

GRAPHIC ARTS ASSOCIATION OF HONG KONG LIMITED

香港印藝學會有限公司

(Incorporated in Hong Kong with limited guarantee)

**Report of the Executive Committee Members
And Consolidated Financial Statements
For the year ended 31 December 2023**

GRAPHIC ARTS ASSOCIATION OF HONG KONG LIMITED

REPORT OF EXECUTIVE COMMITTEE MEMBERS

The Executive Committee Members submit herewith their annual report together with the audited consolidated financial statements of Graphic Arts Association of Hong Kong Limited (the “Association”) and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2023.

PRINCIPAL ACTIVITY

The principal activities of the Association was engaged in the promotion and development of printing knowledge and technology under organisation name of “Graphic Arts Association of Hong Kong Limited - Print Awards” (香港印藝學會有限公司-印製大獎) for its operation during the year.

The Association has a wholly-owned subsidiary, 印藝管理顧問服務(東莞)有限公司 (“the Subsidiary”), incorporated in The People’s Republic of China (“PRC”). The principal activity of the subsidiary was providing consulting business in the PRC.

BUSINESS REVIEW

The Association and its subsidiary (“the Group”) qualifies for the reporting exemption as a group of small guarantee company under section 359 of the Hong Kong Companies Ordinance Cap 622 for the financial year. Accordingly, the Group is exempted from preparing a business review.

RESULTS AND APPROPRIATIONS

The consolidated financial performance of the Association for the year ended 31 December 2023 and the consolidated financial position of the Association at as 31 December 2023 are set out in the consolidated financial statements on pages 7 to 18.

TRANSFER TO FUNDS

The deficit arising from the activities of the Group of HK\$ 337,173 (2022: Surplus HK\$ 2,600) has been transferred to the general funds. Details movement in funds are set out in the note 8 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements during the year in property, plant and equipment of the Group are set out in note 6 to the consolidated financial statements.

GRAPHIC ARTS ASSOCIATION OF HONG KONG LIMITED

REPORT OF EXECUTIVE COMMITTEE MEMBERS

EXECUTIVE COMMITTEE MEMBERS

The Executive Committee Members of the Association during the year and up to the date of this report are as follows:

Ma Cho Lik	(Chairman)
Chow Yuet Keung	(1st Vice-Chairman)
Lin Tin Yi	(2nd Vice-Chairman)
Ng Wai Chi	(Honorary Treasurer)
King Pui Yuk, Alex	(Honorary Secretary)
Choy Wing Chiu, Dicky	(Honorary Chairman)
Lee Chun Lam	(Honorary Chairman)
Ng King Fai, John	(Honorary Chairman)
Teddy Chui	(Honorary Chairman)
Yip Wai Chi, Ebenezer	(Honorary Chairman)
Yu Hung Kin	(Honorary Chairman)
Chan Hau Yin, Kenny	
Chan Pui Kay, Ken	
Chan Yiu Chung	
Cheng Wai Sze, Cecilia	
Cheung Cheuk Pang	
Cheung King Yue	
Cheung Kwan	
Cheung Shirley	
Chung Ho Yin	- appointed on 20 March 2024
Kwong Kwan Lai, Rebecca	
Lai King Lung	
Lam Wo On	
Lau Wing	
Lee Ka Chung	
Leung Chun Kin Cupid	- appointed on 1 January 2023
Leung Mei Hing	- appointed on 20 March 2024
Ng Ka Tsun, Gaston	
Siu Yuen Wah, Connie	
Tam Kit Ying Kitty	
Thomas Tang	
Tsui Pak Wai	- appointed on 20 March 2024
Wan Chung Ping, Anthony	
Wong Chi Hung Benjamin	- appointed on 1 January 2023
Yik Ka Kit	
Au Siu Ki, Chris	- resigned on 1 January 2023
Chan Siu Ming	- resigned on 1 January 2023
Leung Yik Sze, Eunice	- resigned on 1 January 2023

In accordance with articles 47 to 51 of the articles of association of the Association, Executive Committee Members shall retire for every 2 years after the date their appointment and all retiring Executive Committee Members shall be eligible for re-election.

