

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 2024**

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 subsidiary (collectively referred to as the “Group”) for the year ended 31 December 2024.

PRINCIPAL ACTIVITY

The principal activities of the Association was engaged in the promotion and development of printing knowledge and technology, and hold a related annual event under its sub-organisation named “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 companies 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 2024 and the consolidated financial position of the Association at as 31 December 2024 are set out in the consolidated financial statements on pages 7 to 19.

TRANSFER TO FUNDS

The deficit arising from the activities of the Group of HK\$ 13,460 (2023: Deficit HK\$ 337,173) 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:

Chow Yuet Keung	(Chairman)
Tsui Pak Wai	(1st Vice-Chairman, appointed as member on 20 March 2024)
King Pui Yuk, Alex	(2nd Vice-Chairman)
Lai King Lung	(Honorary Treasurer)
Ng Wai Chi	(Honorary Secretary)
Choy Wing Chiu, Dicky	(Honorary Chairman)
Chui Teddy	(Honorary Chairman)
Lee Chun Lam	(Honorary Chairman)
Ma Cho Lik	(Honorary Chairman)
Ng King Fai John	(Honorary Chairman)
Yip Wai Chi, Ebenezer	(Honorary Chairman)
Yu Hung Kin	(Honorary Chairman)
Chan Pui Kay, Ken	
Cheng Wai Sze, Cecilia	
Cheung King Yue	
Cheung Kwan	
Cheung Shirley	
Chung Ho Yin	- appointed on 20 March 2024
Huang Liting	- appointed on 1 January 2025
Kwong Kwan Lai, Rebecca	
Lam Wo On	
Lau Kei Cheong Kenny	- appointed on 1 January 2025
Lau Wing	
Lee Sai Wai	- appointed on 1 January 2025
Lee Wang Kit	- appointed on 1 January 2025
Leung Ho Ting Sunny	- appointed on 1 January 2025
Leung Mei Hing	- appointed on 20 March 2024
Lin Tin Yi	
Siu Yuen Wah, Connie	
Tam Kitty Kit Ying	
Tang Thomas	
Wan Chung Ping, Anthony	
Wong Chi Hung Benjamin	
Yik Ka Kit	
Chan Hau Yin, Kenny	- resigned on 1 January 2025
Chan Yiu Chung	- resigned on 1 January 2025
Cheung Cheuk Pang	- resigned on 1 January 2025
Lee Ka Chung	- resigned on 1 January 2025
Leung Chun Kin Cupid	- resigned on 1 January 2025
Ng Ka Tsun, Gaston	- resigned on 1 January 2025

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 Executive Committee



Chow Yuet Keung
Chairman

Hong Kong, **02 JUL 2025**



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 19, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated income statement for the year ended 31 December 2024, 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 ("HKSAs") 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 HKSA's 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 HKSA's, 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, **02 JUL 2025**

GRAPHIC ARTS ASSOCIATION OF HONG KONG LIMITED

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Note	2024 HK\$	2023 HK\$
INCOME			
Member entrance and renewal fee income		1,558,318	1,648,492
Advertising income		135,780	99,737
Expert training income		333,624	274,693
Functions income		1,613,314	2,398,715
Sale of goods		638,859	216,949
Sponsorship income		146,000	195,000
Interest from bank deposits		14,713	4,696
Dividend income		22,751	29,810
Gain on disposal of securities		39,922	102,124
Miscellaneous income		-	11,549
PRC service income		1,838,541	1,486,005
	2	<u>6,341,822</u>	<u>6,467,770</u>
EXPENDITURE			
Bulletins and certificate costs		2,624,765	1,880,715
Functions and service costs		1,110,819	2,211,175
Cost of goods sold		462,074	197,646
Management and administration cost		2,112,801	2,499,139
		<u>6,310,459</u>	<u>6,788,675</u>
SURPLUS / (DEFICIT) BEFORE TAX	3	31,363	(320,905)
INCOME TAX EXPENSE	4	(44,823)	(16,268)
DEFICIT FOR THE YEAR		<u>(13,460)</u>	<u>(337,173)</u>

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

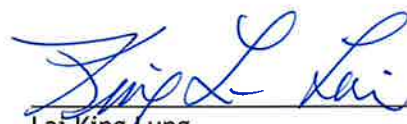
GRAPHIC ARTS ASSOCIATION OF HONG KONG LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note	2024 HK\$	2023 HK\$
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	6	23,011	30,936
Investments in securities	7	-	528,033
		<u>23,011</u>	<u>558,969</u>
Current assets			
Trade receivables		200,435	226,162
Deposit paid and prepayment		138,356	63,360
Cash and cash equivalents		2,624,011	2,012,861
		<u>2,962,802</u>	<u>2,302,383</u>
Current liabilities			
Accruals		834,395	673,969
Deposit received		-	13,585
Temporary receipts		580	9,500
		<u>834,975</u>	<u>697,054</u>
NET CURRENT ASSETS		<u>2,127,827</u>	<u>1,605,329</u>
NET ASSETS		<u>2,150,838</u>	<u>2,164,298</u>
REPRESENTED BY:			
RESERVES	8 (a)	<u>2,150,838</u>	<u>2,164,298</u>

Approved and authorized for issue by the Executive Committee Members on **02 JUL 2025**


Chow Yuet Keung
Chairman


Lai King Lung
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 2024

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 Flat 11, 2/F., Shing Yip Industrial Building, 19-21 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong.

