (including directors' remuneration), depreciation, legal and professional fee, IT development fee, auditors' remuneration, marketing and entertainment, utilities expenses, bank charges and other miscellaneous administrative expenses. The administrative and other expenses amounted to approximately HK$32.9 million in FY2024, which represented a decrease of approximately HK$4.1 million or approximately 11.0% as compared to approximately HK$37.0 million in FY2023. The decrease in administrative and other expenses was mainly attributable to the decrease in staff costs, depreciation and legal and professional fees.

FINANCIAL REVIEW (CONTINUED)

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

The Group has recognised a significant increase in impairment on assets (including property, plant and equipment, right-of-use assets and intangible assets) of approximately HK$6.5 million to the recoverable amounts based on the impairment assessment for FY2024 (FY2023: HK$2.4 million). This is primarily due to a revised financial budget that reflects the Group's current assessment of the economic and market conditions specific to the local market in Hong Kong.

The economic environment in Hong Kong has faced considerable challenges, leading to a reassessment of asset values based on projected cash flows and market conditions within the region. As a result, the impairment calculations have been updated to align with these local market conditions.

It is important to note that this impairment assessment is limited to the local market in Hong Kong. While we are actively exploring opportunities in other markets, particularly in mainland China, these potential expansions and their positive impacts have not been factored into the current impairment assessment.

We remain optimistic about our future prospects and are committed to diversifying and expanding our market presence beyond Hong Kong. Nonetheless, the current financial report prudently reflects the economic realities of our primary operating environment as of now.

Finance cost

The finance cost of the Group increased from approximately HK$0.8 million for FY2023 to approximately HK$1.2 million for FY2024, which is primarily attributed to the entering into of a hire purchasing agreement for the acquisition of two new printing machinery units (please refer to the circular of the Company dated 31 May 2023).

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

The total comprehensive loss attributable to equity holders of the Company was approximately HK$28.4 million in FY2024 as compared to approximately HK$20.5 million recorded in FY2023. Excluding the impact of one-off items in the respective financial periods, the net operating loss was approximately HK$22.7 million in FY2024, compared to approximately HK$21.2 million in FY2023. The one-off items in FY2024 included (i) an impairment loss on property, plant and equipment, right-of-use assets and intangible assets of approximately HK$6.5 million (FY2023: HK$2.4 million); (ii) legal and professional fees related to the Group's fundraising activities and notifiable transactions of approximately HK$0.7 million (FY2023: HK$1.4 million); (iii) a gain on modification of leases for retail shops and machinery of approximately HK$0.6 million (FY2023: HK$0.2 million); (iv) a gain on disposal of property, plant and equipment of approximately HK$0.9 million (FY2023: HK$1.0 million); and (v) government subsidies of approximately HK$13,000 (FY2023: HK$3.3 million).

Property, plant and equipment

Property, plant and equipment decreased from approximately HK$9.9 million as at 31 March 2023 to approximately HK$4.3 million as at 31 March 2024, which was mainly due to (i) the disposal of a six-colour offset press in April 2023 (please refer to the announcement of the Company dated 18 April 2023); and (ii) an impairment made for the property, plant and equipment.

Management Discussion and Analysis

FINANCIAL REVIEW (CONTINUED)

Right-of-use assets

As at 31 March 2024, right-of-use assets amounted to approximately HK$20.5 million, representing an increase of approximately 157.4% as compared with that of approximately HK$8.0 million as at 31 March 2023, which was primarily attributable to the combined effects of (i) the additions of two sets of four-colour digital ink-jet printing machines manufactured by FUJIFILM amounting to HK$18.7 million in aggregate under hire purchase arrangement (please refer to the circular of the Company dated 31 May 2023); (ii) rights-of-use assets recognised for Tsing Yi production site of approximately HK$5.1 million; (iii) depreciation charge of approximately HK$6.8 million and (iv) an impairment made for the right-of-use assets of HK$5.2 million.

Intangible assets

The intangible assets of the Group decreased from approximately HK$0.5 million as at 31 March 2023 to approximately HK$0.3 million as at 31 March 2024. The decrease was primarily due to the impairment made for intangible assets.

Deposits paid

The deposits paid of the Group increased from approximately HK$1.1 million as at 31 March 2023 to approximately HK$3.7 million as at 31 March 2024. The increase was mainly due to deposits paid for the accounting system and leasehold improvement.

Trade and other receivables, prepayments and deposits

The trade and other receivables, prepayments and deposits of the Group increased from approximately HK$6.0 million as at 31 March 2023 to approximately HK$11.1 million as at 31 March 2024, which was primarily due to the increase in trade receivables and deposits paid to a subcontractor. The trade receivables (net of allowance for doubtful debts) of the Group increased from approximately HK$3.4 million as at 31 March 2023 to approximately HK$4.6 million as at 31 March 2024. The increase was mainly due to a potential dispute with a customer on transaction amount amounting to approximately HK$1.2 million. Other receivables, prepayments, finance lease receivables and deposits (current portion) increased from approximately HK$2.6 million as at 31 March 2023 to approximately HK$6.4 million as at 31 March 2024, which was mainly due to the deposits paid to a subcontractor.

Cash and cash equivalents

The cash and cash equivalents of the Group increased from approximately HK$5.0 million as at 31 March 2023 to approximately HK$9.8 million as at 31 March 2024, which was mainly attributable to the net proceeds from the Rights Issue (as defined below).

Trade and other payables and accruals

The trade and other payables and accruals of the Group decreased from approximately HK$19.9 million as at 31 March 2023 to approximately HK$9.1 million as at 31 March 2024. The decrease was primarily due to the utilisation of approximately HK$8.7 million from the net proceeds of the Rights Issue (as defined in later part of this section) to settle these payables.

Management Discussion and Analysis

FINANCIAL REVIEW (CONTINUED)

Lease liabilities

The total lease liabilities of the Group increased from approximately HK$11.3 million as at 31 March 2023 to approximately HK$24.5 million as at 31 March 2024. The increase was primarily due to the addition of two sets of four-colour digital ink-jet printing machines manufactured by FUJIFILM amounting to HK$18.7 million in aggregate under hire purchase arrangement (please refer to the circular of the Company dated 31 May 2023).

Liquidity, financial resources and capital structure

As at 31 March 2024, the Group had net current liabilities of approximately HK$6.8 million (31 March 2023: HK$16.6 million), of which the cash and cash equivalents were approximately HK$9.8 million (31 March 2023: HK$5.0 million). The Group's current ratio as at 31 March 2024 was approximately 0.77 (31 March 2023: 0.44).

Total lease liabilities for the Group amounted to approximately HK$24.5 million as at 31 March 2024 (31 March 2023: HK$11.3 million). The gearing ratio as at 31 March 2024 was approximately 4.8 which is calculated on the basis of the Group's total lease liabilities of HK$24.5 million, loan from a shareholder of HK$6.4 million and amount due to a director of HK$3.3 million over the total equity. As at 31 March 2024, the Group recorded (i) net assets of approximately HK$7.1 million, (ii) lease liabilities in the amount of approximately HK$8.8 million, loan from a shareholder of HK$6.4 million and amount due to a director of HK$3.3 million which were due within one year, and (iii) lease liabilities in the amount of approximately HK$15.7 million which were due after one year.

The share capital of the Group only comprises of ordinary shares.

As at 31 March 2024, the Company's issued share capital was HK$24,950,000 (31 March 2023: HK$9,000,000) and the number of its issued ordinary shares was 499,000,000 (31 March 2023: 900,000,000) of HK$0.05 each (31 March 2023: HK$0.01 each).

On 3 May 2023, a total of 98,000,000 new ordinary shares of the Company of HK$0.01 each (the "Subscription Shares") (equivalent to 19,600,000 shares of HK$0.05 each after the share consolidation took effect on 27 December 2023) were issued and allotted by the Company to Mr. Tsang Yee Fung and Mr. Chiu Wan Lung at a price of HK$0.04 per Subscription Share under general mandate pursuant to a subscription agreement dated 19 April 2023.

On 21 December 2023, the Company implemented the increase in authorised share capital of the Company from HK$20,000,000 divided into 2,000,000,000 shares of HK$0.01 each to HK$200,000,000 divided into 20,000,000,000 shares of HK$0.01 each by the creation of an additional 18,000,000,000 new unissued shares.

On 27 December 2023, the Company implemented the share consolidation on the basis that every five issued and unissued shares of HK$0.01 each were consolidated into one consolidated share of the Company of HK$0.05.

On 6 February 2024, the Company completed a rights issue, and on 7 February 2024, the Company issued 299,400,000 rights shares of HK$0.05 each at a subscription price of HK$0.115 per rights share on the basis of three rights shares for every two existing shares held by the qualifying shareholders on the record date (the "Rights Issue"), and the net proceeds of the Rights Issue, after deducting the related expenses, were approximately HK$32.7 million.

Management Discussion and Analysis

EMPLOYEES AND EMOLUMENT POLICIES

As at 31 March 2024, the Group employed 39 (31 March 2023: 69) full time employees in Hong Kong. The staff costs of the Group, including directors' emoluments, employees' salaries, retirement benefits schemes contributions and other benefits amounted to approximately HK$20.3 million for FY2024 (FY2023: HK$26.0 million).

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

The Group has established a Mandatory Provident Fund Scheme for its Hong Kong employees. The assets of the scheme are held separately in funds which are under the control of independent trustees. The retirement benefit scheme contributions charged to profit or loss represent contributions paid or payable by the Group to the scheme at 5% of each of the employees' monthly relevant income capped at HK$30,000 per month. The total costs charged to profit or loss for FY2024 amounted to approximately HK$0.7 million (FY2023: approximately HK$1.0 million) and represented contributions paid or payable to the schemes by the Group in respect of the current accounting period. At the end of the reporting period, there were no forfeited contributions available to reduce future obligations.

DIVIDENDS

The Board does not recommend the payment of a final dividend for FY2024 (FY2023: nil).

CAPITAL COMMITMENTS

As at 31 March 2024, the Group had capital commitments of approximately HK$2,549,700 for acquisition of leasehold improvements and printers (31 March 2023: nil).

SIGNIFICANT INVESTMENTS

There was no significant investments held as at 31 March 2024 (31 March 2023: nil).

MATERIAL ACQUISITIONS AND DISPOSALS OF ASSOCIATES, JOINT VENTURES OR SUBSIDIARIES

The Group did not have any material acquisition or disposal of associates, joint ventures or subsidiaries during FY2024.

FOREIGN CURRENCY EXPOSURE

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

Management Discussion and Analysis

KEY RISKS AND UNCERTAINTIES

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

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

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

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

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

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

The Group may face shortage in supply of its raw materials

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

CHARGE ON ASSETS

As at 31 March 2024, certain machineries of the Group with a carrying value of approximately HK$14.4 million (31 March 2023: HK$1.4 million) were held under finance leases.

Management Discussion and Analysis

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 March 2024 (31 March 2023: nil).

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

The following is a comparison of the Group's business plan as set out in the prospectus of the Company dated 13 March 2018 (the "Prospectus"), with actual business progress up to 31 March 2024.

Business plan as set in the Prospectus, the First Change in UOP Announcement and the Second Change in UOP Announcement	Progress up to 31 March 2024
Purchase of a five-colour offset press	As disclosed in the announcement of the Company dated 18 October 2018 (the "First Change in UOP Announcement"), the Group entered into the purchase agreement for the acquisition of a six-colour offset press. For the detailed reasons for the change in use of proceeds, please refer to the First Change in UOP Announcement. The set up of the six-colour offset press was completed in May 2019.
Purchase of a hybrid printer	As disclosed in the announcement of the Company dated 23 March 2020 (the "Second Change in UOP Announcement"), the Board resolved to reallocate the proceeds for other purpose. For the detailed reasons for the change in use of proceeds, please refer to the Second Change in UOP Announcement.
Expansion of the Group's store network	As disclosed in the Second Change in UOP Announcement, the Board resolved to reallocate the proceeds for other purpose. For the detailed reasons for the change in use of proceeds, please refer to the Second Change in UOP Announcement.
Lease of four digital printers	As disclosed in the Second Change in UOP Announcement, the Group entered into a finance lease agreement for the lease of four digital printers at a total lease payment of approximately HK$5 million. The set up of the digital printers was completed in June 2020.
Purchase of printing related machines	As at 31 March 2023, the Group acquired printing related machines from an independent third party at approximately HK$5.0 million. The set up of the printing related machines was completed in September 2022.
Upgrade information technology systems	The set up of the Company's website and mobile application was completed in 2020.

Management Discussion and Analysis

USE OF PROCEEDS IN RELATION TO THE SHARE OFFER

On 28 March 2018, the Company's shares were listed on GEM and 225,000,000 new shares of HK$0.01 each (equivalent to 45,000,000 shares of HK$0.05 each after the share consolidation took effect on 27 December 2023) were issued at HK$0.23 (the "Share Offer"). The net proceeds from the Share Offer was HK$24.0 million after payment of transaction cost and listing expenses. As disclosed in the First Change in UOP Announcement, the Board resolved to reallocate the use of the net proceeds from the Share Offer for acquiring a six-colour offset press to replace of one of the Group's existing four-colour offset press (the "First Change in UOP").

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

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

USE OF PROCEEDS IN RELATION TO THE SHARE OFFER (CONTINUED)

As disclosed in the Second Change in UOP Announcement, the Board resolved to have a second change with respect to the use of net proceeds (the "Second Change in UOP"). The unutilised net proceeds from the Share Offer as at 31 March 2023 was approximately HK$1.9 million which was brought forward for the use during FY2024. During FY2024, approximately HK$1.0 of such net proceeds has been utilised and the remaining HK$0.9 million has been carried forward for use in future. Details of the Second Change in UOP up to 31 March 2024 are set out as follows:

	Planned use of the net proceeds as announced on 23 March 2020 (adjusted according to the actual net proceeds received) HK$ million (approximately)	Unutilised net proceeds up to 31 March 2023 HK$ million (approximately)	Amount of net proceeds utilised during FY2024 HK$ million (approximately)	Unutilised net proceeds up to 31 March 2024 HK$ million (approximately)	Expected timeline of full utilisation of the balance
Purchase of a six-colour offset press	10.7	–	–	–	–
Lease of four digital printers	5.0	1.9	1.0	0.9	End of 2025
Purchase of printing related machines	5.0	–	–	–	–
Working capital	2.4	–	–	–	–
Upgrade information technology systems	0.9	–	–	–	–
Total	24.0	1.9	1.0	0.9	–

As disclosed in the Second Change in UOP Announcement, the Group entered into a finance lease agreement with an independent third party, being the manufacturer of printer and copier, for the lease of four new digital printers at the total lease payment of HK$5,040,000, of which HK$5.0 million will be funded by the net proceeds, for a lease term of 60 months. For details, please refer to the Second Change in UOP Announcement. Total lease payment of approximately HK$4.1 million has been paid out of the net proceeds up to 31 March 2024.

The remaining unused net proceeds as at 31 March 2024 were placed as bank balances with licensed banks in Hong Kong and will be applied according to the intended usage stated in the Prospectus, the First Change in UOP Announcement and the Second Change in UOP Announcement.

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

USE OF PROCEEDS IN RELATION TO THE SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

On 19 April 2023 (after trading hours), the Company (as issuer) entered into the subscription agreement with Mr. Tsang Yee Fung and Mr. Chiu Wan Lung (being independent third parties) (as subscribers), pursuant to which, the Company has conditionally agreed to allot and issue, and the Subscribers has conditionally agreed to subscribe for, a total of 98,000,000 Subscription Shares of HK$0.01 each (equivalent to 19,600,000 shares of HK$0.05 each after the share consolidation took effect on 27 December 2023) at the subscription price of HK$0.04 per Subscription Share under general mandate (the "Subscription"). Based on the closing price of the Shares of HK$0.026 per Share on 19 April 2023, being the date of the subscription agreement, the Subscription Shares have a market value of approximately HK$2.55 million. The aggregate nominal value of the Subscription Shares is HK$980,000. The gross proceeds of the Subscription were approximately HK$3.92 million. After taking into account the expenses related to the Subscription, the net proceeds of the Subscription were approximately HK$3.73 million, representing the net price of approximately HK$0.0381 per Subscription Share. The Subscription represented an opportunity to raise capital for the business operations of the Group while broadening the Shareholder base of the Company, and the Company intended to use all the net proceeds of the Subscription of approximately HK$3.73 million to settle its current liabilities such as trade and other payables and accruals of the Group. Completion of the Subscription took place on 3 May 2023. For further details, please refer to the announcements of the Company dated 19 April 2023 and 3 May 2023.

The details of the use of proceeds from the Subscription during the period are set out in the following table:

Expected use of net proceeds	Planned use of the net proceeds as announced on 19 April 2023 (adjusted according to the actual net proceeds received) HK$ million (approximately)	Amount of net proceeds utilised during FY2024 HK$ million (approximately)	Unutilised net proceeds up to 31 March 2024 HK$ million (approximately)
Settlement of current liabilities such as trade payables and other payables and accruals	3.73	3.73	–

As at 31 March 2024, the Company had fully utilised the net proceeds of approximately HK$3.73 million for the settlement of current liabilities such as trade payables and other payables and accruals in accordance with the planned use of the net proceeds as announced by the Company on 19 April 2023.

USE OF PROCEEDS IN RELATION TO THE RIGHTS ISSUE ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY TWO (2) SHARES ON FULLY UNDERWRITTEN BASIS

On 3 October 2023, the Board has resolved to propose the Rights Issue on the basis of three rights shares for every two shares of the Company at HK$0.115 per rights share of HK$0.05 each on a fully underwritten basis. The adjusted closing price of the shares of HK$0.05 each was HK$0.135 per Share on 3 October 2023, being the date on which the proposal of the Rights Issue was put forth by the Board. The aggregate nominal value of the rights shares is HK$14,970,000. On 6 February 2024, the Company has completed the Rights Issue, and on 7 February 2024, the Company issued a total of 299,400,000 new ordinary shares of the Company. The gross proceeds of the Rights Issue were approximately HK$34.4 million. After taking into account the expenses related to the Rights Issue, the net proceeds of the Rights Issue were approximately HK$32.7 million, representing the net price of approximately HK$0.109 per rights share. The Rights Issue was conducted as the Group had imminent need of capital to support its business operation and expansion as detailed in the circular of the Company dated 30 November 2023, and the Company intended to apply the net proceeds from the Rights Issue for (i) repayment of trade and other payables and accruals; (ii) partial repayment of a shareholder's loan; and (iii) general working capital (for settlement of additional staff salary and settlement of rental payments).