GRAPHIC ARTS ASSOCIATION OF HONG KONG LIMITED

REPORT OF EXECUTIVE COMMITTEE MEMBERS

PERMITTED INDEMNITY PROVISION

At no time during the financial year were there any permitted indemnity provisions in force for the benefit of one or more Executive Committee Members of the Association or subsidiary. At the time of approval of this report, there are no permitted indemnity provisions in force for the benefit of one or more Executive Committee Members of the Association or subsidiary.

MATERIAL INTEREST IN TRANSACTION, ARRANGEMENT OR CONTRACT

No material transaction, arrangement or contract of significance to which the Association or the Subsidiary was a party and in which an Executive Committee Member of the Association or an entity connected with an Executive Committee Members had a material interest, whether directly or indirectly, subsisted during or at the end of the financial period.

AUDITOR

Messrs. Chan Ngai Fan Certified Public Accountant (Practising) retired and a resolution will be submitted to the forthcoming annual general meeting of the Association to re-appoint Messrs. Chan Ngai Fan Certified Public Accountant (Practising) as auditor of the Association.

By order of the Committee



Ma Cho Lik
Chairman

Hong Kong, **21 AUG 2024**



陳毅奮 執業會計師

CHAN NGAI FAN CERTIFIED PUBLIC
ACCOUNTANT (PRACTISING)

香港九龍尖沙咀加拿分道41-43號Solo Building 14樓26室
Unit 26, 14/F., Solo Building, 41-43 Carnarvon Road, Tsimshatsui, Kowloon, Hong Kong
Tel: 3500 3900 Fax: 3013 9663

INDEPENDENT AUDITOR'S REPORT TO THE EXECUTIVE COMMITTEE MEMBERS OF GRAPHIC ARTS ASSOCIATION OF HONG KONG LIMITED

(Incorporated in Hong Kong and limited guarantee)

Opinion

I have audited the consolidated financial statements of Graphic Arts Association of Hong Kong Limited ("the Association") and its subsidiary ("the Group") set out on pages 7 to 18, which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated income statement for the year ended 31 December 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the consolidated financial statements of the Group are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

I conducted my audit in accordance with Hong Kong Standards on Auditing ("HKSA") and with reference to Practice Note 900 (Revised) Audit of Financial Statements Prepared in Accordance with the SME-FRS issued by the HKICPA. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of my report. I am independent of the Association in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Executive Committee Members of the Association are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

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

In connection with my audit of the consolidated financial statements, my 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 my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Executive Committee Members and Those Charged with Governance for the Consolidated Financial Statements

The Executive Committee Members are responsible for the preparation of the consolidated financial statements in accordance with the SME-FRS issued by the HKICPA and Hong Kong Companies Ordinance, and for such internal control as the Executive Committee Members 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 Executive Committee Members 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 Executive Committee Members either intend to liquidate the Association or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group's financial reporting process.



**INDEPENDENT AUDITOR'S REPORT
TO THE EXECUTIVE COMMITTEE MEMBERS OF
GRAPHIC ARTS ASSOCIATION OF HONG KONG LIMITED**

(Incorporated in Hong Kong and limited guarantee)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

My 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 my opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. I 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 Executive Committee Members.
- 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.
- conclude on the appropriateness of the Executive Committee Members' 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, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- 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. I am responsible for the direction, supervision and performance of the Group audit. I remain solely responsible for my audit opinion.



陳毅奮 執業會計師

CHAN NGAI FAN CERTIFIED PUBLIC
ACCOUNTANT (PRACTISING)

香港九龍尖沙咀加拿分道41-43號Solo Building 14樓26室
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**INDEPENDENT AUDITOR'S REPORT
TO THE EXECUTIVE COMMITTEE MEMBERS OF
GRAPHIC ARTS ASSOCIATION OF HONG KONG LIMITED**

(Incorporated in Hong Kong and limited guarantee)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

I communicate with the Executive Committee Members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Chan Ngai Fan Certified Public Accountant (Practising)
Unit 1426, 14/F., Solo Building,
41-43 Carnarvon Road, Tsimshatsui,
Kowloon, Hong Kong