The principal activities of the Association was engaged in the promotion and development of printing knowledge and technology, and hold a related annual event under its sub-organisation named “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 company 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 2024

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 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 2024

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 2024

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:

	2024 HK\$	2023 HK\$
Member entrance and renewal fee income	1,558,318	1,648,492
Advertising income	135,780	99,737
Expert training income	333,624	274,693
Functions income	1,613,314	2,398,715
Sale of goods	638,859	216,949
Sponsorship income	146,000	195,000
Interest from bank deposits	14,713	4,696
Dividend income	22,751	29,810
Gain on disposal of securities	39,922	102,124
Miscellaneous income	-	11,549
PRC service income	1,838,541	1,486,005
	<u>6,341,822</u>	<u>6,467,770</u>

GRAPHIC ARTS ASSOCIATION OF HONG KONG LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

3. SURPLUS / (DEFICIT) BEFORE TAX

(a) Surplus / (deficit) before tax is arrived at:-

	Note	2024 HK\$	2023 HK\$
After crediting the following items:			
Gain on disposal of securities		<u>39,922</u>	<u>102,124</u>
After charging the following items:			
Key management personnel's remuneration	5	<u>-</u>	<u>-</u>
Depreciation on owned assets	6	<u>7,925</u>	<u>10,837</u>
Exchange losses, net		<u>21,963</u>	<u>122,785</u>
Operating lease charges on property rental*		<u>135,176</u>	<u>118,560</u>
Staff costs			
Staff salaries and allowances*		<u>1,378,171</u>	<u>1,300,237</u>
Mandatory provident fund contributions		<u>63,578</u>	<u>53,565</u>
		<u>1,441,749</u>	<u>1,353,802</u>

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

	2024 HK\$	2023 HK\$
Operating lease charges on property		
- under subsidiary	<u>10,176</u>	<u>10,560</u>
- under sub-organisation	<u>-</u>	<u>-</u>
Staff costs		
- under subsidiary	<u>12,720</u>	<u>13,200</u>
- under sub-organisation	<u>27,325</u>	<u>47,235</u>

GRAPHIC ARTS ASSOCIATION OF HONG KONG LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

(b) Surplus from Hong Kong Printing Awards

Surplus / (deficit) before tax for the year included surplus from its sub-organisation under the name of “Graphic Arts Association of Hong Kong Limited - Print Awards”, details are as follows:

	2024 HK\$	2023 HK\$
INCOME		
Advertising income	80,980	-
Functions income	820,780	871,985
Interest from bank deposits	108	100
Sponsorship income	185,000	165,000
	<u>1,086,868</u>	<u>1,037,085</u>
Expenditure		
Bulletins and certificate costs	48,000	-
Functions costs	726,033	796,134
Management and administration cost	266,444	229,498
	<u>1,040,477</u>	<u>1,025,632</u>
SURPLUS FOR THE YEAR	<u>46,391</u>	<u>11,453</u>

4. INCOME TAX EXPENSE

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 a 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 (2023: exempted from Hong Kong Profits Tax under section 24(1) of the Inland Revenue Ordinance)

Income taxes in Mainland China have been provided for at the applicable rate on the estimated assessable profit for the year.

GRAPHIC ARTS ASSOCIATION OF HONG KONG LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

4. INCOME TAX EXPENSE (CONTINUED)

Taxation in the consolidated income statement represents:

	2024 HK\$	2023 HK\$
Current tax:		
Hong Kong Profits tax	-	-
Enterprise Income Tax in Mainland China	44,823	16,268
	<u>44,823</u>	<u>16,268</u>

5. REMUNERATION OF THE EXECUTIVE COMMITTEE MEMBERS

During the years ended 31 December 2024 and 31 December 2023, 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 2024	671,773	337,417	103,390	1,112,580
Addition	-	-	-	-
At 31 December 2024	<u>671,773</u>	<u>337,417</u>	<u>103,390</u>	<u>1,112,580</u>
Accumulated depreciation				
At 1 January 2024	663,372	332,259	86,013	1,081,644
Annual depreciation	1,680	1,032	5,213	7,925
At 31 December 2024	<u>665,052</u>	<u>333,291</u>	<u>91,226</u>	<u>1,089,569</u>
Net carrying amount				
At 31 December 2024	<u>6,721</u>	<u>4,126</u>	<u>12,164</u>	<u>23,011</u>
At 31 December 2023	<u>8,401</u>	<u>5,158</u>	<u>17,377</u>	<u>30,936</u>

GRAPHIC ARTS ASSOCIATION OF HONG KONG LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