The details of the use of proceeds from the Rights Issue and unutilised net proceeds carried forward for future use are set out in the following table:

Expected use of net proceeds	Planned use of the net proceeds as announced on 8 January 2024 (adjusted according to the actual net proceeds received) HK$ million (approximately)	Amount of net proceeds utilised during FY2024 HK$ million (approximately)	Unutilised net proceeds up to 31 March 2024 HK$ million (approximately)	Expected timeline of full utilisation of the balance
Repayment of trade and other payables and accruals	8.6	8.6	–	
Partial repayment of a shareholder's loan	16.2	16.2	–	–
Settlement of additional staff salary	4.6	–	4.6	End of 2025
Settlement of rental payments	3.3	0.5	2.8	End of 2025
	32.7	25.3	7.4	

USE OF PROCEEDS IN RELATION TO THE RIGHTS ISSUE ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY TWO (2) SHARES ON FULLY UNDERWRITTEN BASIS (CONTINUED)

There is no material change between the intended use of proceeds and actual use of proceeds. The following is a comparison of the Group's business plan as set out in the prospectus of the Company dated 9 January 2024 (the "Prospectus 2024"), with actual business progress up to 31 March 2024.

Repayment of trade and other payables and accruals	As at 31 March 2024, the Company had fully utilised the net proceeds for the repayment of trade and other payables and accruals.
Partial repayment of a shareholder's loan	As at 31 March 2024, the Company had fully utilised the net proceeds for the partial repayment of a shareholder's loan.
Settlement of additional staff salary	The Group is in the process of recruiting more experienced staff. The Company expected the net proceeds for the settlement of additional staff salary will be fully utilised by the year ending 31 March 2025.
Settlement of rental payments	The Group is utilising the net proceeds for the settlement of rental payments as per the planned timeline. The Company expected the net proceeds for the settlement of rental payments will be fully utilised by the year ending 31 March 2025.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 March 2024, the Group did not have any plans for material investments and capital assets.

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. LAM Shing Tai (林承大), aged 57, has been appointed as an executive Director and the chairman of our Board with effect from 1 July 2022 and designated as the chief executive officer of the Company and compliance officer of the Company with effect from 1 July 2023. Mr. Lam is primarily responsible for the overall management, strategic planning and development of our Group. He is an authorised representative of the Company under the GEM Listing Rules and an authorized representative of the Company under Part 16 of the Companies Ordinance (chapter 622 of the laws of Hong Kong). He is also a director of each of the subsidiaries of our Company, namely, All In 1 Printing (Group) Limited, Universe Printing Holdings Limited, Print Shop Limited, Startec Colour Separation Printing Limited, Net Printshop Limited, Quick Quick Logistics Company Limited, South Sea International Press Limited, Universe Printshop Limited and Elegance Technology Printing Limited.

Mr. Lam is the sole director of New Metro Inc., which holds approximately 59.45% of the issued shares of the Company as at the date of this annual report.

Pursuant to the deed of acting in concert undertaking dated 4 April 2022 (the "Deed of Acting in Concert Undertaking") entered into among New Metro Inc., Mr. Lam Shing Tai (being the sole ultimate beneficial owner of New Metro Inc.), Mr. Chau Man Keung and Mr. Hsu Ching Loi, each of them is deemed to be interested in the shares held by the others. New Metro Inc. is the beneficial owner of 296,679,133 shares, Mr. Chau Man Keung is the beneficial owner of 8,273,200 shares and Mr. Hsu Ching Loi is the beneficial owner of 22,100,000 shares. Accordingly, Mr. Lam Shing Tai is interested in 327,052,333 shares, representing approximately 65.54% of the issued shares of the Company as at the date of this annual report.

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

Ms. LI Shuang (李爽), aged 54, has been appointed as an executive Director with effect from 1 July 2023. She is primarily responsible for providing general business advice to the Group. Ms. Li has over 20 years of experience in the import and export industry and over 7 years of experience in financial leasing. Ms. Li obtained her bachelor of arts degree in French from Sichuan School of Foreign Language (四川外語學院) (currently known as Sichuan International Studies University) in 1992. Ms. Li is currently an executive director and manager of Yihua Financial Leasing (Chongqing) Co., Ltd. (怡華融資租賃(重慶)有限公司), and is primarily responsible for developing financing and leasing business for equipment procured by companies for revitalising enterprise assets and supporting the technological improvement of corporate entities.

Mr. KAO Jung (高榮), aged 55, has been appointed as an executive Director with effect from 1 July 2023. He is primarily responsible for providing advice in relation to printing business. Mr. Kao has over 30 years of experience in the printing industry. He has experience in overseeing printing equipment affairs of company and leading sales of digital product equipment. Mr. Kao founded Mao Hua Enterprise Co., Ltd. (茂華實業股份有限公司) in July 2006 and has been serving as a general manager since then. Mr. Kao is currently a general manager of Home Making Creative Printing Co., Ltd. (家裡蹲創意印刷股份有限公司). Mr. Kao completed a two-year course in electronic engineering at the computing engineering department of Kuang Wu Industry Junior College (currently known as Taipei City University of Science and Technology) in 1990.

Biographical Details of Directors and Senior Management

Mr. YIP Chi Man (葉子民), aged 59, has been appointed as an executive Director with effect from 1 July 2023. Mr. Yip has over 30 years of experience in the printing industry with involvements along the printing process ranging from production and product research and development to marketing. He joined the Group in April 2022 as the assistant to the chairman of the Board and the chief operating officer of the Company and is mainly responsible for the day-to-day operations of the Company. Prior to joining the Group, Mr. Yip was employed at Promise Network Printing Limited from October 2014 to August 2021 as the business development director. Mr. Yip is also a director of certain subsidiaries of the Company, namely, All In 1 Printing (Group) Limited, Universe Printing Holdings Limited, Print Shop Limited, Startec Colour Separation Printing Limited, Net Printshop Limited, Quick Quick Logistics Company Limited, South Sea International Press Limited, Universe Printshop Limited and Elegance Technology Printing Limited.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. WONG Chun Kwok (黃振國), aged 42, has been appointed as an independent non-executive Director with effect from 1 July 2022. He is also the chairman of each of the audit committee of the Board (the "Audit Committee") and the risk management committee of the Board (the "Risk Management Committee"), and a member of each of the nomination committee of the Board (the "Nomination Committee") and the remuneration committee of the Board (the "Remuneration Committee"). He has over 18 years of experience in accounting and finance. Mr. Wong currently serves as a non-executive director of DW Consulting Corporation Limited, the chief financial officer of Huisen Household International Group Limited, a company listed on the Main Board of the Stock Exchange with stock code 2127 and an independent director of Datasea Inc. (NASDAQ: DTSS). He served as the financial controller from February 2017 to January 2018 and the chief financial officer from January 2018 to August 2020 of Fitness World (Group) Limited. He was a senior associate in the assurance practice of PricewaterhouseCoopers Limited (PwC) from January 2016 to January 2017. He worked at Moore Stephens Associates Limited (Hong Kong) as an audit senior associate from October 2010 to December 2015. He worked at KLC CPA Limited from October 2005 to August 2010 with his last position being a supervisor. Mr. Wong is a fellow member of Association of Chartered Certified Accountants and an affiliate member of The Society of Chinese Accountants & Auditors. Mr. Wong obtained his Bachelor of Commerce degree in Accounting from Macquarie University in Sydney, Australia in 2005.

Mr. HO Kar Ming (何嘉明), aged 52, has been appointed as an independent non-executive Director with effect from 1 July 2022. He is also the chairman of the Remuneration Committee and a member of each of the Audit Committee, the Nomination Committee and the Risk Management Committee. He currently serves as the chief executive officer of Linpons Company Limited, a company established for provision of business advisory and promotion services, communication solution and language training, since September 2021 and the relationship manager of Infinity Asset Management Limited (a corporation licensed by the Securities and Futures Commission to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance) from July 2020 to May 2022. He served as the chief operating officer of Mastermind Strategy Advisors Limited, a company established for provision of business advisory services, from May 2019 to September 2021. He was a senior advisor of Di & Cooke Company Limited, a company established for provision of business advisory services and corporate planning and training, from March 2011 to March 2019. Mr. Ho obtained his Bachelor of Business degree in Banking and Finance from Queensland University of Technology in Australia in March 1995.

Ms. SO Shuk Wan (蘇淑韻), aged 37, has been appointed as an independent non-executive Director with effect from 1 July 2022. She is also the chairlady of the Nomination Committee and a member of each of the Audit Committee, the Remuneration Committee and the Risk Management Committee. She has over 11 years of experience in corporate governance. She currently serves as the Hong Kong Company Secretary of SouthGobi Resources Ltd. ("SGQ"), a mining company listed on the Main Board of the Stock Exchange with stock code 1878 and TSX Venture Exchange with stock code SGQ. Ms. So joined SGQ in February 2011 and has held various positions, including assistant company secretary before being appointed as the Hong Kong Company Secretary in January 2021. Ms. So obtained her Bachelor of Business Administration from the Bernard M. Baruch College of the City University of New York in June 2010 and a Master of Corporate Governance from the Hong Kong Polytechnic University in September 2019. Ms. So is an associate member of The Hong Kong Chartered Governance Institute, and a Certified ESG Planner of the International Chamber of Sustainable Development.

SENIOR MANAGEMENT

Mr. SO Hang Fung (蘇恒峯), aged 39, joined the Group in 2018 as a financial controller. Mr. So was appointed as chief financial officer and company secretary of our Group in February 2021. He is primarily responsible for financial reporting, financial control matters and corporate secretarial matters of our Group. Mr. So has more than 15 years of experience in finance and accounting management since September 2008. Prior to joining our Group, he worked in a managerial grade position in a state-owned enterprise and the assurance department of an international audit firm.

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

Mr. Anson Poon (潘安信), aged 56, joined the Group in April 2022 as the customer service deputy director. He is responsible for planning and execution of customer service strategies in relation to the operation of our retail shops and management of our hotline call centre. Mr. Poon was promoted to the position of regional customer service director of our Group in May 2023.

Mr. Poon has over 31 years experience across various industries, including customer service, inbound and outbound call centre operation, printing, financial printing, telecom and banking through roles for a variety of corporations, including PCCW Limited, China Mobile Peoples Telephone Company Limited, Hang Seng Bank Limited, South China Morning Post Publishers Limited, Ming Pao, Recruit & Company Limited, Roman Financial Press Limited, Dow Jones – Asian Wall Street Journal, China Light and Power Limited and Datatrade Limited.

Mr. WANG Hsiung Yu (王雄育), aged 50, joined our Group as a technician in September 2006 and has been the regional production manager of our Group since 2009. Mr. Wang was promoted to the position of production deputy director of our Group in May 2023. Mr. Wang is primarily responsible for overseeing and supervising workers in printing and further processing stage in production and a technical consultant of our Group. Mr. Wang has over 26 years' experience in the printing industry.

Directors' Report

The Board is pleased to submit this report together with the audited consolidated financial statements of the Group for the year ended 31 March 2024.

PRINCIPAL ACTIVITIES

The Group is principally engaged in providing printing services to its clients, which include offset printing, ink-jet printing and toner-based digital printing. In addition to these printing services, the Group also provides other printing-related products such as pre-ink stamps, plastic name-cards, printed eco-bags and printed plastic folders.

An analysis of the Group's performance for the year ended 31 March 2024 is set out in the "Management Discussion and Analysis" section of this annual report.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2024 are set out in the consolidated statement of comprehensive income on page 72 of this annual report.

The Directors do not recommend the payment of a dividend for the year ended 31 March 2024.

DONATIONS

Charitable and other donations made by the Group during the year ended 31 March 2024 amounted to nil.

SHARES CAPITAL

Details of movement in the Company's share capital during the year ended 31 March 2024 are set out in Note 26(b) to the consolidated financial statements.

Please also refer to the sections headed "Management Discussion and Analysis - Financial Review - Liquidity, financial resources and capital structure", " Management Discussion and Analysis – Use of Proceeds in relation to the Subscription of New Shares under General Mandate" and " Management Discussion and Analysis – Use of Proceeds in relation to the Rights Issue on the Basis of Three (3) Rights Shares for Every Two (2) Shares on Fully Underwritten Basis" for details of the Subscription (as defined therein) and the Rights Issue (as defined therein).

EQUITY LINKED AGREEMENTS

Save as disclosed in the section headed "Share Option Scheme", no equity-linked agreements were entered into by the Company at any time during the year ended 31 March 2024 or subsisted at the end of the year.

DISTRIBUTABLE RESERVES

As at 31 March 2024, the Company did not have any reserve available for distribution.

PRE-EMPTIVE RIGHTS

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

FIVE-YEAR FINANCIAL SUMMARY

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

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Save for the Subscription and the Rights Issue as disclosed in this report, "Management Discussion and Analysis – Use of Proceeds in relation to the Subscription of New Shares under General Mandate" and "Management Discussion and Analysis – Use of Proceeds in relation to the Rights Issue on the Basis of Three (3) Rights Shares for Every Two (2) Shares on Fully Underwritten Basis", neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury share, if any) during FY2024 and up to the date of this report.

RIGHTS ISSUE

On 6 February 2024, the Company has completed the Rights Issue on the basis of three rights shares for every two shares of the Company at a subscription price of HK$0.115 per rights share of HK$0.05 each on a fully underwritten basis, and on 7 February 2024, the Company issued a total of 299,400,000 new ordinary shares of the Company. After taking into account the expenses related to the Rights Issue, the net proceeds of the Rights Issue were approximately HK$32.7 million, representing the net price of approximately HK$0.109 per rights share.

For further details of the Rights Issue, please refer to the section headed "Management Discussion and Analysis – Use of Proceeds in relation to the Rights Issue on the Basis of Three (3) Rights Shares for Every Two (2) Shares on Fully Underwritten Basis".

SHARE OPTION SCHEME

The Company adopted a share option scheme by written resolutions of shareholders passed on 26 February 2018. The purpose of the share option scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners and service providers of the Group and to promote the success of the business of the Group. As the share option scheme was adopted before the effective date of the new Chapter 23 of the GEM Listing Rules (i.e. 1 January 2023), the Company has complied and will continue to comply with the new Chapter 23 to the extent required by the transitional arrangements for the existing share schemes. In the future event that the Company wishes to make grants under the share option scheme and/or adopt new share scheme(s), the Company will make appropriate announcement and if necessary seek shareholders' approval accordingly.

SHARE OPTION SCHEME (CONTINUED)

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

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

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

An option may be exercised in accordance with the terms of the share option scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof. Save as determined by the Board and provided in the offer of the grant of the relevant options, there is no minimum holding period or performance target which must be achieved before any options can be exercised. The share option scheme will remain in force for a period of ten years commencing from the date of its adoption on 26 February 2018 and will expire at the close of business on 25 February 2028. As at 31 March 2024, the remaining life of the share option scheme was approximately 4 years). Under the said scheme, the maximum number of shares of the Company that may be issued upon the exercise of options that may be granted is 90,000,000 shares of HK$0.01 each (equivalent to 18,000,000 shares of HK$0.05 each (after the share consolidation took effect on 27 December 2023), representing approximately 3.6% of the issued share capital of the Company as at the date of this report. No share options were granted, exercised, lapsed or cancelled under the share option scheme since its adoption. As at 1 April 2023 and 31 March 2024, there was no outstanding share option and the number of options available for grant under the share option scheme was 90,000,000 (equivalent to 18,000,000 shares after the share consolidation took effect on 27 December 2023).

Directors' Report

DIRECTORS

The Directors during the year ended 31 March 2024 and up to the date of this report were:

Executive Directors

Mr. Lam Shing Tai (Chairman and Chief Executive Officer)
(appointed as Chief Executive Officer on 1 July 2023)
Mr. Chau Man Keung (Vice Chairman) (resigned on 1 July 2023)
Mr. Hsu Ching Loi (Chief Executive Officer) (resigned on 1 July 2023)
Ms. Li Shuang (appointed on 1 July 2023)
Mr. Kao Jung (appointed on 1 July 2023)
Mr. Yip Chi Man (appointed on 1 July 2023)

Independent Non-Executive Directors

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

DIVIDEND POLICY

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

DIRECTORS' SERVICE CONTRACTS

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

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

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

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

Other than the material related party transaction disclosed in Note 30 to the consolidated financial statements and the section headed "Connected Transactions" below, no transactions, arrangements and contracts of significance to which the Group was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at anytime during the year ended 31 March 2024.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Other than the material related party transaction disclosed in Note 30 to the consolidated financial statements and the section headed "Connected Transactions" below, neither the Company nor any of its subsidiaries had entered into any contract of significance with the Company's controlling shareholders or their subsidiaries, or any contract of significance for the provision of services to the Company or any of its subsidiaries by the Company's controlling shareholders or their subsidiaries during the year ended 31 March 2024.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time for the year ended 31 March 2024 was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of the Directors, their spouses or children under the age of eighteen, had any rights to subscribe for securities of the Company, or had exercised any such rights during the year.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of directors and senior management are set out on pages 18 to 20 of this report.

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

As at 31 March 2024, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange: (a) pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein (the "Register"); or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange were as follows:

Long position in ordinary shares of the Company as at 31 March 2024

Name of Director	Capacity/Nature of interest	Number of shares held/ interested	Long/short position	Approximate percentage of shareholding (%)
Mr. Lam Shing Tai	Interest in controlled corporation (Note 1)	296,679,133	Long position	59.45
	Interest held jointly with another person (Note 2)	30,373,200	Long position	6.09
Mr. Yip Chi Man	Interest of spouse (Note 3)	4,750,000	Long position	0.95

Long position in ordinary shares of the associated corporation as at 31 March 2024

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

Notes:

1. Mr. Lam Shing Tai holds 100% of the issued share capital of New Metro Inc. ("New Metro"). Under the SFO, Mr. Lam Shing Tai is deemed to be interested in the 296,679,133 Shares held by New Metro.

2. Pursuant to the deed of acting in concert undertaking dated 4 April 2022 (the "Deed of Acting in Concert Undertaking") entered into among New Metro, Mr. Lam Shing Tai (being the sole ultimate beneficial owner of New Metro), Mr. Chau Man Keung and Mr. Hsu Ching Loi (collectively the "Concerted Controlling Shareholders"), each of them is deemed to be interested in the Shares held by the others. New Metro is the beneficial owner of 296,679,133 Shares, Mr. Chau Man Keung is the beneficial owner of 8,273,200 Shares and Mr. Hsu Ching Loi is the beneficial owner of 22,100,000 Shares. Accordingly, the Concerted Controlling Shareholders are each interested in 327,052,333 Shares, representing approximately 65.54% of the entire issued share capital of the Company as at 31 March 2024.

3. Mr. Yip Chi Man is the spouse of Ms. Au Suk Han Shirley. By virtue of the SFO, Mr. Yip Chi Man is deemed to be interested in all the Shares in which Ms. Au Suk Han Shirley is interested or deemed to be interested under the SFO.