Chan Ngai Fan
Practising Certificate Number P05752
Hong Kong, **21 AUG 2024**

GRAPHIC ARTS ASSOCIATION OF HONG KONG LIMITED

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023	2022
	HK\$	HK\$
INCOME		
Member entrance and renewal fee income	1,648,492	1,769,409
Advertising income	99,737	169,000
Expert training income	274,693	160,245
Functions income	2,398,715	1,106,666
Sale of goods	216,949	471,892
Sponsorship income	195,000	255,600
Interest form bank deposits	4,696	2,132
Dividend income	29,810	41,366
Exchange gains, net	-	2,113
Government grants under Anti-epidemic Fund	-	134,100
Gain on disposal of securities	102,124	-
Miscellaneous income	11,549	12,661
PRC service income	1,486,005	1,286,232
	6,467,770	5,411,416
Expenditure		
Bulletins and certificate costs	1,880,715	1,743,223
Functions and service costs	2,211,175	1,226,221
Cost of goods sold	197,646	434,699
Management and administration cost	2,499,139	1,987,268
	6,788,675	5,391,411
(DEFICIT) / BEFORE TAX	3	20,005
INCOME TAX EXPENSE	4	(17,405)
(DEFICIT) / SURPLUS FOR THE YEAR	(337,173)	2,600

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these consolidated financial statements.

GRAPHIC ARTS ASSOCIATION OF HONG KONG LIMITED

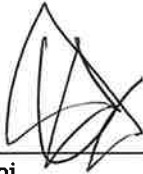
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

	Note	2023 HK\$	2022 HK\$
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	6	30,936	41,773
Investments in securities	7	528,033	744,666
		<u>558,969</u>	<u>786,439</u>
Current assets			
Trade receivables		226,162	106,908
Deposit paid and prepayment		63,360	349,024
Cash and cash equivalents		2,012,861	1,785,505
		<u>2,302,383</u>	<u>2,241,437</u>
Current liabilities			
Accruals		673,969	507,568
Deposit received		13,585	6,949
Temporary receipts		9,500	11,888
		<u>697,054</u>	<u>526,405</u>
NET CURRENT ASSETS		<u>1,605,329</u>	<u>1,715,032</u>
NET ASSETS		<u>2,164,298</u>	<u>2,501,471</u>
REPRESENTED BY:			
RESERVES	8	<u>2,164,298</u>	<u>2,501,471</u>

Approved and authorized for issue by the Executive Committee Members on **21 AUG 2024**



Ma Cho Lik
Chairman



Ng Wai Chi
Honorary Treasurer

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these consolidated financial statements.

GRAPHIC ARTS ASSOCIATION OF HONG KONG LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

GENERAL INFORMATION

Graphic Arts Association of Hong Kong Limited (the “Association”) is incorporated in Hong Kong as a company limited by guarantee and have no share capital. The registered office and the principal place of operation of the Association is located at Room C, 3/F., Winner Factory Building, 55 Hung To Road, Kwun Tong, Kowloon, Hong Kong.

The principal activities of the Association was engaged in the promotion and development of printing knowledge and technology under organisation name of “Graphic Arts Association of Hong Kong Limited - Print Awards” (香港印藝學會有限公司-印製大獎) for its operation during the year.

The Association has a wholly-owned subsidiary, 印藝管理顧問服務(東莞)有限公司 (“the Subsidiary”), incorporated in The People’s Republic of China (“PRC”). The principal activity of the subsidiary was providing consulting business in the PRC.

In the event of the Association being wound up, every member, or within one year after one ceased to be a member, of the association undertakes to contribute not exceeding HK\$100 towards payment of the debts and liabilities of the Association contracted before one ceases to be a member.

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

(a) Statement of compliance

The Association and each of its subsidiaries (the Group) qualify for the reporting exemption as small private companies or small guarantee company under section 359(1)(a) of the Companies Ordinance (Cap. 622), and the Group as a whole qualifies for the reporting exemption as a small private group under section 359(3A). The Group is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants.

These consolidated financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the Association is a going concern. The measurement base adopted is the historical cost convention.

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:

(b) Subsidiaries and basis of consolidation

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

In the statement of financial position of the Association, the investment in a subsidiary is stated at cost less provision for impairment loss. The results of the subsidiary are accounted for by the Association on the basis of dividends received and receivable.

GRAPHIC ARTS ASSOCIATION OF HONG KONG LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

(c) Foreign exchange

The reporting currency of the Association and its subsidiaries is Hong Kong Dollars, which is the currency of the primary economic environment in which each of these entities operates. The consolidated financial statements are presented in Hong Kong Dollars.