7. INVESTMENTS IN SECURITIES

	HK\$
Cost	
At 1 January 2024	632,733
Disposal during the year	(632,733)
At 31 December 2024	-
Accumulated impairment loss	
At 1 January 2024	104,700
Reversal during the year	(104,700)
At 31 December 2024	-
Net carrying amount	
At 31 December 2024	-
At 31 December 2023	528,033
Listed equities securities in Hong Kong, at fair value	
At 31 December 2024	-
At 31 December 2023	526,200

8. RESERVES OF THE ASSOCIATION AND THE GROUP

(a) Movement in the components of reserves of the group:

	Reserves HK\$
Balance as at 1 January 2023	2,501,471
Deficit for the year	(337,173)
Balance as at 31 December 2023 and 1 January 2024	2,164,298
Deficit for the year	(13,460)
At 31 December 2024	2,150,838

(b) Movement in the components of reserves of the Association:

	The Association HK\$	Sub- organisation HK\$	Total reserve HK\$
Balance as at 1 January 2023	969,344	373,274	1,342,618
(Deficit) / surplus for the year	(459,393)	11,453	(447,940)
Balance as at 31 December 2023 and 1 January 2024	509,951	384,727	894,678
Surplus for the year	174,345	46,391	220,736
At 31 December 2024	684,296	431,118	1,115,414

GRAPHIC ARTS ASSOCIATION OF HONG KONG LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

9. STATEMENT OF FINANCIAL RESULT OF THE ASSOCIATION

(a) Company-level statement of financial position

	Note	2024 HK\$	2023 HK\$
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	6	23,011	30,936
Investments in securities	7	-	528,033
Investment in a subsidiary	10	11,110	118,760
		<u>34,121</u>	<u>677,729</u>
Current assets			
Trade receivables		169,430	226,140
Deposit paid and prepayment		135,600	60,500
Cash and cash equivalents		1,579,062	721,872
		<u>1,884,092</u>	<u>1,008,512</u>
Current liabilities			
Accruals		802,219	663,303
Temporary receipts		580	9,500
Amount due to a subsidiary		-	118,760
		<u>802,799</u>	<u>791,563</u>
NET CURRENT ASSETS		<u>1,081,293</u>	<u>216,949</u>
NET ASSETS		<u>1,115,414</u>	<u>894,678</u>
REPRESENTED BY:			
RESERVES	8(b)	<u>1,115,414</u>	<u>894,678</u>

Approved and authorised for issue by the Executive Committee Members on **02 JUL 2025** :


Chow Yuet Keung
Chairman


Lai King Lung
Honorary Treasurer

The accompanying Accounting Policies and Explanatory Notes form as 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 2024

9. STATEMENT OF FINANCIAL RESULT OF THE ASSOCIATION (CONTINUED)

(b) Company-level statement of income statement

	Note	2024 HK\$	2023 HK\$
INCOME			
Member entrance and renewal fee income		1,558,318	1,648,492
Advertising income		135,780	99,737
Expert training income		333,624	274,693
Functions income		1,613,314	2,398,715
Sale of goods		638,859	216,949
Sponsorship income		146,000	195,000
Interest from bank deposits		1,085	804
Dividend income		1,094,174	29,810
Gain on disposal of securities		39,922	102,124
Miscellaneous income		-	9,167
		<u>5,561,076</u>	<u>4,975,491</u>
EXPENDITURE			
Bulletins and certificate costs		2,039,737	1,794,758
Functions and service costs		849,638	1,452,524
Cost of goods sold		462,074	197,646
Management and administration cost		1,988,891	1,978,503
		<u>5,340,340</u>	<u>5,423,431</u>
SURPLUS / (DEFICIT) BEFORE TAX	3	220,736	(447,940)
INCOME TAX EXPENSE	4	-	-
SURPLUS / (DEFICIT) FOR THE YEAR		<u>220,736</u>	<u>(447,940)</u>

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 2024

10. INVESTMENT IN SUBSIDIARY

Details of the subsidiary of the Association included in the financial statement at 31 December 2024 are as follows:

Name of subsidiary	incorporation and principal place of operation	Percentage of ownership and voting power		Nature of business
		2024	2023	
印藝管理顧問服務(東莞)有限公司	People's Republic of China	100%	100%	Providing consulting business

During the year, 印藝管理顧問服務(東莞)有限公司 has reduced its issue registered capital from CNY 100,000 to CNY 10,000. At 31 December 2024, the authorised and paid up capital of 印藝管理顧問服務(東莞)有限公司 is HK\$ 11,110.

The Company has received interim dividend in net amount of HK\$ 1,071,424 from 印藝管理顧問服務(東莞)有限公司 and it was recognised as dividend income in the company-level income statement for the year.

11. OPERATING LEASE COMMITMENTS

At 31 December 2024, the Association had the following total future minimum lease payments payable under non-cancellable operating leases: -

	2024 HKD	2023 HKD
Not later than one year	204,000	108,000
Later than one year	187,000	-
	<u>391,000</u>	<u>108,000</u>

12. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2024 were approved for issue by the Executive Committee Members on **02 JUL 2025**.