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

Save as disclosed above, as at 31 March 2024, none of the Directors nor chief executive of the Company had or was deemed to have any other interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standards of dealing of directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

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

So far as is known to the Directors, as at 31 March 2024, the following persons/entities other than a Director or the chief executive of the Company had interests or short positions in the shares and underlying shares of the Company, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the issued voting shares of the Company:

Long position in ordinary shares of the Company as at 31 March 2024

Name of Shareholders	Capacity/Nature of interest	Number of shares held/ interested	Long/short position	Approximate percentage of shareholding in the Company (%)
New Metro	Beneficial owner	296,679,133	Long position	59.45
	Interest held jointly with another person (Note 1)	30,373,200	Long position	6.09
Mr. Chau Man Keung	Beneficial owner	8,273,200	Long position	1.66
	Interest held jointly with another person (Note 1)	318,779,133	Long position	63.88
Mr. Hsu Ching Loi	Beneficial owner	22,100,000	Long position	4.43
	Interest held jointly with another person (Note 1)	304,952,333	Long position	61.11
Ms. Fung Chi Kuen	Interest of spouse (Note 2)	327,052,333	Long position	65.54
Ms. Siu Man Yam	Interest of spouse (Note 3)	327,052,333	Long position	65.54
Ms. Ng Lai Nga	Interest of spouse (Note 4)	327,052,333	Long position	65.54

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

Notes:

1. Pursuant to the Deed of Acting in Concert Undertaking, each of the Concerted Controlling Shareholders is deemed to be interested in the Shares held by the others. The Concerted Controlling Shareholders are each interested in 327,052,333 Shares, representing approximately 65.54% of the entire issued share capital of the Company as at 31 March 2024.

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

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

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

Save as disclosed above and so far as is known to the Directors, as at 31 March 2024, the Directors were not aware of any other persons who had or deemed or taken to have any interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register of the Company required to be kept under section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the issued voting shares of the Company.

MANAGEMENT CONTRACTS

Save for the service contracts of the executive Directors, no contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 March 2024.

MAJOR SUPPLIERS AND CUSTOMERS

During the year ended 31 March 2024, the purchases attributable to the five largest suppliers of the Group accounted for approximately 80.5% of the total purchases for the year and the purchases to the largest supplier included therein accounted for approximately 69.9%.

During the year ended 31 March 2024, the percentage of sales attributable to the five largest customers of the Group in aggregate is less than 30% of the Group's total revenue.

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

RELATIONSHIP WITH EMPLOYEES, SUPPLIERS, CUSTOMERS AND OTHER STAKEHOLDERS

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

The Group recognises that the success in the printing industry is dependent on our employees. The principal policies concerning remuneration of employees are determined based on their duties, responsibilities, experience and skills. The Group regularly reviews and determines the remuneration and compensation packages of the employees. The Group is also committed to providing a safe and healthy environment for its employees. The Directors believe that, the management policies, working environment, development opportunities and employee benefits have contributed to employees' satisfaction levels and retention level. The Group organises bonding activities, such as annual staff dinners, to allow employees to strengthen their bonding. During the year ended 31 March 2024, the Group did not experience any strike or labour dispute with our staff which had caused significant disruption to the Group's business operations.

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

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

RELATED PARTY TRANSACTIONS

A summary of the material related party transactions which were conducted in the ordinary course of business are set out in Note 30 to the consolidated financial statements. Certain of which constitute discloseable connected transactions under the GEM Listing Rules. These connected transactions have complied with the requirements under Chapter 20 of the GEM Listing Rules.

The salaries and retirement scheme contribution paid to related parties as mentioned in Note 30 were connected transactions which were exempt from reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

CONNECTED TRANSACTIONS

Acquisition of Machinery

Reference is made to the announcements of the Company dated 16 May 2023 and 21 June 2023 and the circular of the Company dated 31 May 2023 in relation to the acquisition of machinery (being two sets of brand new FUJIFILM four-colour digital ink-jet printing machine (model: Jet Press 750S)) (the "Machinery") and the relevant hire purchase agreement. On 16 May 2023 (after trading hours), the purchaser, Universe Printing Holdings Limited ("UPHL"), an indirect wholly-owned subsidiary of the Company (the "Purchaser"), 素位科技(深圳)有限公司 (transliterated as Suwei Technology (Shenzhen) Co., Ltd. for identification purposes) (the "Vendor") and 重慶保晟國際貿易有限公司 (transliterated as Chongqing Polysun International Trade Co., Ltd. for identification purposes) (the "Foreign Trade Agent") entered into an acquisition agreement, pursuant to which the Purchaser has conditionally agreed to purchase, the Vendor has conditionally agreed to sell, and the Foreign Trade Agent has conditionally agreed to provide import/export services in relation to the sale of, the Machinery at the consideration of HK$18,700,000. Despite the fact that the Vendor, the Foreign Trade Agent and their respective ultimate beneficial owners are not associates of connected persons of the Company under the GEM Listing Rules, the Board has decided to take a more stringent corporate governance approach and the Company had fulfilled the connected transaction requirements under Chapter 20 of the GEM Listing Rules. The Company obtained independent shareholders' approval of the transaction at the relevant general meeting on 21 June 2023. As part of the consideration was financed by hire purchase facility, the Purchaser (as hirer), The Bank of East Asia, Limited (as owner) and the Company (as guarantor) subsequently entered into a hire purchase agreement for a facility of HK$16,830,000 with a hire period of 60 months and at an interest rate of one month HIBOR (Hong Kong Interbank Offered Rate) plus 2.50% per annum.

Underwriting Agreement in respect of the Rights Issue

Reference is made to the Rights Issue (which was conducted on a fully-underwritten basis) as detailed in the sections headed "Management Discussion and Analysis – Financial Review – Liquidity, financial resources and capital structure" and " Management Discussion and Analysis – Use of Proceeds in relation to the Rights Issue on the Basis of Three (3) Rights Shares for Every Two (2) Shares on Fully Underwritten Basis". On 3 October 2023 (after trading hours), the Company (as issuer) and New Metro (as underwriter) entered into the underwriting agreement (as amended and supplemented by the supplemental underwriting agreements dated 5 October 2023, 19 October 2023, 3 November 2023 and 16 November 2023) (the "Underwriting Agreement") whereby New Metro conditionally agrees to underwrite in maximum 163,602,300 rights shares, being such number of rights shares to be issued pursuant to the Rights Issue less the 135,797,700 rights shares to be subscribed by New Metro, Mr. Tsang Yee Fung and Mr. Chiu Wan Lung pursuant to relevant irrevocable undertakings, at nil underwriting commission. As set out in the announcement of the Company dated 6 February 2024, New Metro had taken up 119,349,633 rights shares pursuant to the Underwriting Agreement. New Metro, the underwriter, is a controlling shareholder of the Company and therefore a connected person of the Company. Accordingly, the transactions contemplated under the Underwriting Agreement constitute connected transactions for the Company under the GEM Listing Rules and the Underwriting Agreement is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules. The Company had fulfilled the connected transaction requirements under Chapter 20 of the GEM Listing Rules.

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

EMOLUMENT POLICY FOR DIRECTORS AND SENIOR MANAGEMENT

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

EMPLOYEES AND EMOLUMENT POLICIES

As at 31 March 2024, the Group employed 39 (31 March 2023: 69) full time employees in Hong Kong. The staff costs of the Group, including directors' emoluments, employees' salaries, retirement benefits schemes contributions and other benefits amounted to approximately HK$20.3 million for FY2024 (FY2023: HK$26.0 million).

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

The Group has established a Mandatory Provident Fund Scheme (the "MPF Scheme") for its Hong Kong employees. The assets of the scheme are held separately in funds which are under the control of independent trustees. The retirement benefit scheme contributions charged to profit or loss represent contributions paid or payable by the Group to the scheme at 5% of each of the employees' monthly relevant income capped at HK$30,000 per month. The total costs charged to profit or loss for FY2024 amounted to approximately HK$0.7 million (FY2023: approximately HK$1.0 million) and represented contributions paid or payable to the schemes by the Group in respect of the current accounting period. At the end of the reporting period, there were no forfeited contributions available to reduce the existing level of contributions.

COMPETING BUSINESS

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

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

COMPETING BUSINESS (CONTINUED)

Each of the executive Directors has undertaken in his/her service contract, among other things, not to carry on, participate, engage or be engaged or concerned or interested in any business which is in competition with or similar to the business of the Group. Each of the executive Directors confirms that he/she and his/her close associates had complied with the non-competition undertakings as set out in their respective service contracts from the date of the service contract during the year ended 31 March 2024.

The independent non-executive Directors have reviewed the status of compliance and confirmed that all the above non-competition undertakings have been complied with during the year ended 31 March 2024.

For the year ended 31 March 2024, none of the Directors, controlling shareholder of the Company or their respective close associates (as defined in the GEM Listing Rules) has any business or interest that competed or might compete either directly or indirectly with the business of the Group and any other conflicts of interests which any such person had or might have with the Group.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company has maintained the prescribed public float of not less than 25% of the Company's issue shares as required under the GEM Listing Rules during FY2024 and up to the date of this report.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision (as defined in section 469 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) for the benefit of the existing directors of the Company is currently in force and was in force throughout the year ended 31 March 2024.

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

ENVIRONMENTAL POLICIES AND PERFORMANCE

The environmental policies and performance of the Group for the year ended 31 March 2024 is set out in the section headed "Environmental, Social and Governance Report" on pages 49 to 66 of this annual report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group recognises the importance of compliance with legal and regulatory requirements and the risk of non-compliance with such requirements. The Group conducts on-going reviews of newly enacted/revised laws and regulations affecting its operations. The Company is not aware of any non-compliance in any material respect with the relevant laws and regulations that have a significant impact on the business and operation of the Group for the year ended 31 March 2024.

Directors' Report

EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any events after the reporting period that require disclosure.

AUDITOR

The consolidated financial statements for the years ended 31 March 2023 and 2024 have been audited by BDO Limited who will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting. A resolution for the re–appointment of BDO Limited as auditor of the Company will be proposed at the forthcoming annual general meeting. There has been no change in auditors of the Company in the preceding three years.

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

Hong Kong, 25 June 2024

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICE

The Directors recognise the importance of good corporate governance in management and internal procedures so as to achieve effective accountability. The Company's corporate governance practices are based on the principles of good corporate governance, code provisions and recommended best practices as set out in the Corporate Governance Code in Appendix C1 to the GEM Listing Rules (the "CG Code").

The Company has complied with all applicable code provisions as set out in Part 2 of the CG Code during FY2024 and up to the date of this report except for the deviation from Code Provision C.2.1 of the CG Code as explained below.

According to Code Provision C.2.1 of the CG Code, the roles of the chairman and the chief executive should be separate and performed by different individuals to ensure a balance of power and authority so that power is not concentrated in any one individual. Upon the appointment of Mr. Lam Shing Tai as the chief executive officer of the Company on 1 July 2023, Mr. Lam Shing Tai performs both of the roles as the chairman of the Board and the chief executive officer of the Company. This deviates from Code Provision C.2.1 of the CG Code contained in Appendix C1 to the GEM Listing Rules, which requires that the roles of chairman and the chief executive officer should be separate and should not be performed by the same individual. However, the Board considers that this structure does not impair the balance of power and authority between the Board and the management of the Company. With effect from 1 July 2023 and as at the date of this report, the Board comprises four executive Directors (including Mr. Lam Shing Tai) and three independent non-executive Directors and therefore has a fairly strong independence in its composition. Members of the Board meet regularly to discuss issues relating to the operation of the Company in order to provide adequate safeguards to protect the interests of the Company and its shareholders. As all major decisions are made in consultation with the members of the Board, and there are three independent non-executive Directors on the Board offering independent advices, the Board is of the view that there are adequate safeguards in place to ensure sufficient balance of powers and authority within the Board. In addition, after taking into account the past experience of Mr. Lam Shing Tai, the Board is of the opinion that vesting the roles of the chairman of the Board and the chief executive officer of the Company in Mr. Lam Shing Tai helps to facilitate the execution of the Group's business strategies and enhance the effectiveness of its operation. Hence, the aforesaid deviation is appropriate and in the best interest of the Company at the present stage.

The Board will continue to review and monitor the practices of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of the Company.

CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings concerning securities transactions by the Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "Model Code") as its own code governing securities transactions of the Directors. Having made specific enquiry of all the Directors, all of them confirmed that they had fully complied with the required standard of dealings as set out in the Model Code during FY2024 and up to the date of this report.

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

BOARD OF DIRECTORS

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

As of the date of this report, the Board comprises 7 Directors including 4 executive Directors and 3 independent non-executive Directors, whose names, roles and functions are listed below:

Executive Directors

Mr. Lam Shing Tai *(Chairman and Chief Executive Officer)*
Ms. Li Shuang
Mr. Kao Jung
Mr. Yip Chi Man

Independent Non-executive Directors

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

As disclosed in the announcement of the Company dated 30 June 2023, each of Ms. Li Shuang, Mr. Kao Jung and Mr. Yip Chi Man has been appointed as an executive Director with effect from 1 July 2023. Each of Ms. Li Shuang, Mr. Kao Jung and Mr. Yip Chi Man obtained legal advice from a firm of solicitors qualified to advise on Hong Kong law as regards the requirements under the GEM Listing Rules that are applicable to him/her as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange on 29 June 2023. Each of Ms. Li Shuang, Mr. Kao Jung and Mr. Yip Chi Man has confirmed he/she understood his/her obligations as a director of a listed issuer.

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

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

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

BOARD OF DIRECTORS (CONTINUED)

For the year ended 31 March 2024, four Board meetings and three general meetings were held and the Directors attended the meetings in person and/or by electronic means as follows.

Director	Attendance/ Number of Board meeting	Attendance/ General Meeting
Executive Directors:		
Mr. Lam Shing Tai *(Chairman and Chief Executive Officer)*	4/4	3/3
Ms. Li Shuang (appointed on 1 July 2023)	3/3	2/2
Mr. Kao Jung (appointed on 1 July 2023)	3/3	2/2
Mr. Yip Chi Man (appointed on 1 July 2023)	3/3	2/2
Mr. Chau Man Keung (resigned on 1 July 2023)	1/1	1/1
Mr. Hsu Ching Loi (resigned on 1 July 2023)	1/1	1/1
Independent Non-Executive Directors:		
Mr. Wong Chun Kwok	4/4	3/3
Mr. Ho Kar Ming	4/4	3/3
Ms. So Shuk Wan	4/4	3/3

Apart from the above Board meetings, the chairman of the Board, being the chief executive officer of the Company, held a meeting with all the independent non-executive Directors without the presence of the other Directors during FY2024.

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

Age group	No. of Directors and senior management in the category
Below 40 years old	2
Between 41–50 years old	2
Between 51–60 years old	6

Gender	No. of Directors and senior management in the category
Female	2
Male	8

Length of service period	No. of Directors and senior management in the category
Within 5 years	8
5 to 10 years	1
Over 10 years	1

BOARD OF DIRECTORS (CONTINUED)

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

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

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

BOARD MEETINGS

Board minutes are kept by the company secretary of the Company and are open for inspection by the Directors. Every Board member is entitled to have access to Board papers and related materials and has unrestricted access to the advice and services of the company secretary of the Company and has the liberty to seek independent professional advice, at the Company's expense, if so required.

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

DIRECTORS' TRAINING

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

All Directors, namely Mr. Lam Shing Tai, Ms. Li Shuang, Mr. Kao Jung, Mr. Yip Chi Man, Mr. Wong Chun Kwok, Mr. Ho Kar Ming and Ms. So Shuk Wan, have participated in continuous professional development by way of attending seminars organised by the Company on topics relating to their role as a Director of the Company during the year ended 31 March 2024.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

According to Code Provision C.2.1 of the CG Code, the roles of the chairman and the chief executive should be separate and performed by different individuals to ensure a balance of power and authority so that power is not concentrated in any one individual. Upon the appointment of Mr. Lam Shing Tai as the chief executive officer of the Company on 1 July 2023, Mr. Lam Shing Tai performs both of the roles as the chairman of the Board and the chief executive officer of the Company. This deviates from Code Provision C.2.1 of the CG Code contained in Appendix C1 to the GEM Listing Rules, which requires that the roles of chairman and the chief executive officer should be separate and should not be performed by the same individual. However, the Board considers that this structure does not impair the balance of power and authority between the Board and the management of the Company. With effect from 1 July 2023 and as of the date of this report, the Board comprises four executive Directors (including Mr. Lam Shing Tai) and three independent non-executive Directors and therefore has a fairly strong independence in its composition. Members of the Board meet regularly to discuss issues relating to the operation of the Company in order to provide adequate safeguards to protect the interests of the Company and its shareholders. As all major decisions are made in consultation with the members of the Board, and there are three independent non-executive Directors on the Board offering independent advices, the Board is of the view that there are adequate safeguards in place to ensure sufficient balance of powers and authority within the Board. In addition, after taking into account the past experience of Mr. Lam Shing Tai, the Board is of the opinion that vesting the roles of the chairman of the Board and the chief executive officer of the Company in Mr. Lam Shing Tai helps to facilitate the execution of the Group's business strategies and enhance the effectiveness of its operation. Hence, the aforesaid deviation is appropriate and in the best interest of the Company at the present stage. The Board will continue to review and monitor the practices of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTORS

In compliance with the GEM Listing Rules, the Company has appointed three independent non-executive Directors for a fixed term of three years representing not less than one-third of the Board and at least one of whom has appropriate professional qualifications, or accounting or related financial management expertise, meeting the requirements set out in Rules 5.05 and 5.05A of the GEM Listing Rules.

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

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

BOARD COMMITTEES

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

AUDIT COMMITTEE

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

The following sets out members of the Audit Committee, all being independent non-executive Directors, during the year ended 31 March 2024:

Mr. Wong Chun Kwok *(Chairman)*
Mr. Ho Kar Ming
Ms. So Shuk Wan

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

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

The Audit Committee had held three meetings for the year ended 31 March 2024, which was attended by all the committee members, to review the audited financial statements, quarterly, half-yearly and annual results announcements, quarterly reports, interim report and annual report of the Company and met with the Company's independent auditor without the presence of management to discuss any potential issues identified by the auditor.

The attendance of each member of the Audit Committee at the Audit Committee meetings during the year ended 31 March 2024 is as follows:

Director	Number of attendance/ Number of meetings
Mr. Wong Chun Kwok *(Chairman)*	3/3
Mr. Ho Kar Ming	3/3
Ms. So Shuk Wan	3/3

The Group's consolidated financial statements for the year ended 31 March 2024 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the consolidated financial statements of the Group for the year ended 31 March 2024 comply with applicable accounting standards, the GEM Listing Rules and that adequate disclosures have been made.

REMUNERATION COMMITTEE

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

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

Details of the Directors emoluments for the year ended 31 March 2024 are set out in Note 10 to the consolidated financial statements.

The following sets out members of the Remuneration Committee, all being independent non-executive Directors, during the year ended 31 March 2024:

Mr. Ho Kar Ming *(Chairman)*
Mr. Wong Chun Kwok
Ms. So Shuk Wan

The Remuneration Committee had held one meeting for the year ended 31 March 2024, which was attended by all the committee members, to review the remuneration structure for the executive Directors and senior management and make recommendations on the remuneration of the Directors and senior management.