Foreign currency transactions are converted at the exchange rate applicable at the transaction date. Foreign currency monetary items are translated into Hong Kong Dollars using exchange rates applicable at the end of the reporting period. Gains and losses on foreign exchange are recognised in the income statement.

(d) Taxation

Income tax expense represents current tax expense. The income tax payable represents the amounts expected to be paid to the taxation authority, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is not provided.

(e) Revenue

Revenue consists of turnover and other revenue but excludes the reversal of impairment and/or provisions. Turnover comprises revenue generated from the principal activities of the Association. Revenue is recognized when it is probable that economic benefits will flow to the Association and when the revenue can be measured reliably, on the following basis:

- i) member entrance and renewal fee income are recognised upon the receipt of the payment after the member has been admitted or renewed as a member;
- ii) advertising income, PRC service income and functions income are recognised when services are rendered and completed;
- iii) sponsorship income and expert training income are recognised when it accrues;
- iv) sales of goods and gain on disposal of securities are recognised when the significant risks and rewards of ownership are transferred to the buyers, and the Association retains no more effective control over the goods / securities;
- v) bank interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable;
- vi) dividend income from listed security is recognized when the shareholder's right to receive payment is established; and
- vii) miscellaneous income are recognised on cash basis.

(f) Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the reducing balance method. The following annual rates are used for the depreciation of property, plant and equipment:-

Type of assets	Rates
Furniture and fixtures	20%
Office equipment	20%
Computer	30%

GRAPHIC ARTS ASSOCIATION OF HONG KONG LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

(g) Investments

Current investments are stated at the lower of cost and net realisable value. Long-term investments are stated at cost less accumulated impairment losses.

(h) Impairment of assets

An assessment is made at the end of each reporting period to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment, intangible assets, long term investments, goodwill, interest in subsidiaries and interests in associates and joint ventures. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognised in the income statement.

An impairment loss in respect for goodwill is not reversed. In respect of assets other than goodwill, a previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortisation or depreciation), had no impairment losses been recognised for the asset in prior years.

(i) Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Association are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where substantially all the risks and rewards of ownership of assets are not transferred to the lessee are accounted for as operating leases. Annual rents applicable to such operating leases are charged to the income statement on a straight-line basis over the lease term.

(j) Trade receivables

Trade receivables are stated at estimated realizable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the income statement.

(l) Related parties

For the purpose of these financial statements, related party includes a person and entity as defined below:

- 1) A person or a close member of that person's family is related to the Association if that person:
 - (i) is a member of the key management personnel of the Association or of a parent of the Association;
 - (ii) has control over the Association; or
 - (iii) has joint control or significant influence over the reporting entity or has significant voting power in it.

GRAPHIC ARTS ASSOCIATION OF HONG KONG LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

(l) Related parties (Continued)

- 2) An entity is related to the Association if any of the following conditions applies:
- (i) the entity and the Association are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) either entity is an associate or joint venture of the other entity (or of a member of a group of which the other entity is a member).
 - (iii) both entities are joint ventures of a third entity.
 - (iv) either entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Association or an entity related to the Association. If the reporting entity is itself such a plan, the sponsoring employers are also related to the plan.
 - (vi) the entity is controlled or jointly controlled by a person identified in (1).
 - (vii) a person identified in (1)(i) has significant voting power in the entity.

2. INCOME

An analysis of the Group's income are as follows:

	2023	2022
	HK\$	HK\$
Member entrance and renewal fee income	1,648,492	1,769,409
Advertising income	99,737	169,000
Expert training income	274,693	160,245
Functions income	2,398,715	1,106,666
Sale of goods	216,949	471,892
Sponsorship income	195,000	255,600
Bank interest income	4,696	2,132
Dividend income	29,810	41,366
Exchange gains, net	-	2,113
Government grants under Anti-epidemic Fund	-	134,100
Gain on disposal of securities	102,124	-
Miscellaneous income	11,549	12,661
PRC service income	1,486,005	1,286,232
	6,467,770	5,411,416