The Remuneration Committee also determined the policy for remuneration of executive Directors, assessed performance of executive Directors and approved the terms of the service contracts of executive Directors. During the year ended 31 March 2024, there were no material matters relating to the share option scheme of the Company which required review or approval by the Remuneration Committee.

The attendance of each member of the Remuneration Committee at the Remuneration Committee meeting during the year ended 31 March 2024 is as follows:

Director	Number of attendance/ Number of meetings
Mr. Ho Kar Ming *(Chairman)*	1/1
Mr. Wong Chun Kwok	1/1
Ms. So Shuk Wan	1/1

NOMINATION COMMITTEE

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

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

The following sets out members of the Nomination Committee, all being independent non-executive Directors, during the year ended 31 March 2024:

Ms. So Shuk Wan *(Chairlady)*
Mr. Wong Chun Kwok
Mr. Ho Kar Ming

The Nomination Committee had held one meeting for the year ended 31 March 2024, which was attended by all the committee members, to review the independence of independent non-executive Directors and consider the retirement and proposed re-appointment of Directors at the annual general meeting of the Company.

The attendance of each member of the Nomination Committee at the Nomination Committee meeting during the year ended 31 March 2024 is as follows:

Director	Number of attendance/ Number of meetings
Ms. So Shuk Wan *(Chairlady)*	1/1
Mr. Wong Chun Kwok	1/1
Mr. Ho Kar Ming	1/1

NOMINATION POLICY

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

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

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

NOMINATION POLICY (CONTINUED)

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

(a) Appointment of New Director

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

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

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

Retiring Directors are eligible for nomination by the Board to stand for re-election at annual general meetings according to the articles of association of the Company. In accordance with the article 84 of the articles of association of the Company, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

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

BOARD DIVERSITY POLICY

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

As at 31 March 2024, the Board comprised 5 males and 2 females with diverse age, background and experience in different industries, such as printing, accounting and finance industries. The Board considers that the Group achieved the Policy during the year ended 31 March 2024. The Company targets to avoid a single gender in the Board and is committed to further enhancing gender diversity as and when suitable candidates are identified. The Nomination Committee will deploy multiple channels to identify suitable candidates as Directors, including referral from Directors, shareholders, management, advisors of the Company and external agents as and when appropriate such that a robust pipeline of female successors to the Board can be established in the near future.

GENDER DIVERSITY AT WORKFORCE

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

As at 31 March 2024, the Company had 39 employees, 21 of which (i.e. approximately 53.8%) are male and 18 of which (i.e. approximately 46.2%) are female.

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

RISK MANAGEMENT COMMITTEE

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

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

The following sets out members of the Risk Management Committee, all being independent non-executive Directors, during the year ended 31 March 2024:

Mr. Wong Chun Kwok *(Chairman)*
Mr. Ho Kar Ming
Ms. So Shuk Wan

The Risk Management Committee has held one meeting for the year ended 31 March 2024 to review the risk management and internal control system of the Group and the effectiveness of the internal audit function of the Group and consider appointing an independent external consultant to independently perform internal control review and assess the effectiveness and adequacy of the Group's risk management and internal control systems.

The attendance of each member of the Risk Management Committee at the Risk Management Committee meeting during the year ended 31 March 2024 is as follows:

Director	Number of attendance/ Number of meetings
Mr. Wong Chun Kwok *(Chairman)*	1/1
Mr. Ho Kar Ming	1/1
Ms. So Shuk Wan	1/1

CORPORATE GOVERNANCE FUNCTIONS

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

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

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

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

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

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

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

For the year ended 31 March 2024, the Board held one meeting for reviewing the training and continuous professional development of Directors and senior management, reviewing the Company's compliance with the CG Code and reviewing the Company's disclosure in the corporate governance report.

EMOLUMENT OF DIRECTORS AND SENIOR MANAGEMENT

Particulars of the Directors' remuneration for the year ended 31 March 2024 are set out in Note 10 to the consolidated financial statements.

The Company's remuneration policy is to ensure that the remuneration offered to employees, including the Directors and senior management, is based on skills, knowledge, roles and responsibilities in the Group, having regard to the Company's operating results, individual performance and comparable market statistics. The remuneration packages of executive Directors are determined with reference to his/her roles and duties, qualifications, industry experience and responsibilities as well as the prevailing market conditions and are subject to updates in future by the decision of the Board with recommendation from the Remuneration Committee. The remuneration for the non-executive Directors (including independent non-executive Directors) mainly comprises Director's fee which is determined with reference to his/her duties and responsibilities.

Pursuant to Code Provision E.1.5 of the CG Code, the remuneration of the members of the senior management (other than the Directors) by band for the year ended 31 March 2024 is set out below:

Remuneration by band	Number of individuals
Nil to HK$1,000,000	3

AUDITORS'S REMUNERATION

For the year ended 31 March 2024, BDO Limited was engaged as the Group's independent auditors. Apart from the provision of annual audit services, BDO Limited also provided non-audit services to the Company. The remuneration paid/payable to BDO Limited, the auditors, is set out below:

Remuneration by nature	HK$
Audit services – Annual Audit	530,000
Non-audit services – Taxation	76,400

COMPANY SECRETARY

Mr. So Hang Fung ("Mr. So") was appointed as the company secretary of the Company on 9 February 2021. The biographical details of Mr. So are set out in the section headed "Biographical Details of Directors and Senior Management". For the year ended 31 March 2024, Mr. So has undertaken not less than 15 hours of relevant professional training in accordance with Rule 5.15 of the GEM Listing Rules.

SHAREHOLDERS' RIGHTS

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

Convening an extraordinary general meeting

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

Putting enquiries to the Board

Shareholders should direct their questions about their shareholdings to the Company's branch share registrar. Shareholders and the investment community may at any time make a request for the Company's information to the extent such information is publicly available. Any such questions shall be first directed to the company secretary at the Company's principal place of business in Hong Kong at 2nd floor, Tsing Yi Industrial Centre Phase 1, No. 1 to 33 Cheung Tat Road, Tsing Yi, New Territories, Hong Kong with effect from 24 May 2024.

Putting forward proposals at general meeting

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

SHAREHOLDERS' RIGHTS (CONTINUED)

Communication with the shareholders and investors relations

The Company has adopted a shareholders' communication policy to ensure the shareholders have equal access to the information about the Company to enable the shareholders to exercise their rights in an informed manner and engage actively with the Company. Information will be communicated to the shareholders through the Company's quarterly reports (if any), interim reports, annual reports, announcements, circulars and general meetings that may be convened as well as all the published disclosures submitted to the Stock Exchange. The Company also maintains a corporate website (www.uprintshop.hk) as a communication platform with shareholders and investors. The annual general meeting provides a useful forum for shareholders to raise comments and exchange views with the Board. The Company keeps promoting investor relations and enhancing communication with existing shareholders and potential investors. Those with questions for the Board may send written enquiries by post to the Company's principal place of business in Hong Kong at 2nd floor, Tsing Yi Industrial Centre Phase 1, No. 1 to 33 Cheung Tat Road, Tsing Yi, New Territories, Hong Kong or by email to ir@123print.com.hk.

The Board has reviewed the implementation and effectiveness of the shareholders' communication policy of the Company for the year ended 31 March 2024, and is of the view that, through the various communication channels including but not limited to (a) holding of annual general meetings and extraordinary general meetings (if any); (b) timely dissemination of information on the Stock Exchange's website and (c) various manners to put forward enquiries to the Board as set out above, the shareholders' communication policy had been properly and effectively implemented during the year ended 31 March 2024.

Voting by Poll

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

DIRECTORS' AND AUDITORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

The Directors acknowledge their responsibility in preparing the consolidated financial statements of the Company for the year ended 31 March 2024 which give a true and fair view of the state of affairs of the Company. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern and accordingly continue to adopt the going concern approach in preparing the consolidated financial statements.

The responsibilities of the Company's auditor on the consolidated financial statements are set out in the independent auditors' report on pages 67 to 71 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

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

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

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

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

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

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

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

RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

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

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

Having reviewed the risk management and internal control systems of the Group, the Board considers that, during the year ended 31 March 2024, the Group has implemented a series of effective and adequate risk management and internal control policies and appropriate procedures to provide reasonable assurance for achieving the objectives including effective and efficient operations, safeguarding the Group's assets, provide reliable financial reporting and compliance of the relevant laws and regulations.

HANDLING AND DISSEMINATION OF INSIDE INFORMATION

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

CONSTITUTIONAL DOCUMENTS

During the year ended 31 March 2024, there were no changes to the Company's constitutional documents.

Environmental, Social and Governance Report

OUR VISION FOR SUSTAINABILITY

Universe Printshop Holdings Limited (hereinafter referred to as "the Company", or "we") is listed on GEM of The Stock Exchange of Hong Kong Limited (stock code: 8448). The Company and its subsidiaries (collectively as "the Group") are principally engaged in the provision of general printing services and trading of printing products.

Our multi-dimensional approach to sustainability is driven by our core values to deliver quality products with caring services and supported by a profound framework of practice guide that extends across our operations, continuous quality assessment, human resources, risk and control, and investor relations. Our commitment in social responsibility is further supported by our efforts on behalf of our customers, employees, and the communities.

REPORTING FRAMEWORK

We are pleased to issue our Environmental, Social and Governance ("ESG") report for the year ended 31 March 2024. This report is an important channel for us to communicate to our stakeholders regarding the efforts we have made and our achievement in social responsibility and sustainability. This report covers our major business activities and operations of our headquarter and our major sales and production facilities in Hong Kong. This report is prepared in accordance with the ESG Reporting Guide contained in Appendix C2 to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and written in principle of "comply or explain".

The report focuses on the activities implemented during the year ended 31 March 2024 ("the Reporting Period").

REPORTING PRINCIPLES

The content of the ESG Report is determined through stakeholder engagement and materiality assessment process, which includes identifying ESG-related issues, collecting and reviewing the management and stakeholders' opinions, assessing the relevance and materiality of the issues and preparing and validating the information reported. The ESG Report has covered key issues that are concerned by different stakeholders.

Quantitative environmental and social KPIs are disclosed in the ESG Report so as to enable stakeholders to comprehend the Group's ESG performance. Information of the standards, methodologies, references and sources of key emission of quantitative key performance indicators ("KPIs") are disclosed wherever appropriate. To enhance the comparability of the ESG performance between years, the Group has strived to adopt consistent reporting and calculation methodologies as far as reasonably practicable. For any changes in methodologies, the Group has presented and explained in detail in the corresponding sections.

INFORMATION AND FEEDBACKS

We value your feedback on this report and our sustainability plan. Should you have any comments and suggestions, please feel free to contact us by email to ir@123print.com.hk.

BOARD'S OVERSIGHT OF ESG

The Group has developed its own corporate governance code (the "CG code") according to the principles as set out in the Corporate Governance Code contained in Appendix C1 to the GEM Listing Rules. The CG code sets out the corporate governance principles applied by the Group and which is regularly reviewed to ensure transparency, accountability and independence. For details, please refer to section headed "Corporate Governance Report".

The Board has the overall responsibility for the ESG strategy, materiality assessment, initiatives, policy and reporting of the Group. The Board is responsible for overseeing sustainable development for all operating companies within the Group. Information and management on sustainability risks and performance is reported to the Board. The sustainability committee group members meet annually to review information and best practices, manage climate-related risk, reduce costs and engage staff in sustainable development, and review environmental and social targets and their corresponding progress.

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

Sustainability focuses on meeting the needs of the present without compromising the ability of future generations to accommodate their needs. The concept of sustainability is composed of three major pillars: economic, environmental and social. It is integrated in our operation as profits, environment and people. We have instilled in our employees the sustainability notion which has become an integral part of our manufacturing and operational activities, aiming to deliver profits and environmental and social benefits in a continuous and synergistic manner.

The Board	Conducting risk assessment Reviewing and approving ESG report
The Sustainability Committee	Assessing if appropriate ESG strategies are set Reviewing ESG risks and effectiveness of corresponding internal monitoring system Reviewing ESG report
ESG Working Group	Composing functional departments and external advisor Formulating ESG vision and strategy Identifying and determining material ESG issues Performing ESG risk assessment and corresponding control Formulating and updating ESG policies

To implement the ESG initiative and formulate our sustainability strategy, the Group has established a working group which comprises senior management and external advisor with sufficient ESG knowledge, and the authority to promote a company-wide awareness of the importance of the Company's ESG efforts. The members span across various functional departments, including the operational, human resources, and finance departments, aiming to ensure that the environmental and social responsibility considerations are integrated into our daily management decision as well as daily operation. The ESG Working Group is also responsible for executing our ESG initiatives, collecting and calculating ESG data and KPIs and reporting of ESG-related matters across our major businesses and operations.

STAKEHOLDER ENGAGEMENT & SUSTAINABILITY MATERIALITY ASSESSMENT

Stakeholder engagement is an incubator of our sustainable development plan, which is also an important step to gather valuable ideas about ESG issues for materiality assessment in order to sharpen the focus of our sustainability strategy. In preparing our ESG report, we have primarily engaged major stakeholders through a number of channels. We believe that trust is built on effective communication. Ongoing interaction with stakeholders is an integral part of our day-to-day operations. Our communication channels such as our social platform, meetings, interviews, and promotion booths enable stakeholders to express their ideas, opinions and suggestions. Our identified stakeholders include investors, employees, customers, suppliers, business partners, media, government agencies, regulators and the community. In view of the materiality analysis, we have identified a materiality matrix of three key topics with six aspects, which become the basic elements in formulating our sustainability plan. The materiality assessment and prioritisation are summarised below:

The materiality assessment and prioritization are below:

Significant ESG Issues	Related ESG Aspects
1. Compliance and operation	Operating practices
2. Energy consumption	Use of resources
3. Waste management	Waste management
4. Supply chain management	Supply chain management
5. Talent retention	Training, education and development
6. Work health safety	Operational health and safety

OPERATING PRACTICES

Supply chain management

We provide printing services such as offset printing, ink-jet printing and toner-based digital printing, and printing-related products such as pre-ink stamps, plastic name-cards, printed eco-bags and printed plastic folders. More than 90% of our raw materials are sourced in Hong Kong. The Group believes the quality of raw materials directly affects the production process and the quality of final products. To enhance the supervision of supply chain, we have implemented a comprehensive operation manual which includes supplier development and related management procedures.

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

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

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

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

Over 50% of our total purchase of core raw materials are printing paper and ink. Our chief executive officer monitors the quality, purchase price and consumption rate of major raw materials from time to time. We inspect incoming material from suppliers which is carried out on a batch-by-batch basis. If we found unqualified raw materials, we generally return the same to the corresponding supplier.

In our operation, we implement "Quality Management Manual" and the execution of which is supervised by experienced staff. We have CCTVs to monitor our printing machine so as to ensure proper operation.

Automation management systems are applied to strengthen quality assurance and traceability of our supply chain and safety. With our robust technology infrastructure and stringent quality control measures, our sales network has rapidly expanded across Hong Kong by providing quality products efficiently.

To enhance our efficiency and diversify operational and compliance risks, we use outsourced logistics companies which provide third-party logistics services. Our products are delivered by trucks from our production facilities to customers' designated locations. Third-party logistics service providers are required to handle products with extra care during transportation to protect their labels and prevent damage to their packaging. We regularly review third-party logistics service providers' operational and compliance aspects while they bear the liabilities for any damage or loss during transportation.

Product quality management

We believe a systematic, consistent and regulated production process is the key to improve product quality.

We purchase raw materials from accredited suppliers according to our quality standards and experience. Our suppliers and subcontractors are selected based on their background, pricing, service, quality, reputation, and after-sales support, as well as capacity to ensure stable and adequate supply. Qualified suppliers, which have been confirmed by the review and appraisal results, shall have the proven ability to meet the Company's requirements for the quality of materials to be procured.

Employees are required to follow guidelines throughout the process before accepting incoming raw materials. Sub-standard raw materials are required to be returned.

Our customer services representatives will visit production factories to perform quality check.

To manage the risks of supplies in terms of climate changes, price, quality, traffic, we have established diversified suppliers base for each major type of key raw materials. During the Reporting Period, our top ten suppliers, representing over 70% of our annual purchases, are located in Hong Kong.

The breakdown of our suppliers for the Reporting Period are as follows:

Breakdown by geographical region	No. of suppliers
Hong Kong	13
Mainland China	1

All of the above 14 suppliers are subject to relevant supply chain policies and practices relating to engaging suppliers mentioned in the section headed "Supply chain management" and this section headed "Product quality management".

Intellectual property

We protect intellectual property rights, and strictly abides by the Copyright Ordinance (Cap. 528) and all other applicable laws. Upon request for printing service, we will seek customer's confirmation that the printed materials will not infringe copyright of any third party or involve defamation, invasion of privacy, counterfeiting, indecency, or obscenity. If there is any doubt, we will request for proper authorisation proof to verify the right of perform such printing service. We reserve our right of not providing printing service which may connive at the breach of applicable laws and regulations.

To protect our customer's confidentiality and privacy and any use of personal information collected by the Group, we strictly complied with Personal Data (Privacy) Ordinance (Cap. 486). The Group is committed to exercising due diligence in preventing information leakage or transferal to unauthorised parties. Encryption and firewall technologies are applied in our operation and storage system where routine review and update are adopted to prevent any unauthorized access.

All our employees are well aware of the importance of protection of client confidentiality and data privacy in the course of their daily work. It is mandatory for all our staff to sign a standard non-disclosure agreement once they join the Group.

Product safety

We carry out comprehensive procedure in the whole production process by our production department. We aim to provide an efficient and safe environment for business operation and maintain zero accident rate. Our automated production line eliminates chance of human errors and accidents. All of our staff must wear neat uniforms before entering the production area.

Finished products are properly packaged and stored in designated zones. Warehouse staff are required to store finished products. Handling staff is required to keep all containers, tools and equipment used for storage and transportation safe and clean so as to keep our printed product in specific conditions like temperature and moisture for proper paper appearance and texture.

Product recall management

Our product recall procedures include clear steps of provisions of the assessment on dis-satisfied products, reperformance of the order, and provisions of corrective measures.

Customers who find discrepancies in the finished products after picking up the goods can provide photos of the defective goods via email or bring the defective goods to our branches for communication. We will follow the rules set out in the “Reasons for Reprinting that can be immediately determined by Customer Service” to determine the next steps to be taken. If the problem can be determined according to the rules listed in the procedure, the customer service staff will handle the problem immediately, such as arranging a reprint.

If the problem is beyond the ability of the Customer Service Department to handle immediately, we will first collect a portion of the alleged problematic shipment and send it to the Quality Control Department for inspection and follow-up. After the inspection, the Quality Control Department will submit an inspection report and the results of the inspection to the Customer Service Department for communication with the customer.

During the Reporting Period, there were 1263 product reperformance cases in which 67% was due to human error. We constantly review and revise our procedure to improve our production procedure to prevent future occurrence of similar issues.

Customer service

We aim to provide a superior service experience to our customers. In order to improve our business, we perform customer service evaluations regularly. For online channels, we continue to strengthen process management. While providing consumers services through our Company's website and customer hotline, we also improve our ability to collect and handle customer feedback.

The Group values every customer's feedback or complaint. Our customer service team adopts an internal policy which promotes real-time response especially on product complaints, enabling us to take requisite precautions to prevent related issues from reoccurrence.

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

During the Reporting Period, we did not precisely record customers' incoming call relating to service-related complaints or product-related complaints. Our customer service specialists received and investigated 1263 cases of customers enquiries on products. In accordance with the complaint handling mechanism, all complaints received were handled by designated staff and settled. We will look for areas of improvement if the complaint stands.

We attach great importance to customer information security and privacy protection. We implement a set of corresponding customer privacy protection measures to strictly safeguard the personal information of each customer. Specific personnel is assigned to file and archive customer information while unauthorized access is prohibited.

To fulfil the responsibilities owing to consumers, the Group has established stricter guidelines to ensure the sales and marketing departments of the Group provide precise product descriptions and information that comply with the relevant local laws and regulations to the customers.

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

Restrict review of sensitive data

- Standardised encryption software and backends in reviewing sensitive data

Cyber security environment

- Internal operating system and security settings
- Different users have different access rights

Confidentiality agreement

- Employment contract & Outsourcing service contract with external service providers includes confidentiality clauses

Anti-corruption & whistle-blowing practice

The Group acknowledges the importance of staff integrity. We strive to promote business activities carried out within the Group in good faith and in an ethical and lawful manner. The Group has established internal controls, authority limits and segregation of duties for our major processes, assigned senior management to design, implement and revise the internal controls regularly and hire external professional parties to review the related measures independently.

The management of the Group discusses and decides on contingency plans for major risks, refines countermeasures, and links such risk countermeasures with day-to-day business operations for the proper implementation by responsible departments and functionaries and make clear the crucial contingency arrangement. The Group has established a bottom-up reporting channel to ensure effective monitoring of risk countermeasures.

We prohibit all forms of bribery, extortion, fraud and money laundering and encourage reporting of non-compliance incidents or potential conflict of interests to our senior management and/or independent internal audit function by our stakeholders. Anti-corruption policy and declaration procedure guideline are set forth in accordance with the Prevention of Bribery Ordinance (Cap. 201) enforced by the Independent Commission Against Corruption ("ICAC") and are communicated to employees through staff handbook. Any material non-compliance with our protocol may result in summary dismissal and/or court actions. During the Reporting Period, we did not identify any non-compliance with relevant laws and regulations that have a significant impact on the Group in relation to bribery, extortion, fraud and money laundering, in all material aspects. There was no legal case regarding corrupt practices brought against our Group or employees, which will have a significant impact on the Group.

During the Reporting Period, we received no material report or claims. Our corporate email whistleblowing@123print.com.hk is our major whistle-blowing channel. It can be found in our company contact section on our Company's website and/or this annual report.

In case we received a message from our whistle-blowing email, our company secretary will put into record and allocate the issue directly to a responsible department head to assess the matter. The assigned department head is required under our whistle-blowing policy to provide an assessment report to the senior management and company secretary within 45 days. The company secretary will summarise the issue to the Board within 60 days from the first day he received the whistle-blowing message.

Community involvement

As a responsible corporation, the Group has been working towards building a beautiful and healthy community by maintaining communication and interaction with the community to contribute to the development of the community.

The Group participated in philanthropic activities in the area of sponsorship of charitable sales focusing on areas including education, health and elderly care. The Group will continue to participate in a variety of charitable events and encourage its employees to devote time and to actively get involved in community engagements and charity works. The Group hopes to bring more positive effects to the development of the community together with its own growth.

EMPLOYMENT PRACTICES

Diversity, equal opportunity and labour standards

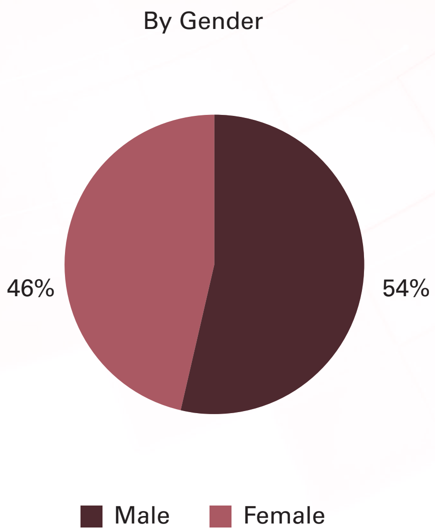
We believe that employees are the most important assets of an enterprise and the core driving force for continuous development. We are committed to improving the employment system and striving to provide employees with comprehensive protection of their rights and interests. As we uphold the principles of openness, fairness, and impartiality, we advocate employee diversity and resolutely oppose discrimination, striving to eliminate any injustice to candidates and employees arising from factors such as gender, age, race, religious beliefs and gender orientations. With a view to protecting the legitimate rights and interests of employees, the Group's working hour policies for its employees have been in strict compliance with national laws and regulations. Our employees have standardised working hours, and enjoy paid leave, maternity leave, sick leave, public holidays, and designated rest periods, which aims to allow our employees to have sufficient rest time and appropriate work-life balance. The Group has established policy to prevent unfair dismissal. An employee cannot be dismissed when she has been confirmed pregnant or after she has given notice of pregnancy. An employee cannot be dismissed when he or she takes a paid sick leave. Each employee that tenders resignation will be interviewed by the human resource department to ascertain the reason for leaving the Group. The dismissed employee shall be given due notice or wages in lieu of notice, and the notice should not be given during his or her annual leave and maternity leave.

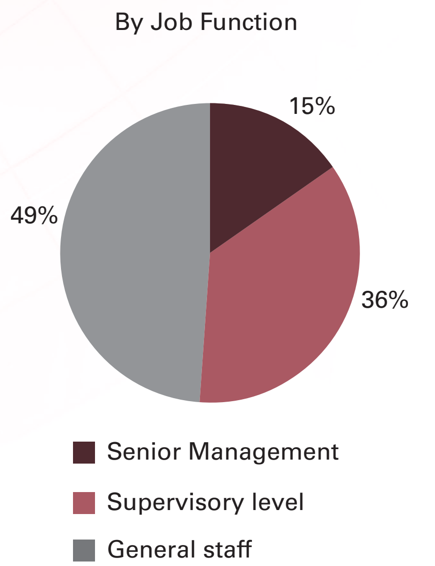
Besides, we prohibited the use of child and forced labor. During the process of recruitment and selection of talents, applicants are required to report their identity by showing their identity cards during the application for compliance with the statutory age requirements, and those under 16 years of age must not be recruited. Any material non-compliance with our protocol may result in summary dismissal. In case any child labor or forced labor is observed by our employees during daily business operations, our employees shall report to the human resources department directly and senior departments for immediate verification. The Group will report to Labour Department without delay. If suppliers are found to have any employment of child labor and forced labor, we would immediately cease business relationship with such suppliers.

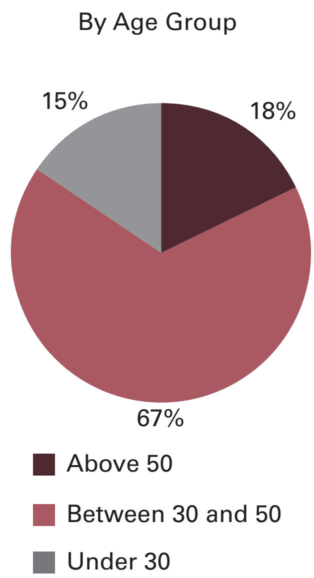
During the Reporting Period, the Group did not encounter any issue with non-compliance and/or violate any relevant laws and regulations in respect of the prevention of child or forced labor.

Employee structure

As at 31 March 2024, we have 39 full time employees (2023: 69). We have not hired part-time staff to maintain our work process stability and quality. Unlike peers with high turnover rate, we outsource positions which are repetitive and low-skill tasks to limit administrative load and impact of quality in our production.







An employee handbook is established for regulating recruitment, promotion, discipline, working hours and vacations. Our staff is required to have a good understanding of the contents of the handbook. Employees who fail to comply with the company's regulations will first be given a warning notice and, in serious cases, be dismissed. We have created a harmonious working environment as well as a safe and comfortable workplace to build a business platform for every staff to grow with the Group. Our employment practices are well written according to the Employment Ordinance (Cap. 57) and related local regulations. During the Reporting Period, the Group complied with relevant laws and regulations that have a significant impact on the Group in relation to providing a safe working environment and protecting employees from occupational hazards, in all material aspects.

We have established a consistent recruitment process that aims to recruit and attract talent to our teams suited to the job requirements of each department. The Group's recruitment method is mainly social recruitment and internal recommendation with reference to factors such as their experience, qualifications and expertise required for our business operations. Applicants who meet the requirements for a post are given equal interview opportunities regardless of gender, age, race, religion or disability. A detailed description of the job, including duties, welfare and salary packages are also provided.

Our employee's remuneration is determined based on factors such as qualification, contribution, and years of experience. We regularly conduct employee performance assessments and provide positive compensation for those with excellent performance.

During the Reporting Period, the Group complied with relevant laws and regulations that have a significant impact on the Group in relation to staff compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, welfare and other staff benefits, in all material aspects.

Employee benefits and welfare

We are committed to providing employees with competitive compensation and comprehensive welfare and protections. We regularly review our compensation and benefits programs in order to attract, motivate and retain talented employees. Annual reviews are conducted to exchange comments, offer adjustments and/or promotions to employees which are commensurate with their performance.

Training, education and development

The Group is committed to providing employees with training that caters for their job requirements. Through a combination of orientation in-house training and on-the-job training, the Group strives to make sure that all employees are equipped with operational abilities. It helps employees learn and grow in practice, supporting and encouraging them to purse for self-improvement and life-long learning.

Anti-corruption training

To further prevent corruption and malpractices in the workplace, practical guide, training materials and information pack published by ICAC have been shared with our employees and the board of directors. An internal training on anti-corruption policies was provided to our employees during the Reporting Period and the Company has rolled out a rotation plan of anti-corruption trainings during the Reporting Period. We intend to provide anti-corruption trainings, through professional organisation, to our Directors and management and front-line sales department personnel first, and intend to gradually extend such training to our staff on a 4-year rotation plan targeting to attain a 100% training coverage in 4 years.

Occupational health and safety

To provide and maintain a safe, clean and environmentally friendly working condition for employees, the Group has established a series of work safety policy and standard operating procedures. We also provide information, training, and protective equipment to ensure employees' safety. We strive to raise employees' safety awareness and improve their risk prevention capabilities on a continuous basis. The Group provides work protocol and safety guideline. We post safety and operational instructions in conspicuous places, and thereby reducing the possibilities of significant occupational safety and health impacts.

An occupational hazard contributes to severe health problems among workers. We will continue to promote awareness-raising initiatives so as to lessen the risk of safety hazards. During the Reporting Period, the Group complied with relevant laws and regulations that have a significant impact on the Group in relation to providing a safe working environment and protecting the employees from occupational hazards, in all material aspects. During the Reporting Period, the Group recorded one minor job-related injury. The Group has not encountered any work-related fatality incidents in the past three years and no lost days due to work injury during the Reporting Period had been reported to our management. We monitor the effectiveness of safety-related controls continually and conduct assessments on the Group's health and safety performance in order to conserve a healthy and safe workplace for our employees and protect them from work related injuries.

Our efforts and measures to combat infectious disease and workplace transmission

Although the government of China has lifted the epidemic prevention measures on infectious disease such as Covid-19. Our Company had maintained necessary precautionary measures before the national policy was relaxed, including regularly sanitising our workplace premises, minimizing socializing, requiring compulsory mask-wearing in sensitive districts, and setting up a reporting mechanism to timely report suspected or confirmed positive cases of our employees and their associates. Certain work safety & health measures are enhanced such as routine workplace cleaning and disinfection, provide hand sanitisers are provided to all staff.

Environmental performance

We believe that quality living is about enriching lives today as well as caring for future generations, environmental protection is a fundamental part of our sustainable development. We concentrate our resource on managing our core operation (procurement, production and sales) by engaging external professional parties to take up auxiliary workflow (logistics) to minimize consumption and enhance overall efficiency.

Our major environmental impact on the environment and natural resources is greenhouse gas ("GHG") emissions which was mainly attributable to the consumption of electricity and paper. The related KPIs are presented in the section "ENVIRONMENTAL KEY PERFORMANCE INDICATORS".

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

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

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

Use of resources

Our major emission came from our printing operation which requires the consumption of electricity and paper. We reassess work practices applied across our businesses to improve resource utilization, reduce our emissions and manage waste responsibly. With numbers of locations including warehouses, offices, and production units, we continually identify ways to improve energy efficiency by replacing energy intensive equipment, actively conserving resource and regularly assessing operating performance. We rely on the water supply from the government. Due to the nature of our business operation, our water consumption is not substantial and most of the water we use for our operations is for cooling processes in production and general purpose in daily operation and there were no issues in sourcing water that is fit for purpose.

Waste management

The non-hazardous waste of the Group is mainly used paper and general waste which are collected and handled by qualified waste processors. Regarding hazardous waste (items with metal content detected), we collect and deliver such waste to external hazard waste collectors.

Paper and packaging materials constitute a significant portion of resources consumption. To fully utilise precious resources, incoming packaging materials like pallets and carton boxes were reused in our business operation whenever possible. Scrap paper bins have also been set up in each shop and on each production floor, enabling convenient drop-off and collection by licensed recycler.

To improve our operational efficiency, our management team strictly monitors, manages and evaluates such policies to make every possible improvement in our operation (efficient resource consumption, waste minimization, recycle and reuse promotion).

The Group targets to reduce its overall energy consumption intensity and paper consumption intensity.

Responding to climate change

The Board is of the view that the Group is not subject to material climate change-related risks and impacts. Although, the Company does not perform a study on climate change effect or impact, we do provide various form of resource conversation actions in our operations. Therefore, our emission level follows our production level.

The Group understands the direct relationship between sustainable development and competitiveness. The energy consumed and waste generated by business activity does make an impact on air and soil resources, and therefore on the ecosystem. The Group also recognises the importance of balancing economic, environmental and social needs. All Group subsidiaries continue to introduce technical refinements and innovations to fulfil targets for reducing, reusing, and recycling natural resources, reducing emissions and waste, improving the utilisation efficiency of natural resources, and minimising their operations' effect on the environment and natural resources. It is our policy to encourage management and employees not to take flights unless necessary for business trips so as to lower indirect emissions.

The Company makes reference to the recommendations and approach set out by The Task Force of Climate-related Financial Disclosure ("TCFD") in assessing the climate change impacts on the Group. We have assessed a series of risks, including:

1. Transitional risks that may entail extensive policies, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change in the course of transitioning to a lower-carbon economy. There are four sub-risks, namely Policy and Legal Risks, Technology Risk, Market Risk and Reputation Risk.

2. Physical risks that may have financial implications for the Group, such as direct damage to assets and indirect impacts from supply chain disruption, which can be driven by acute events ("Acute Events") or longer-term chronic shifts ("Chronic Shift") in climate patterns.

Based on the on-going assessment of the Company, the Company believes the Group is subject to lower physical risk, particularly those driven by acute events. The overall risk-rating of climate-change-related risks and opportunities of the Group is considered low.

Climate Change impact assessment

The board has instructed the ESG Working Committee to perform an assessment on the climate-change-related risks and opportunities of the Group. The following table presents the summary of the Group's assessment.

Type	Climate-related risks and opportunities	Our measures or approach	Potential financial impacts when risks are realized
Transitional Risk	Policy and Legal Technology	The Group is of the view that there are no regulatory or market policies or technology changes directly related to the Group's operations that would have significant impact on the Group.	Possible – There is a possible impact on technology level of existing machinery.
	Market Reputation	Customers may have higher expectations of our image and services from an environmentally friendly perspective.	Possible – There is a possible impact on the reputation of our Company.
Physical Risk	Acute events Chronic shifts	The Group is of the view that it is not subject to physical risks brought alone from climate change. However, the Group will take a monitoring approach and will continuously monitor the change in physical risks.	Remote – The risks and impacts are considered remote.
Opportunities	Resource Efficiency Energy Source Products & Services	The Group is of the view that there are no directly related regulatory or market policies or technology changes required or on the trend that would have significant impact on the Group.	Remote – The opportunities and benefits are considered remote.
	Market Resilience	Customers may have higher expectations of our image and services from an environmentally friendly perspective.	Possible – There is a possible market if we can build an environmental supply chain.

SOCIAL KEY PERFORMANCE INDICATORS

Social indicators	2023	2024
Employments		
Total number of employees[1]	69	39
By gender		
Male	36	21
Female	33	18
By age group		
Below 30 years old	13	7
30 to 50 years old	37	26
Above 50 years old	19	7
By ranking		
Managerial grade and above	31	20
General staff and sales force	38	19
By geographical region		
Hong Kong, China	69	39
Mainland China	0	0

Note 1 employees here refer to regular staff with employment contractual relationship with the Group.

Employee turnover rate[1]	2023	2024
General turnover rate	117.39%	112.82%
By gender		
Female	87.88%	169.23%
Male	144.44%	92.31%
By age group		
Aged 50 or above	194.74%	242.85%
Between 30 and 49	89.19%	84.62%
Between 18 and 29	84.62%	116.67%
By ranking		
Senior management	194.74%	33.33%
Middle level	89.19%	114.29%
General staff	84.62%	126.84%
By geographical location		
Hong Kong	117.39%	112.82%

Note 1 employees here refer to regular staff with employment contractual relationship with the Group.

Training statistics	2024
Total hours of training received by employees	28
Average training hour (regular staff divided by total training hours)	0.27
Percentage of employees trained (by gender)	
Female	48.48
Male	44.44
Percentage of employees trained (by collar ranking)	
Management	75.00
General staff	47.37
By gender (average training hours)	
Female	1.05
Male	0.43
By collar ranking (average training hours)	
Management	0.48
General staff	0.34
By training theme (hours)	
Occupational skills	14
Compliance and managerial skills	14
By training institutions (%)	
Internal training	15
External training	13

Note 1 employees here refer to regular staff with employment contractual relationship with the Group.

Work health safety – injury and fatalities statistic	2022	2023	2024
Cause of incident			
While operating machinery	0	0	1
Injured by heavy object impact	0	0	0
Others	0	0	0
Lost of workings days due to reported injuries	0	0	0
Legal case related to reported injuries	0	0	0
Compensation other than paid leave related to reported injuries	0	0	0
Case of Loss of life or induce permanent disability	0	0	0
Compensation paid	0	0	0

Note 1 employees here refer to regular staff with employment contractual relationship with the Group.