GRAPHIC ARTS ASSOCIATION OF HONG KONG LIMITED

**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

3. (DEFICIT) / SURPLUS BEFORE TAX

(a) (Deficit) / surplus before tax is arrived at:-

	Note	2023 HK\$	2022 HK\$
After crediting the following items:			
Exchange gains, net		-	2,113
Governemnt grants under Anti-epidemic Fund			
- under Employment Support Scheme		-	101,200
- under Distance Business Programme		-	32,900
		-	134,100
Gain on disposal of securities		102,124	-
After charging the following items:			
Key management personnel's remuneration	5	-	-
Bad debts		-	24,000
Depreciation on owned assets	6	10,837	14,876
Exchange losses, net		122,785	-
Impairment loss		-	104,700
Operating lease charges on property rental*		118,560	143,744
Staff costs			
Staff salaries and allowances*		1,300,237	1,263,995
Mandatory provident fund contributions		53,565	54,296
		1,353,802	1,318,291

* Details of respective amount included its sub-organisation under the names of "Graphic Arts Association of Hong Kong Limited - Print Awards" and its subsidiary (note 10) are as follows:

	2023 HK\$	2022 HK\$
Operating lease charges on property rental		
- under subsidiary	10,560	11,744
- under sub-organisation	-	-
Staff costs		
- under subsidiary	13,200	14,680
- under sub-organisation	47,235	67,800

GRAPHIC ARTS ASSOCIATION OF HONG KONG LIMITED

**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

3. (DEFICIT) / SURPLUS BEFORE TAX (CONTINUED)

(b) Surplus from Hong Kong Printing Awards

Deficit before tax for the year included surplus from its sub-organisation under the names of “Graphic Arts Association of Hong Kong Limited - Print Awards”, details are as follows:

	2023	2022
	HK\$	HK\$
INCOME		
Member entrance and renewal fee income	-	116,000
Functions income	871,985	602,560
Interest form bank deposits	100	12
Sponsorship income	165,000	265,600
	1,037,085	984,172
Expenditure		
Functions costs	796,134	608,970
Management and administration cost	229,498	326,656
	1,025,632	935,626
SURPLUS FOR THE YEAR	11,453	48,546

4. INCOME TAX EXPENSE

Taxation in the income statement represents:

	2023	2022
	HKD	HKD
Current tax:		
Hong Kong Profits tax	-	-
Enterprise Income Tax in Mainland China	16,268	17,405
	16,268	17,405

Section 24(1) of the Inland Revenue Ordinance specifies that any person carries on a club or similar institution which received from its members not less than half of its gross receipts on Income Statement (including entrance fees and subscriptions), such person shall be deemed not to carry on a business. But where less than half of its gross receipts are received from members, the whole of the income from transactions both with members and others (including entrance fees and subscriptions) shall be deemed to be receipts from a business, and such person shall be chargeable in respect of the profits there from.

The Association is exempt from Hong Kong Profits Tax under Section 24(1) of the Inland Revenue Ordinance (2022: exempted from Hong Kong Profits Tax under section 24(1) of the Inland Revenue Ordinance)

GRAPHIC ARTS ASSOCIATION OF HONG KONG LIMITED

**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

4. INCOME TAX EXPENSE (CONTINUED)

Under the Enterprise Income Tax Law (the “EIT Law”) of the People’s Republic of China (“PRC”) and Implementation Regulation of the EIT Law, the tax rate of the subsidiary in Mainland China is 25.0% for both years.

5. REMUNERATION OF THE EXECUTIVE COMMITTEE MEMBERS

During the years ended 31 December 2023 and 31 December 2022, no amounts have been paid in respect of emoluments of Executive Committee Members, Executive Committee Members’ or past Executive Committee Members’ pensions, or for any compensation to Executive Committee Members or past Executive Committee Members in respect of loss of office.

6. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fixtures HK\$	Office equipment HK\$	Computer HK\$	Total HK\$
Cost				
At 1 January 2023	671,773	337,417	103,390	1,112,580
Addition	-	-	-	-
At 31 December 2023	<u>671,773</u>	<u>337,417</u>	<u>103,390</u>	<u>1,112,580</u>
Accumulated depreciation				
At 1 January 2023	661,272	330,969	78,566	1,070,807
Annual depreciation	2,100	1,290	7,447	10,837
At 31 December 2023	<u>663,372</u>	<u>332,259</u>	<u>86,013</u>	<u>1,081,644</u>
Net carrying amount				
At 31 December 2023	<u>8,401</u>	<u>5,158</u>	<u>17,377</u>	<u>30,936</u>
At 31 December 2022	<u>10,501</u>	<u>6,448</u>	<u>24,824</u>	<u>41,773</u>

GRAPHIC ARTS ASSOCIATION OF HONG KONG LIMITED

**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

7. INVESTMENTS IN SECURITIES

	HK\$
Cost	
At 1 January 2023	849,366
Disposal	(216,633)
At 31 December 2023	<u>632,733</u>
Accumulated impairment loss	
At 1 January 2023	104,700
Impairment for the year	-
At 31 December 2023	<u>104,700</u>
Net carrying amount	
At 31 December 2023	<u>528,033</u>
At 31 December 2022	<u>744,666</u>
Listed equities securities in Hong Kong, at fair value	
At 31 December 2023	<u>526,200</u>
At 31 December 2022	<u>819,200</u>

8. RESERVES

Reserves under general fund comprises the accumulated surplus (including a sub-organisation under the names of “Graphic Arts Association of Hong Kong Limited - Print Awards” and its subsidiary (note 10)) and accumulated amount transferred from other funds.

The reconciliation between the opening and closing balances of each component of the Group’s consolidated reserves under general fund are set out as below:

	The Company HK\$	The organisatio n Subsidiary HK\$	Subsidiary HK\$	Total HK\$
Balance as at 1 January 2022	1,684,463	324,729	489,679	2,498,871
(Deficit) / Surplus for the year	(715,119)	48,545	669,174	2,600
Balance as at 31 December 2022 and 1 January 2023	969,344	373,274	1,158,853	2,501,471
(Deficit) / Surplus for the year	(459,394)	11,453	110,768	(337,173)
At 31 December 2023	<u>509,950</u>	<u>384,727</u>	<u>1,269,621</u>	<u>2,164,298</u>

GRAPHIC ARTS ASSOCIATION OF HONG KONG LIMITED

**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

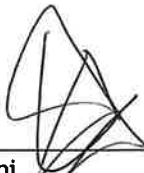
9. STATEMENT OF FINANCIAL POSITION OF THE ASSOCIATION

	Note	2023 HK\$	2022 HK\$
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	6	30,936	41,773
Investments in securities	7	528,033	744,666
Investment in a subsidiary	10	118,760	118,760
		677,729	905,199
Current assets			
Trade receivables		226,140	99,958
Deposit paid and prepayment		60,500	347,056
Cash and cash equivalents		721,872	621,375
		1,008,512	1,068,389
Current liabilities			
Accruals		663,304	500,322
Temporary receipts		9,500	11,888
Amount due to a subsidiary		118,760	118,760
		791,564	630,970
NET CURRENT ASSETS		216,948	437,419
NET ASSETS		894,677	1,342,618
REPRESENTED BY:			
RESERVES	8	894,677	1,342,618

Approved and authorised for issue by the Executive Committee Members on **21 AUG 2024** :



Ma Cho Lik
Chairman



Ng Wai Chi
Honorary Treasurer

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these consolidated financial statements.

GRAPHIC ARTS ASSOCIATION OF HONG KONG LIMITED

**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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10. INVESTMENT IN A SUBSIDIARY

Details of the subsidiary of the Association included in the financial statement at 31 December 2023 are as follows:

Name of subsidiary	Place of incorporation and principal place of operation	Percentage of ownership and voting power		Nature of business
		2023	2022	
印藝管理顧問服務(東莞)有限公司	People's Republic of China	100%	100%	Providing consulting business

11. OPERATING LEASE COMMITMENTS

At 31 December 2023, the Association had the following total future minimum lease payments payable under non-cancellable operating leases: -

	2023 HKD	2022 HKD
Not later than one year	108,000	-
Later than one year	-	-
	<u>108,000</u>	<u>-</u>

12. EVENT AFTER THE REPORTING PERIOD

Subsequent to the reporting period, the subsidiary of the Association (note 10) has reduced its registered capital from CNY100,000.00 to CNY10,000.00.

13. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the presentation of current year.

14. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2023 were approved for issue by the Executive Committee Members on **21 AUG 2024**.