Note 2 previous year's figures are updated based on medical certificate issued by hospital.

ENVIRONMENTAL KEY PERFORMANCE INDICATORS

Emission Type	Indicator	FY2023	FY2024	2024 Intensity[6]
Greenhouse gas[2]	Direct emissions – Scope 1 (tonnes CO_2)	0	0	N/A
	Indirect emissions – Scope 2[2] (tonnes CO_2)	491	311	4.5
	Indirect emissions – Scope 3[5] (tonnes CO_2)	44	53	0.8
Total GHG Emissions	(tonnes CO_2)	529	357	5.2

Major resource consumed	Unit	FY2023	FY2024	2024 Intensity[6]
Paper	Kg	37,820	45,682	662.1
Electricity	kWh	1,200,114	444,782	6,446.1

Hazardous Waste Generated	Unit	FY2023	FY2024
Zinc Plate	Tonnes	10.45	0.00
Zinc Plate Intensity	Tonnes/HKD'm revenue	0.11	0.00
Toner	Tonnes	0.0034	0.1
Toner Intensity	Tonnes/HKD'm revenue	0.000036	0.001
Plate Developer	Litre	1,000	0.00
Plate Developer Intensity	Litre/HKD'm revenue	10.47	0.00

Packaging Materials Used	Unit	FY2023	FY2024
Carton Box Consumption	Tonnes	4.00	0.5

Notes to above table:

1 GHG emissions data is presented in terms of carbon dioxide equivalent and are based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, Appendix II: Reporting Guidance on Environmental KPIs" issued by the Hong Kong Stock Exchange.

2 Major source of Scope 2 emission came from usage of purchased electricity. The decrease in consumption of electricity due to decrease in product production.

3 Major source of Scope 3 emission came from processing fresh water, paper usage. The decrease of emission due to decrease in operation capacity, product lines and business trips.

4 Non-hazardous waste totals have been deemed immaterial to our operations and are not included in the scope of this report.

5 Emission factor reference to Tomberlin, K., Venditti, R., and Yao, Y. (2020). "Life cycle carbon footprint analysis of pulp and paper grades in the United States using production-line-based data and integration," BioRes. 15(2), 3899-3914. For better comparison with last year, we recalucate the 2023 carbon emission here.

6 Intensity is measured by dividing specific value by HKD'm revenue in the corresponding period.

Independent Auditor's Report

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

OPINION

We have audited the consolidated financial statements of Universe Printshop Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 72 to 119, which comprise the consolidated statement of financial position as at 31 March 2024, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 3(c) to the consolidated financial statements which indicates that the Group incurred a net loss of HK$28,670,570 and had net cash outflow from operating activities of HK$32,839,105 for the year ended 31 March 2024 and as of that date, the Group had net current liabilities of HK$6,848,150. These conditions, along with other matters set forth in note 3(c), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

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

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

As at 31 March 2024, the Group had property, plant and equipment, intangible assets and right-of-use assets with net carrying amounts before current year's impairment charge of HK$5,482,269, HK$440,549 and HK$25,788,562 respectively, which are subject to impairment assessment when impairment indicators are identified. The Group estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs when it is not possible to estimate the recoverable amount individually. Each CGU represents the Group's geographical location of its operations. The management of the Group assessed that there was indication for impairment on the business unit in Hong Kong (the "Hong Kong unit") and conducted impairment assessment on certain property, plant and equipment, intangible assets and right-of-use assets of the Hong Kong unit with total carrying amounts of HK$30,602,280. The recoverable amount of the CGU which is comprised of the above assets is determined using value-in-use calculation.

Based on the value-in-use calculation, impairment loss of HK$1,164,447, HK$93,574 and HK$5,241,979, totalling HK$6,500,000, was recognised during the year for property, plant and equipment, intangible assets and right-of-use assets respectively under Hong Kong unit.

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

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

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

OTHER INFORMATION IN THE ANNUAL REPORT

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

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

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

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. This report is made solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

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

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

– evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

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

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

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

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

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

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

BDO Limited
Certified Public Accountants

Lee Ming Wai
Practising Certificate no. P05682
Hong Kong, 25 June 2024

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2024

	Notes	2024 HK$	2023 HK$
Revenue	6	69,930,379	95,473,879
Cost of sales		(60,513,603)	(80,781,580)
Gross profit		9,416,776	14,692,299
Other income	7	189,875	3,875,812
Other gains	7	1,509,954	1,184,460
Administrative and other expenses		(32,915,143)	(36,978,233)
Impairment loss on property, plant and equipment, right-of-use assets and intangible assets	13	(6,500,000)	(2,390,000)
Loss from operations		(28,298,538)	(19,615,662)
Finance cost	8(a)	(1,198,457)	(824,601)
Loss before taxation	8	(29,496,995)	(20,440,263)
Income tax credit/(expense)	9	826,425	(62,543)
Loss and total comprehensive income for the year		(28,670,570)	(20,502,806)
Loss and total comprehensive income for the year attributable to:			
Equity holders of the Company		(28,437,446)	(20,502,806)
Non-controlling interests		(233,124)	–
		(28,670,570)	(20,502,806)
		HK cents	HK cents (Restated)
Loss per share	12		
Basic and diluted		(9.6)	(9.9)

Consolidated Statement of Financial Position

As at 31 March 2024

	Notes	2024 HK$	2023 HK$
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	13	4,317,822	9,907,115
Right-of-use assets	13	20,546,583	7,983,451
Intangible assets	14	346,975	492,823
Deposits paid	17	3,664,383	1,087,065
Deferred tax assets	22	760,375	353,120
		29,636,138	19,823,574
Current assets			
Inventories	16	753,210	763,520
Trade and other receivables, prepayments and deposits	17	11,065,545	5,988,874
Prepaid tax		1,282,010	1,279,209
Cash and cash equivalents	18(a)	9,778,940	4,958,855
		22,879,705	12,990,458
Current liabilities			
Trade and other payables and accruals	19	9,117,658	19,872,606
Contract liabilities	20	1,965,728	1,813,469
Loan from a shareholder	24	6,440,000	–
Amount due to a director	25	3,321,592	–
Lease liabilities	21	8,842,877	7,790,648
Provision for reinstatement cost	23	40,000	100,000
		29,727,855	29,576,723
Net current liabilities		(6,848,150)	(16,586,265)
Total assets less current liabilities		22,787,988	3,237,309

Consolidated Statement of Financial Position

As at 31 March 2024

	Notes	2024 HK$	2023 HK$
Non-current liabilities			
Lease liabilities	21	15,649,332	3,498,956
Deferred tax liabilities	22	–	419,170
		15,649,332	3,918,126
Net assets/(liabilities)		7,138,656	(680,817)
CAPITAL AND RESERVES			
Share capital	26(b)	24,950,000	9,000,000
Reserves	26(c)	(17,634,535)	(9,680,817)
Equity attributable to equity holders of the Company		7,315,465	(680,817)
Non-controlling interests		(176,809)	–
Total equity/(Capital deficiency)		7,138,656	(680,817)

Approved and authorised for issue by the board of directors on 25 June 2024.

LAM Shing Tai
Director

YIP Chi Man
Director

Consolidated Statement of Changes in Equity

For the year ended 31 March 2024

	Equity attributable to owner of the Company						
	Share capital (Note 26(b)) HK$	Share premium (Note 26(c)(i)) HK$	Capital reserve (Note 26(c)(ii)) HK$	Accumulated losses HK$	Total HK$	Non-controlling interests HK$	Total HK$
At 1 April 2022	9,000,000	29,644,379	20,077,867	(38,900,257)	19,821,989	–	19,821,989
Loss and total comprehensive income for the year	–	–	–	(20,502,806)	(20,502,806)	–	(20,502,806)
At 31 March and 1 April 2023	9,000,000	29,644,379	20,077,867	(59,403,063)	(680,817)	–	(680,817)
Loss and total comprehensive income for the year	–	–	–	(28,437,446)	(28,437,446)	(233,124)	(28,670,570)
Issue of shares under subscription agreement, net (note 26(b)(i))	980,000	2,749,775	–	–	3,729,775	–	3,729,775
Issue of shares upon completion of Rights Issue, net (note 26(b)(iv))	14,970,000	17,733,953	–	–	32,703,953	–	32,703,953
Capital injection from non-controlling interest	–	–	–	–	–	56,315	56,315
At 31 March 2024	24,950,000	50,128,107	20,077,867	(87,840,509)	7,315,465	(176,809)	7,138,656

Consolidated Statement of Cash Flows

For the year ended 31 March 2024

	Notes	2024 HK$	2023 HK$
Cash flows from operating activities			
Cash used in operations	18(b)	(32,836,304)	(41,567)
Tax paid		(2,801)	(470,000)
Net cash used in operating activities		(32,839,105)	(511,567)
Cash flows from investing activities			
Payment for the purchase of property, plant and equipment and intangible asset		(2,059,214)	(5,950,293)
Down payment for right-of-use assets		(1,870,000)	–
Proceeds from disposal of property, plant and equipment		5,920,000	2,082,381
Interest received		10,089	8,364
Net cash generated from/(used in) investing activities		2,000,875	(3,859,548)
Cash flows from financing activities			
Capital element of lease payments	18(c)	(9,394,863)	(8,958,191)
Interest element of lease payments	18(c)	(1,198,457)	(824,601)
Capital injection from non-controlling interest		56,315	–
Proceeds from shareholder's loan	18(c)	24,950,000	–
Repayment of shareholder's loan	18(c)	(18,510,000)	–
Advances from a director	18(c)	3,321,592	–
Proceeds from issuance of shares		38,351,000	–
Share issuance expenses		(1,917,272)	–
Net cash generated from/(used in) financing activities		35,658,315	(9,782,792)
Net increase/(decrease) in cash and cash equivalents		4,820,085	(14,153,907)
Cash and cash equivalents at the beginning of the year		4,958,855	19,112,762
Cash and cash equivalents at the end of the year	18(a)	9,778,940	4,958,855

Notes to the Financial Statements

For the year ended 31 March 2024

1 GENERAL INFORMATION

Universe Printshop Holdings Limited (the "Company") is a public limited company incorporated in the Cayman Islands on 27 April 2017 as an exempted company and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 28 March 2018. The Company was incorporated in the Cayman Islands under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is 2nd floor, Tsing Yi Industrial Centre Phase 1, No. 1 to 33 Cheung Tat Road, Tsing Yi, New Territories, Hong Kong.

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

The Company's parent is New Metro Inc., a company incorporated in the British Virgin Islands with limited liability. In the opinion of the directors, New Metro Inc. is also the ultimate parent undertaking of the Company.

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

(a) Adoption of new or revised HKFRSs – effective 1 April 2023

In the current year, the Group has applied for the first time the following new standards, amendments and interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are relevant to and effective for the Group's consolidated financial statements for the annual period beginning on 1 April 2023:

HKFRS 17	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform — Pillar Two Model Rules

Except as disclosed below, the adoption of the above new or amendments to HKFRSs that are effective for the current reporting period did not have any significant impact on the Group's financial statements.

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

(a) Adoption of new or revised HKFRSs – effective 1 April 2023 (Continued)

Disclosure of Accounting Policies — Amendments to HKAS 1 and HKFRS Practice Statement 2

The amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. The amendments to HKFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their "significant accounting policies" with a requirement to disclose their "material accounting policy information" and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy information.

The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

(b) New HKICPA guidance on accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong

In June 2022, Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 ("the Amendment Ordinance") was gazetted. The Amendment Ordinance abolishes the use of the accrued benefits derived from employers' mandatory contributions under the mandatory provident fund ("MPF") to offset severance payment ("SP") and long service payments ("LSP") ("the Abolition"). Subsequently, the Government of HKSAR announced that the Abolition will take effect on 1 May 2025 ("the Transition Date"). The following key changes will take effect since the Transition Date:

- Accrued benefits derived from employers' mandatory MPF contributions cannot be used to offset the LSP/SP in respect of the employment period after the Transition Date.

- The pre-transition LSP/SP is calculated using the last month's salary immediately preceding the Transition Date, instead of using the salary of employment termination date.

Due to the complexities of the accounting for the offsetting of employer's MPF contributions and its LSP obligation and hence the impact arising from the Abolition, in July 2023 the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" ("the Guidance") to provide guidance to account for the offsetting mechanism and the Abolition. The HKICPA concluded that there are two acceptable accounting approaches, being:

Approach 1: Account for the amount expected to be offset as a deemed employee contribution towards that employee's LSP benefits in terms of Hong Kong Accounting Standard 19.93(a)

Approach 2: Account for the employer MPF contributions and the offsetting mechanism as a funding mechanism for the LSP obligation

For the years ended 31 March 2023 and 2024, the Group's LSP liability after the expected offsetting under the MPF-LSP offsetting mechanism is immaterial. Application of the Guidance had no material effect on the consolidated financial statements of the Group.

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

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

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

Amendments to HKAS 1	Non-current Liabilities with Covenants[1]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current[1]
HK Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[1]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements[1]
Amendments to HKFRS 16	Lease Liabilities in a Sale and Leaseback[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 21	Lack of Exchangeability[2]

1 Effective for annual periods beginning on or after 1 January 2024
2 Effective for annual periods beginning on or after 1 January 2025
3 The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined

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

3 BASIS OF PREPARATION

(a) Statement of compliance

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

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis.

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

3 BASIS OF PREPARATION (CONTINUED)

(c) Going concern assumption

The Group incurred a net loss of HK$28,670,570 and had net cash outflow from operating activities of HK$32,839,105 for the year ended 31 March 2024 and as of that date, the Group had net current liabilities of HK$6,848,150. When assessing the appropriateness of the use of the going concern basis for the purpose of the preparation of these consolidated financial statements, the directors have prepared a cash flow forecast covering a period of 15 months from the end of the reporting period ("Cash Flow Forecast"). In preparing the Cash Flow Forecast, the directors have given careful consideration of the future liquidity and performance of the Group and available sources of finance in assessing whether the Group will have sufficient resources to continue as a going concern. The following plans and measures for mitigating the liquidity pressure and improving the financial position of the Group have been considered in the Cash Flow Forecast:

(i) To improve the Group's gross margin, the management has planned to expand digital printing service and acquired two sets of four-colour digital ink-jet printing machines manufactured by FUJIFILM amounting to HK$18.7 million in aggregate under hire purchase arrangement. In August 2023, the Group entered into a number of lease agreements to rent certain premises at Kwun Tong to streamline its production process by consolidating certain existing production facilities and the aforesaid new printing machines in order to enhance production efficiency. At the same time, the Group entered into a production agreement with a landlord for providing printing services and expected to generate sales from this production agreement. Due to the early termination of the production agreement and the lease arrangements in November 2023, the Group had to identify alternative space for setting up its consolidated production facilities. This disruption significantly affected the Group's production capabilities and revenue generation during the financial year. The Group has now secured a rental agreement for a property at Tsing Yi, and the directors anticipate that the new production site will be ready for operation in the second quarter of the financial year ending 31 March 2025.

(ii) The Group has adopted and will continue to adopt a series of measures to control costs and to enhance cash flows, includes reducing operating costs by streamlining workflows and tightening advertising and promotion expenditures.

(iii) An interest-free loan facility (the "Loan Facility") of HK$15,000,000 has been granted to the Company by Mr. Lam Shing Tai ("Mr. Lam"), being the 100% owner of New Metro Inc., which is the controlling shareholder of the Company, to provide additional funding to the Group. Under the Loan Facility, the Group is not required to repay outstanding balance until such time when repayment will not affect the Group's ability to repay other creditors in normal course of business. As at the approval date of these consolidated financial statements, the Group had unutilised Loan Facility of HK$8,560,000.

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

3 BASIS OF PREPARATION (CONTINUED)

(c) Going concern assumption (Continued)

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

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

(d) Functional and presentation currency

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

4 MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of consolidation

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

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

The Group recognises the non-controlling interests in the non wholly-owned subsidiaries separately from owner's equity. Non-controlling interests are measured initially at either fair value or the Group's proportionate share of the fair value of the subsidiaries' identifiable net assets.

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(b) Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other costs, such as repairs and maintenance are recognised as an expense in profit or loss during the financial period in which they are incurred.

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

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

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

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

(c) Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(d) Leases – the Group as lessee

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

Right-of-use asset

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

Right-of-use asset is generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option if so included in the lease agreement, the right-of-use asset is depreciated over the underlying asset's useful life.

Lease liability

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

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

Lease modification

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.
- in all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(e) Financial instruments

(i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for debt instruments classified as financial assets measured at amortised cost, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price in accordance with HKFRS 15 Revenue from Contract with Customers ("HKFRS 15").

Debt instruments, including trade and other receivables, deposits and cash and cash equivalents, that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are subsequently measured at amortised cost using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

(ii) Impairment loss on financial assets

The Group recognises loss allowances for expected credit loss ("ECL") on trade receivables and other financial assets measured at amortised cost.

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

The Group measures loss allowances for trade receivables using simplified approach and has calculated ECL based on lifetime ECL. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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

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

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

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(e) Financial instruments (Continued)

(ii) Impairment loss on financial assets (Continued)

The Group considers a financial asset to be in default when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due.

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

(iii) Financial liabilities

The Group classifies its financial liabilities at amortised cost. Financial liabilities at amortised cost including trade and other payables and accruals, loan from a shareholder and amount due to a director. They are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

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

(iv) Equity instruments

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

(v) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9 Financial Instruments (“HKFRS 9”).

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

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

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

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

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

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

(g) Cash and cash equivalents

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

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(h) Employee benefits

(i) Short-term employee benefits

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

(ii) Defined contribution retirement plan

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

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

(iii) Termination benefits

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

(i) Income tax

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of the reporting period.

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(i) Income tax (Continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

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

(j) Recognition of revenue and other income

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

Other income mainly include:

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

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

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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

Principal versus agent consideration

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

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

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

Contract liabilities

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

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Judgements

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

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Judgements (Continued)

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

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

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

(b) Going concern basis

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

(c) Principal versus agent consideration (principal)

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

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Estimation uncertainty

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

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

(a) Depreciation of property, plant and equipment

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

(b) Impairment of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on the historical default rates for the groups of customers categorised for similar risk characteristic as reflected by days past due. At the end of the reporting period, the historical observed default rates are updated when necessary. The assessment of the correlation among historical observed default rates and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and the Group's historical credit loss experience may not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 28(a).

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

Management assessed that as at 31 March 2024, there were indications of impairment in respect of the Group's property, plant and equipment, intangible assets and right-of-use assets. Accordingly, management performed impairment testing for these assets by comparing their carrying amounts with their recoverable amounts following the accounting policy for impairment of non-financial assets (note 4(f)). Property, plant and equipment, intangible assets and right-of-use assets are tested for impairment at cash-generating unit ("CGU") level. Each CGU represents the Group's geographical location of its operation. Management assessed that there was indication for impairment on the business unit in Hong Kong (the "Hong Kong unit"). The recoverable amount of the CGU of Hong Kong unit is determined using value-in-use calculations. Based on the value-in-use calculations of the CGU of Hong Kong unit, impairment loss of HK$6,500,000 was recognised for the year which was allocated as to HK$1,164,447, HK$93,574 and HK$5,241,979 for property, plant and equipment, intangible assets and right-of-use assets respectively.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Estimation uncertainty (Continued)

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

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

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

(d) Estimates of current and deferred tax

Deferred taxation relating to certain deductible temporary differences and tax losses are recognised as management considers it is probable that future taxable profit will be available against which the deductible temporary differences or tax losses can be utilised. Such assessment requires significant judgement by the management. Where the expectations are different from the original estimate, such differences will impact the recognition of deferred taxation in the periods in which such estimate is changed.

6 REVENUE AND SEGMENT REPORTING

(a) Revenue

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

	2024 HK$	2023 HK$
Revenue from contracts with customers within the scope of HKFRS 15		
Timing of revenue recognition – At a point in time		
– Offset printing	51,696,557	72,458,817
– Toner-based digital printing	6,281,204	6,984,808
– Ink-jet printing	10,693,452	14,625,255
– Other printing related products	1,259,166	1,404,999
	69,930,379	95,473,879

The Group's customer base is diversified with no customer with whom the amount of sale transactions have exceeded 10% of the Group's revenue for the years ended 31 March 2024 and 2023.

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

6 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting

Segment information represents those information reported to the Group's senior executive management who are the chief operating decision makers for the purposes of resources allocation and assessment of performance. The Group is managed based on the financial information of the Group as a whole as reported under HKFRS. Such information does not contain profit or loss information of particular product or service line or geographical area. The Group's senior executive management allocate resources and assess performance of the Group on an aggregated basis based on such information. Therefore, only entity-wide disclosures, major customers and geographical information are presented.

The Group's revenue is solely derived from external customers based in Hong Kong, which is the location at which products are delivered, and 96.5% (2023: 100%) of the Group's non-current assets are located in Hong Kong.

7 OTHER INCOME AND OTHER GAINS

	2024 HK$	2023 HK$
Other income		
Interest income from bank	10,089	8,364
Scrap sale income	12,870	248,040
Government grant (note)	12,814	3,341,600
Sundry income	154,102	277,808
	189,875	3,875,812
Other gains		
Net exchange gain	14	–
Gain on disposal of property, plant and equipment	944,417	998,847
Gain on lease modification	565,523	185,613
	1,509,954	1,184,460

Note:

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

8 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

		2024 HK$	2023 HK$
(a)	**Finance cost**		
	Interest on lease liabilities (note 21)	1,198,457	824,601
(b)	**Staff costs (including directors' remuneration)#**		
	Salaries, wages and other benefits	19,626,650	25,011,337
	Contributions to defined contribution retirement plans^	702,030	1,012,896
		20,328,680	26,024,233
(c)	**Other items**		
	Auditor's remuneration	530,000	495,000
	Cost of inventories recognised as expenses#	60,513,603	80,781,580
	Depreciation of property, plant and equipment# (note 13)	1,508,477	2,369,766
	Depreciation of right-of-use assets# (note 13)	6,789,195	7,848,545
	Amortisation of intangible assets (note 14)	52,274	38,576
	Short-term leases expense	880,983	592,946
	Impairment loss recognised on trade receivables (note 17(b))	202,559	300,463

\# Cost of inventories included the amounts of HK$2,909,517, HK$621,300 and HK$2,179,772 (2023: HK$5,360,285, HK$1,397,770 and HK$2,694,513) respectively relating to staff costs, depreciation of property, plant and equipment and depreciation of right-of-use assets, which amounts are also included in the respective total amounts disclosed separately in this note for each of these types of expenses.

^ For the year ended 31 March 2024, no forfeited contribution in respect of the defined contribution retirement plans were utilised by the Group to reduce the contribution payable to the plans (2023: nil). As at 31 March 2024, no forfeited contribution under these plans is available to reduce future contribution (2023: nil).

9 INCOME TAX (CREDIT)/EXPENSE

Income tax (credit)/expense in the consolidated statement of comprehensive income represents:

	2024 HK$	2023 HK$
Current tax		
Hong Kong Profits Tax for the year	–	–
Deferred tax		
(Credited)/Charged to profit or loss (note 22)	(826,425)	62,543
	(826,425)	62,543

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

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

Mainland China corporate income tax has been provided for at the rate of 25% on the estimated assessable profits for the Group's operations in Mainland China.

Reconciliation between income tax (credit)/expense and accounting loss at applicable tax rates is as follows:

	2024 HK$	2023 HK$
Loss before taxation	(29,496,995)	(20,440,263)
Tax calculated at domestic tax rates applicable to profit or loss of the respective countries	(4,871,294)	(3,372,643)
Tax effect of non-deductible expenses	1,079,807	562,204
Tax effect of non-taxable income	(22,422)	(554,325)
Tax effect of tax losses not recognised	3,268,235	3,442,966
Others	(280,751)	(15,659)
Income tax (credit)/expense	(826,425)	62,543

10 DIRECTORS' EMOLUMENTS

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

	Directors' fees HK$	Salaries, allowances and benefits in kind HK$	Discretionary bonuses HK$	Retirement scheme contributions HK$	2024 Total HK$
Executive directors					
Mr. Chau Man Keung (note i)	–	240,000	–	4,500	244,500
Mr. Hsu Ching Loi (note i)	–	225,000	–	4,500	229,500
Mr. Lam	24,000	820,000	–	13,500	857,500
Mr. Yip Chi Man (note ii)	–	637,500	–	13,500	651,000
Ms. Li Shuang (note ii)	425,000	–	–	–	425,000
Mr. Kao Jung (note ii)	425,000	–	–	–	425,000
Independent non-executive directors					
Mr. Ho Kar Ming	144,000	–	–	–	144,000
Mr. Wong Chun Kwok	144,000	–	–	–	144,000
Ms. So Shuk Wan	144,000	–	–	–	144,000
	1,306,000	1,922,500	–	36,000	3,264,500

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

10 DIRECTORS' EMOLUMENTS (CONTINUED)

Notes:

(i) Mr. Chau Man Keung and Mr. Hsu Ching Loi resigned as director on 1 July 2023.

(ii) Mr. Yip Chi Man, Ms. Li Shuang and Mr. Kao Jung were appointed as director on 1 July 2023.

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

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

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

11 FIVE HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT'S EMOLUMENTS

Of the five individuals with the highest emoluments, two (2023: two) are directors whose emoluments are disclosed in note 10. The emoluments in respect of the remaining three (2023: three) highest paid individuals are as follows:

	2024 HK$	2023 HK$
Salaries and other allowances and benefits in kind	2,170,000	2,340,000
Retirement scheme contributions	54,000	54,000
	2,224,000	2,394,000

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

	2024 Number of individuals	2023 Number of individuals
Nil to HK$1,000,000	3	3

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

	2024 Number of individuals	2023 Number of individuals
Nil to HK$1,000,000	3	4

During the year, no emoluments were paid by the Group to the highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2023: nil).

12 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share was based on the loss attributable to equity holders of the Company of HK$28,437,446 (2023: HK$20,502,806) and the weighted average number of ordinary shares in issue of 296,188,372 during the year (2023: 206,280,000). The weighted average number of ordinary shares for the purpose of calculating basic loss per share for the years ended 31 March 2024 and 2023 has been adjusted/restated to reflect the effect of the Share Consolidation and the bonus element in the Rights Issue took place during the year ended 31 March 2024 as disclosed in note 26(b).

(b) Diluted loss per share

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

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

Property, plant and equipment

	Leasehold improvements HK$	Furniture and equipment HK$	Plant and machinery HK$	Computer equipment HK$	Motor vehicle HK$	Total HK$
Cost:						
At 1 April 2022	4,249,025	680,576	39,392,406	484,531	1,136,587	45,943,125
Additions	1,820,170	144,340	3,135,137	274,646	–	5,374,293
Disposals	(3,985,647)	(640,637)	(10,834,802)	(20,457)	(1,136,587)	(16,618,130)
At 31 March 2023 and 1 April 2023	2,083,548	184,279	31,692,741	738,720	–	34,699,288
Additions	1,610,348	222,000	204,000	22,866	–	2,059,214
Disposals	(1,873,230)	(12,000)	(23,435,603)	–	–	(25,320,833)
At 31 March 2024	1,820,666	394,279	8,461,138	761,586	–	11,437,669
Accumulated depreciation and impairment:						
At 1 April 2022	(3,168,298)	(649,813)	(31,540,594)	(469,059)	(1,136,587)	(36,964,351)
Charge for the year	(998,588)	(18,272)	(1,300,868)	(52,038)	–	(2,369,766)
Impairment (note)	(154,472)	(21,049)	(783,458)	(33,673)	–	(992,652)
Written back on disposals	3,174,827	632,541	10,570,332	20,309	1,136,587	15,534,596
At 31 March 2023 and 1 April 2023	(1,146,531)	(56,593)	(23,054,588)	(534,461)	–	(24,792,173)
Charge for the year	(805,146)	(24,817)	(620,851)	(57,663)	–	(1,508,477)
Impairment (note)	(131,107)	(68,075)	(929,271)	(35,994)	–	(1,164,447)
Written back on disposals	748,268	7,631	19,589,351	–	–	20,345,250
At 31 March 2024	(1,334,516)	(141,854)	(5,015,359)	(628,118)	–	(7,119,847)
Net book value:						
At 31 March 2024	486,150	252,425	3,445,779	133,468	–	4,317,822
At 31 March 2023	937,017	127,686	8,638,153	204,259	–	9,907,115

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

Right-of-use assets

	Leased properties HK$	Machinery HK$	Total HK$
At 1 April 2022	7,204,206	2,101,697	9,305,903
Additions	9,035,596	–	9,035,596
Derecognise upon commencement of sub-lease as a finance lease	(904,836)	–	(904,836)
Charge for the year	(7,124,713)	(723,832)	(7,848,545)
Impairment (note)	(1,121,104)	(195,000)	(1,316,104)
Effect of lease modification	(288,563)	–	(288,563)
At 31 March 2023 and 1 April 2023	6,800,586	1,182,865	7,983,451
Additions	11,842,678	19,374,505	31,217,183
Derecognise upon commencement of sub-lease as a finance lease	(438,685)	–	(438,685)
Charge for the year	(4,697,794)	(2,091,401)	(6,789,195)
Impairment (note)	(1,355,794)	(3,886,185)	(5,241,979)
Effect of lease modification	(6,014,550)	(169,642)	(6,184,192)
At 31 March 2024	6,136,441	14,410,142	20,546,583

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

Notes:

As assessed by the directors, impairment indications existed and thus the Group's property, plant and equipment, right-of-use assets and intangible assets were tested for impairment at the end of the reporting period.

The Group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs when it is not possible to estimate the recoverable amount individually. Each CGU represents the Group's geographical location of its operations.

Hong Kong unit

The recoverable amount of the CGU of Hong Kong unit was determined based on value-in- use calculations, which comprised cash flow projections prepared based on the financial budget approved by the management. The period covered by the value-in-use calculations was five years. Impairment loss was recognised for property, plant and equipment, right-of-use assets and intangible assets under Hong Kong unit during the year ended 31 March 2024 which was mainly due to ongoing economic downturn in Hong Kong. The demand for the Group's printing service was highly reliant on the level of local business and market activities undertaken by the Group's downstream customers, which was driven by market sentiment. The Group's financial budget was revised to reflect to current assessment of the economic and market conditions. Save for the economic and market factors, the Group's operating results for the year were adversely affected by the disruption of production capabilities causing by the early termination of a production agreement and lease agreements as mentioned in note 3(c).

Based on the result of the impairment assessment, the recoverable amount of the CGU of Hong Kong unit was estimated to be approximately HK$24,102,000, which was lower than its aggregated carrying amount by HK$6,500,000. Accordingly, impairment loss of HK$6,500,000 (2023: HK$2,390,000) was recognised for the year ended 31 March 2024 which was allocated as to HK$1,164,447 (2023: HK$992,652) to property, plant and equipment, HK$5,241,979 (2023: HK$1,316,104) to right-of-use assets and HK$93,574 (2023: HK$81,244) to intangible assets (note 14).

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

Right-of-use assets (Continued)

Notes: (Continued)

Hong Kong unit (Continued)

Having regard to the high level of estimation uncertainty, management has considered multiple scenarios in the cash flow projections, each of which are probability weighted. The key assumptions used by the management in the value- in-use calculations of the CGU include: (i) annual sale growth rates projected for the 5-year forecast of 5%; (ii) gross profit margin ranged between 18% to 29% for all scenarios; and (iii) pre-tax discount rate of 14.3%. These assumption were determined based on past performance and management's expectations in respect of the market conditions as well as the economy and political changes which had impact on the Group. The pre-tax discount rate used reflects the specific risks related to the business and industry in which the CGU was engaged.

In respect of last year, the directors assessed that impairment indications existed and thus the Group's property, plant and equipment, right-of-use assets and intangible assets were tested for impairment at the end of the reporting period of last year. Consistently the recoverable amount of the CGU was determined based on value-in-use calculations, which comprised cash flow projections prepared based on the financial budget approved by the management. The period covered by the value-in-use calculation was five years. The key assumptions used by the management in the value- in-use calculations of the CGU include: (i) annual sale growth rates projected for the 5-year forecast period ranged 4.0% - 30.8% under base case; and not exceed 20% and 10% respectively under negative case and worst case; (ii) gross profit margin ranged between 15% to 20% for all scenarios; and (iii) pre-tax discount rate of 12.3%.

14 INTANGIBLE ASSETS

	Software HK$
Cost:	
At 31 March 2022	416,691
Addition	576,000
At 31 March 2023 and 2024	992,691
Accumulated amortisation and impairment:	
At 1 April 2022	(380,048)
Charge for the year	(38,576)
Impairment (note 13)	(81,244)
At 31 March and 1 April 2023	(499,868)
Charge for the year	(52,274)
Impairment (note 13)	(93,574)
At 31 March 2024	(645,716)
Net book value:	
At 31 March 2024	346,975
At 31 March 2023	492,823

15 INVESTMENTS IN SUBSIDIARIES

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

Name of the company	Place of incorporation and kind of legal entity	Particulars of issued and paid up share capital	Proportion of ownership interest			Principal activities and place of operation
			Group's effective interest	Held by the Company	Held by a subsidiary	
Universe Printshop Limited	The Cayman Islands, limited liability company	13,334 shares of United States Dollars ("US$") 1.00 each	100%	100%	–	Investment holding in Hong Kong
All in 1 Printing (Group) Limited	Hong Kong, limited liability company	10,000,000 shares of HK$10,000,000	100%	–	100%	Investment holding in Hong Kong
Universe Printing Holdings Limited	Hong Kong, limited liability company	10,000,000 shares of HK$10,000,000	100%	–	100%	Provision of general printing services and trading of printing products in Hong Kong
Print Shop Limited	Hong Kong, limited liability company	10,000,000 shares of HK$10,000,000	100%	–	100%	Provision of printing services and solutions in Hong Kong
Startec Colour Separation Printing Limited	Hong Kong, limited liability company	10,000,000 shares of HK$10,000,000	100%	–	100%	Investment holding in Hong Kong
Net Printshop Limited	Hong Kong, limited liability company	100,000 shares of HK$100,000	100%	–	100%	Investment holding in Hong Kong
Quick Quick Logistics Company Limited	Hong Kong, limited liability company	1,000 shares of HK$1,000	100%	–	100%	Provision of warehousing, inventory management and distribution services in Hong Kong
Elegance Technology Printing Limited	Hong Kong, limited liability company	100,000 shares of HK$100,000	91%	–	91%	Provision of printing services and solutions in Hong Kong
South Sea International Press Limited	Hong Kong, limited liability company	10,000 shares of HK$10,000	60%	–	60%	Provision of printing services and solutions in Hong Kong
雲集數科(重慶)企業管理有限公司	People's Republic of China ("PRC"), limited liability company	–	100%	–	100%	Investment holding in PRC
雲集數科(重慶)科技有限公司	PRC, limited liability company	–	99%	–	99%	Provision of pre-press processing services in PRC

15 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of the company	Place of incorporation and kind of legal entity	Particulars of issued and paid up share capital	Proportion of ownership interest: Group's effective interest	Held by the Company	Held by a subsidiary	Principal activities and place of operation
雲集數科(重慶)營銷策劃有限公司	PRC, limited liability company	–	100%	–	100%	Investment holding in PRC
雲集數科(重慶)供應鏈管理有限公司	PRC, limited liability company	–	99%	–	99%	Trading of printing raw materials and equipment in PRC
雲集星達(重慶)國際貿易有限公司	PRC, limited liability company	–	99%	–	99%	Provision of general printing services and trading of printing products in PRC
雲集星承(重慶)國際貿易有限公司	PRC, limited liability company	–	99%	–	99%	Provision of general printing services and trading of printing products in PRC
雲集星灣(重慶)貿易有限公司	PRC, limited liability company	–	99%	–	99%	Provision of general printing services and trading of printing products in PRC
雲集星洲(重慶)貿易有限公司	PRC, limited liability company	–	99%	–	99%	Provision of general printing services and trading of printing products in PRC
雲集星美(重慶)貿易有限公司	PRC, limited liability company	–	99%	–	99%	Provision of general printing services and trading of printing products in PRC
雲集星渝(重慶)貿易有限公司	PRC, limited liability company	–	99%	–	99%	Provision of general printing services and trading of printing products in PRC
雲集星啟(重慶)貿易有限公司	PRC, limited liability company	–	99%	–	99%	Provision of general printing services and trading of printing products in PRC

16 INVENTORIES

Inventories in the consolidated statement of financial position comprise:

	2024 HK$	2023 HK$
Raw materials	345,596	325,433
Work in progress	–	120,793
Finished goods	407,614	317,294
	753,210	763,520

17 TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	2024 HK$	2023 HK$
Trade receivables	5,949,926	4,502,459
Less: Loss allowance (note (b))	(1,319,366)	(1,116,807)
	4,630,560	3,385,652
Other receivables	8,640	1,036,750
Deposits (note (c))	8,974,683	1,491,265
Finance lease receivables	233,334	535,877
Prepayments	882,711	626,395
	14,729,928	7,075,939
Less: non-current portion deposits	(3,664,383)	(1,087,065)
	11,065,545	5,988,874

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

(a) Ageing analysis of trade receivables

At 31 March 2024, the ageing analysis of trade receivables, based on invoice date and net of allowance for impairment, is as follows:

	2024 HK$	2023 HK$
Within 1 month	1,037,909	1,536,002
1 to 2 months	364,195	570,682
2 to 3 months	480,086	141,237
Over 3 months	2,748,370	1,137,731
	4,630,560	3,385,652

Further details on the Group's credit policy are set out in note 28(a).

(b) Impairment of trade receivables

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

	2024 HK$	2023 HK$
At the beginning of the reporting period	1,116,807	816,344
Impairment loss recognised	202,559	300,463
At the end of the reporting period	1,319,366	1,116,807

The Group measures impairment provision for trade receivables at the amount equal to lifetime ECLs. Further details on the Group's credit policy and credit risk arising from trade receivables are set out in note 28(a).

17 TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (CONTINUED)

(c) As at 31 March 2024, the carrying amount of deposits mainly includes the deposits for subcontracting services of HK$2,000,000 (2023: nil), deposits for leasehold improvements of HK$1,343,900 (2023: nil) and deposits for purchasing printing machinery of HK$3,249,700 (2023: nil).

18 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Cash and cash equivalents comprise:

	2024 HK$	2023 HK$
Cash at bank and on hand	9,778,940	4,958,855

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

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

	Notes	2024 HK$	2023 HK$
Loss before taxation		(29,496,995)	(20,440,263)
Adjustment for:			
Finance cost	8(a)	1,198,457	824,601
Depreciation of property, plant and equipment	8(c)	1,508,477	2,369,766
Depreciation of right-of-use assets	8(c)	6,789,195	7,848,545
Amortisation of intangible assets	8(c)	52,274	38,576
Gain on disposal of property, plant and equipment	7	(944,417)	(998,847)
Gain on lease modification	7	(565,523)	(185,613)
Impairment loss on property, plant and equipment right-of-use assets and intangible assets	13	6,500,000	2,390,000
Interest income	7	(10,089)	(8,364)
Reversal of provision for reinstatement cost	23	(60,000)	(40,000)
Impairment loss recognised on trade receivables	8(c)	202,559	300,463
Reversal of provision for long service payments	19	(284,929)	(50,139)
		(15,110,991)	(7,951,275)
Changes in working capital:			
Decrease in inventories		10,310	2,050,567
(Increase)/Decrease in trade and other receivables, prepayments and deposits		(7,417,863)	1,599,261
(Decrease)/Increase in trade and other payables and accruals		(10,470,019)	4,174,066
Increase in contract liabilities		152,259	85,814
Cash used in operations		(32,836,304)	(41,567)

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

(c) Reconciliation of liabilities arising from financing activities:

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

	Lease liabilities HK$	Amount due to a director HK$	Loan from a shareholder HK$
At 1 April 2022	11,686,375	–	–
Changes from financing cash flows:			
Capital element of lease payments	(8,958,191)	–	–
Interest element of lease payments	(824,601)	–	–
Total changes from financing cash flows	(9,782,792)	–	–
Other changes:			
Increase in lease liabilities from entering into new leases	9,035,596	–	–
Increase in lease liabilities from lease modification	(474,176)	–	–
Finance cost on lease liabilities	824,601	–	–
Total other changes	9,386,021	–	–
At 31 March and 1 April 2023	11,289,604	–	–
Changes from financing cash flows:			
Capital element of lease payments	(9,394,863)	–	–
Interest element of lease payments	(1,198,457)	–	–
Proceeds from shareholder's loan	–	–	24,950,000
Repayment of shareholder's loan	–	–	(18,510,000)
Advances from a director	–	3,321,592	–
Total changes from financing cash flows	(10,593,320)	3,321,592	6,440,000
Other changes:			
Increase in lease liabilities from entering into new leases	29,347,183	–	–
Decrease in lease liabilities from lease modification	(6,749,715)	–	–
Finance cost on lease liabilities	1,198,457	–	–
Total other changes	23,795,925	–	–
At 31 March 2024	24,492,209	3,321,592	6,440,000

19 TRADE AND OTHER PAYABLES AND ACCRUALS

	2024 HK$	2023 HK$
Trade payables	4,942,652	15,572,702
Other payables and accruals	2,640,828	1,763,950
Accrual for staff costs	1,159,250	1,735,224
Provision for long service payments	374,928	800,730
	9,117,658	19,872,606

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

	2024 HK$	2023 HK$
Within 1 month	4,572,167	4,471,770
1 to 2 months	167,919	3,859,788
2 to 3 months	93,841	3,411,942
Over 3 months	108,725	3,829,202
	4,942,652	15,572,702

20 CONTRACT LIABILITIES

	2024 HK$	2023 HK$
Contract liabilities arising from sales of printing products	1,965,728	1,813,469

Movements in contract liabilities are as follows:

	2024 HK$	2023 HK$
At the beginning of the reporting period	1,813,469	1,727,655
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(1,813,469)	(1,727,655)
Increase in contract liabilities as a result of billing in advance of delivering the printing products	1,965,728	1,813,469
At the end of the reporting period	1,965,728	1,813,469

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

21 LEASE LIABILITIES

The Group leases retail shops, production sites, office premises, car parks and machinery for use in its operation. The periodic rent is fixed over the lease term, and the leases are generally negotiated for an initial period of one to three years (2023: one to five years) for leased properties and five years (2023: five years) for machinery, with some leases of properties which initial lease period is one year or less and thus not being capitalised. Some of the leases contain early termination option, which is not reflected in the measurement of lease liabilities. During the year ended 31 March 2024, the Group terminated two leases of production sites under the surrender deeds, the related lease liabilities of HK$4,256,186 were derecognised as a result of the lease modification.

At 31 March 2024, the carrying amounts of lease liabilities are not reduced by the amount of payments that would be avoided from exercising early termination option because it was considered reasonably certain that the Group would not exercise its right to terminate the lease. Total lease payments of HK$1,270,906 (2023: HK$2,147,700) are potentially avoidable if the Group were to exercise the options at the earliest opportunity.

The interest rates implicit in the lease for the leased machineries applied to lease liabilities range from 6.26% to 8.02% (2023: Nil).

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

	Leased properties HK$	Machinery HK$	Total HK$
At 1 April 2022	7,986,095	3,700,280	11,686,375
Additions	9,035,596	–	9,035,596
Lease modification	(474,176)	–	(474,176)
Finance cost (note 8(a))	599,990	224,611	824,601
Lease payments	(8,311,824)	(1,470,968)	(9,782,792)
At 31 March 2023 and 1 April 2023	8,835,681	2,453,923	11,289,604
Additions	11,842,678	17,504,505	29,347,183
Lease modification	(6,176,347)	(573,368)	(6,749,715)
Finance cost (note 8(a))	486,293	712,164	1,198,457
Lease payments	(6,757,344)	(3,835,976)	(10,593,320)
At 31 March 2024	8,230,961	16,261,248	24,492,209

The Group's lease liabilities are secured by the underlying machinery with carrying value of HK$14,410,142 as at 31 March 2024 (2023: HK$1,182,865).

21 LEASE LIABILITIES (CONTINUED)

Future lease payments are due as follows:

	Minimum lease payment HK$	Finance cost HK$	Present value of minimum lease payments HK$
As at 31 March 2024			
Within one year	10,173,613	(1,330,736)	8,842,877
After one year but within two years	11,588,696	(1,252,570)	10,336,126
After two years but within five years	5,566,199	(252,993)	5,313,206
	27,328,508	(2,836,299)	24,492,209

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

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

	2024 HK$	2023 HK$
Current liabilities	8,842,877	7,790,648
Non-current liabilities	15,649,332	3,498,956
	24,492,209	11,289,604

22 DEFERRED TAXATION

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

	Tax losses HK$	Temporary difference related to property, plant and equipment and right-of-use assets HK$	Total HK$
At 1 April 2022	116,283	(119,790)	(3,507)
Charged to profit or loss (note 9)	(265)	(62,278)	(62,543)
At 31 March and 1 April 2023	116,018	(182,068)	(66,050)
(Charged)/Credited to profit or loss (note 9)	(70)	826,495	826,425
At 31 March 2024	115,948	644,427	760,375

	2024 HK$	2023 HK$
Represented by:		
Deferred tax assets	760,375	353,120
Deferred tax liabilities	–	(419,170)
	760,375	(66,050)

As at 31 March 2024, the Group had estimated unused tax losses of approximately HK$77,027,000 (2023: approximately HK$57,116,000) available for offset against future profits. The tax losses have no expiry date under the current tax legislation. Deferred tax asset in respect of tax losses of approximately HK$703,000 (2023: HK$703,000) has been recognised. Deferred tax assets have not been recognised for tax losses of approximately HK$76,324,000 (2023: HK$56,413,000) as in the opinion of the directors, it is not probable that taxable profits will be available for utilising such losses.

23 PROVISION FOR REINSTATEMENT COST

	2024 HK$	2023 HK$
At the beginning of the reporting period	100,000	140,000
Addition of provision for reinstatement costs	10,000	50,000
Reversal of provision for reinstatement costs	(70,000)	(90,000)
At the end of the reporting period	40,000	100,000

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

24 LOAN FROM A SHAREHOLDER

The amounts due are unsecured, interest-free and repayable on demand.

25 AMOUNT DUE TO A DIRECTOR

The amounts due are unsecured, interest-free and repayable on demand.

26 CAPITAL AND RESERVES

(a) Movements in the Company's reserves

	Share premium HK$	Accumulated losses HK$	Total equity HK$
At 1 April 2022	29,644,379	(20,750,016)	8,894,363
Loss and total comprehensive income for the year	–	(23,679,922)	(23,679,922)
At 31 March and 1 April 2023	29,644,379	(44,429,938)	(14,785,559)
Loss and total comprehensive income for the year	–	(26,208,702)	(26,208,702)
Issue of shares under subscription agreement	2,749,775	–	2,749,775
Issue of shares upon completion of Rights Issue	17,733,953	–	17,733,953
At 31 March 2024	50,128,107	(70,638,640)	(20,510,533)

26 CAPITAL AND RESERVES (CONTINUED)

(b) Share capital

	Par value HK$	Number of shares	Amount HK$
Authorised:			
At 1 April 2022 and 31 March 2023	0.01	2,000,000,000	20,000,000
Increase in authorised share capital (note (ii))	0.01	18,000,000,000	180,000,000
Share Consolidation (note (iii))		(16,000,000,000)	–
At 31 March 2024	0.05	4,000,000,000	200,000,000
Issued and fully paid:			
At 1 April 2022 and 31 March 2023	0.01	900,000,000	9,000,000
Issue of shares under subscription agreement (note (i))	0.01	98,000,000	980,000
Share Consolidation (note (iii))		(798,400,000)	–
Issue of shares upon completion of Rights Issue (note (iv))	0.05	299,400,000	14,970,000
At 31 March 2024	0.05	499,000,000	24,950,000

Note:

(i) On 19 April 2023, the Company entered into a subscription agreement ("Subscription Agreement") with independent third parties ("Subscribers") pursuant to which, the Company has conditionally agreed to allot and issue, and the Subscribers have conditionally agreed to subscribe for a total of 98,000,000 shares of the Company at the subscription price of HK$0.04 per subscription share ("Subscription"). The conditions of the Subscription Agreement have been fulfilled and completion took place on 3 May 2023.

(ii) On 3 October 2023, the Board proposed to increase the authorised share capital of the Company from HK$20,000,000 divided into 2,000,000,000 shares to HK$200,000,000 divided into 20,000,000,000 shares by the creation of an additional 18,000,000,000 new shares. The increase in authorised share capital was approved by the shareholders at the extraordinary general meeting ("EGM') of the Company held on 21 December 2023 and became effective on the same date.

(iii) On 3 October 2023, the Board proposed that every five shares in the issued and unissued share capital of the Company be consolidated into one consolidated share of par value of HK$0.05 (the "Share Consolidation"). The Share Consolidation was approved by the shareholders at the EGM of the Company held on 21 December 2023 and the same became effective on 27 December 2023.

(iv) On the basis of three rights share for every two consolidated shares held by qualifying shareholders, 299,400,000 right shares at HK$0.115 per share were allotted and issued upon the completion of the rights issue (the "Right Issue") on 6 February 2024.

26 CAPITAL AND RESERVES (CONTINUED)

(c) Nature and purpose of reserves

(i) Share premium

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

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

(ii) Capital reserve

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

(d) Capital management

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

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

The Group is not subject to externally imposed capital requirements. As detailed in note 3(c), some plans and measures have been taken to increase the capital of the Group and to enable the Group to continue as a going concern.

27 FINANCIAL INSTRUMENTS BY CATEGORY

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

	2024 HK$	2023 HK$
Financial assets		
Financial assets measured at amortised cost		
Trade and other receivables and deposits	8,491,699	6,325,043
Cash and cash equivalents	9,778,940	4,958,855
	18,270,639	11,283,898
Financial liabilities		
Financial liabilities measured at amortised cost		
Trade and other payables and accruals	8,742,730	19,071,876
Loan from a shareholder	6,440,000	–
Amount due to a director	3,321,592	–
	18,504,322	19,071,876
Other financial instruments		
Lease liabilities	24,492,209	11,289,604

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

28 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

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

(a) Credit risk

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

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

28 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(a) Credit risk (Continued)

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

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

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

	2024					
	Gross carrying amount HK$	Individual assessed loss allowance HK$	Balance under collective assessment HK$	ECL rate	Collective assessed loss allowance HK$	Total loss allowance HK$
Not past due	1,037,909	–	1,037,909	0%	–	–
Past due:						
– 30 days or below	364,299	–	364,299	0.03%	105	105
– 31 days to 90 days	956,078	–	956,078	0.03%	276	276
– Over 90 days	3,591,640	1,085,833	2,505,807	9.30%	233,152	1,318,985
	5,949,926	1,085,833	4,864,093		233,533	1,319,366

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

28 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(a) Credit risk (Continued)

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

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

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

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

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

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

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

In respect of other receivables and deposits, the Group considers the background and regularly monitors the financial condition of the counterparties to assess the recoverability of the outstanding balances. The credit risk of the Group's other receivables and deposits as at the end of the reporting period has not increased significantly since initial recognition and the amounts of ECLs were insignificant and no provision was made accordingly.

28 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(b) Liquidity risk

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

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

	Carrying amount HK$	Total contractual undiscounted cash flow HK$	Within 12 months or on demand HK$	More than 1 year but less than 2 years HK$	More than 2 years but less than 5 years HK$
As at 31 March 2024					
Trade payables, other payables and accruals	8,742,730	8,742,730	8,742,730	–	–
Lease liabilities	24,492,209	27,328,508	10,173,613	11,588,696	5,566,199
Loan from a shareholder	6,440,000	6,440,000	6,440,000	–	–
Amount due from a director	3,321,592	3,321,592	3,321,592	–	–
	42,996,531	45,832,830	28,677,935	11,588,696	5,566,199
As at 31 March 2023					
Trade payables, other payables and accruals	19,071,876	19,071,876	19,071,876	–	–
Lease liabilities	11,289,604	12,012,851	8,367,675	3,159,111	486,065
	30,361,480	31,084,727	27,439,551	3,159,111	486,065

(c) Cash flow interest rate risk

Other than the lease liabilities of one of the right-of-use assets which carry interest at prevailing market interest rates, the Group has no other significant interest-bearing assets or liabilities which are subject to cash flow interest rate risk. Therefore, the interest rate risk mainly arises from interest-bearing lease liabilities. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of HIBOR arising from the Group's lease liabilities over the leased machineries.

At 31 March 2024, had the interest rate on lease liabilities been 100 basis point higher/lower with all other variables held constant, post-tax loss for the year would have been higher/lower by approximately HK$126,000 mainly as a result of higher/lower interest expense on the floating rate lease liabilities.

29 CAPITAL COMMITMENTS

Capital commitments outstanding at the reporting date not provided for in the consolidated financial statements were as follows:

	2024 HK$	2023 HK$
Contracted for acquisition of leasehold improvements and printers	2,549,700	–

30 MATERIAL RELATED PARTY TRANSACTIONS

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

(a) Key management personnel remuneration

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

(b) Transactions with related parties

	2024 HK$	2023 HK$
Lease payments made to the following related companies, the majority shareholding of each of which is held by two directors:		
– Universe Printing Company Limited	–	1,565,000
– Universe Samfine Limited	–	190,000
Salaries and retirement scheme contribution paid to:		
– Ms. NG Lai Nga, spouse of a director	78,750	315,000
– Ms. SIU Man Yam, spouse of a director	–	50,400

31 SHARE OPTION SCHEME

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

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

31 SHARE OPTION SCHEME (CONTINUED)

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

An option may be exercised in accordance with the terms of the share option scheme at any time during a period as the directors may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof. The share option scheme will remain in force for a period of ten years commencing on the date of its adoption on 26 February 2018 and will expire at the close of business on 25 February 2028. Under the said scheme, the maximum number of shares of the Company that may be issued upon the exercise of options that may be granted is 90,000,000 shares of HK$0.01 each (equivalent to 18,000,000 shares of HK$0.05 each after the share consolidated took effect on 27 December 2023), representing approximately 3.6% of the issued share capital of the Company at the end of the reporting period. No share options were granted under the share option scheme since its adoption.

32 DIVIDEND

No dividend was paid or proposed during the year, nor has any dividend been proposed since the end of the reporting period (2023: Nil).

33 STATEMENT OF FINANCIAL POSITION OF HOLDING COMPANY

	Notes	2024 HK$	2023 HK$
ASSETS AND LIABILITIES			
Non-current assets			
Investment in a subsidiary	15	133	133
Current assets			
Other receivables		298,632	320,676
Amount due from subsidiaries		24,248,288	13,239,870
Cash and cash equivalents		35,967	70,576
		24,582,887	13,631,122
Current liabilities			
Accruals		628,234	424,773
Amounts due to subsidiaries		19,515,319	18,992,041
		20,143,553	19,416,814
Net current assets/(liabilities)		4,439,334	(5,785,692)
Net assets/(liabilities)		4,439,467	(5,785,559)
CAPITAL AND RESERVES			
Share capital	26(b)	24,950,000	9,000,000
Share premium	26(a)	50,128,107	29,644,379
Accumulated losses	26(a)	(70,638,640)	(44,429,938)
Total equity/(Capital deficiency)		4,439,467	(5,785,559)

Approved and authorised for issue by the board of directors on 25 June 2024.

LAM Shing Tai
Director

YIP Chi Man
Director

Financial Summary

For the year ended 31 March 2024

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

	Year ended 31 March				
	2024	2023	2022	2021	2020
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	69,930	95,474	113,652	103,133	133,428
Gross profit	9,417	14,692	24,396	20,298	25,069
Loss and total comprehensive income for the year	(28,671)	(20,503)	(4,447)	(12,536)	(15,511)

	As at 31 March				
	2024	2023	2022	2021	2020
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Non-current assets	29,636	19,824	20,127	18,840	27,280
Current assets	22,880	12,990	29,231	35,801	43,980
Total assets	52,516	32,814	49,358	54,641	71,260
Current liabilities	29,728	29,577	25,065	24,959	27,320
Non-current liabilities	15,649	3,918	4,471	5,413	7,135
Total liabilities	45,377	33,495	29,536	30,372	34,455
Total equity/(Capital deficiency)	7,139	(681)	19,822	24,269	36,805