

**GRAPHIC ARTS ASSOCIATION OF HONG KONG LIMITED**  
(Incorporated in Hong Kong with limited guarantee)

**Report of the Executive Committee Members  
And Financial Statements  
For the year ended 31 December 2022**

## 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 2022.

#### PRINCIPAL ACTIVITY

The principal activities of the Association was engaged in the promotion and development of printing knowledge and technology under various organisation names of “Graphic Arts Association of Hong Kong Limited - Print Awards” (香港印藝學會有限公司-印製大獎), “Printing Materials Testing & Analytic Centre” (印刷物料測試及分析中心) and “Hong Kong Printing Alumni Association” (香港印刷同學會) for its operation during the year.

However, the branch operation of “Printing Materials Testing & Analytic Centre” (印刷物料測試及分析中心) and “Hong Kong Printing Alumni Association” (香港印刷同學會) has been ceased 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 falls within reporting exemption for the financial year. Accordingly, the Association and its subsidiary are exempted from preparing a business review.

#### CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial performance of the Association for the year ended 31 December 2022 and the consolidated financial position of the Association at as 31 December 2022 are set out in the consolidated financial statements on pages 7 to 8.

#### TRANSFER TO FUNDS

The surplus arising from the activities of the Group of HK\$ 2,600 (2021 : HK\$ 498,360) has been transferred to the general funds. Details movement in funds are set out in the note 9 (a) 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 7 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)
Cheung Cheuk Pang	
Chan Hau Yin, Kenny	
Siu Yuen Wah, Connie	
Chan Pui Kay, Ken	
Cheng Wai Sze, Cecilia	
Kwong Kwan Lai, Rebecca	
Lam Wo On	
Lau Wing	
Lee Ka Chung	
Ng Ka Tsun, Gaston	
Thomas Tang	
Wan Chung Ping, Anthony	
Yik Ka Kit	
Cheung King Yue	
Cheung Kwan	
Chan Yiu Chung	
Cheung Shirley	
Tam Kit Ying Kitty	
Lai King Lung	
Leung Chun Kin Cupid	- appointed on 1 January 2023
Wong Chi Hung Benjamin	- appointed on 1 January 2023
Au Siu Ki, Chris	- resigned on 1 January 2023
Leung Yik Sze, Eunice	- resigned on 1 January 2023
Chan Siu Ming	- 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



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Ma Cho Lik  
Chairman

Hong Kong, 29 August 2023



**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 2022, and the consolidated income statement for the year ended 31 December 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the consolidated financial statements of the Association 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 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 Consolidated Financial Statements and Auditor's Report Thereon**

The Executive Committee Members of the Association is responsible for the other information. The other information comprises the information included in the report of Executive Committee Members, but does not include the consolidated financial statements and my 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, 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 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.



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

(Incorporated in Hong Kong and limited guarantee)

**Responsibilities of Executive Committee Members 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 Association'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 have no realistic alternative but to do so.

The Executive Committee Members are responsible for overseeing the Association's financial reporting process.

**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. I report our opinion 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 Association'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.

**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)**

- 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 Association'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 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. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- communicate with 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 we identify during our 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, 29 August 2023

**GRAPHIC ARTS ASSOCIATION OF HONG KONG LIMITED**

**CONSOLIDATED INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	<b>2022</b>	<b>2021</b>
	<b>HK\$</b>	<b>HK\$</b>
<b>INCOME</b>		
Member entrance and renewal fee income	1,769,409	2,101,403
Advertising income	169,000	124,726
Expert training income	160,245	463,619
Functions income	1,106,666	1,263,812
Sale of goods	471,892	475,605
Sponsorship income	255,600	378,448
Interest from bank deposits	2,132	630
Dividend income	41,366	24,021
Exchange gains, net	2,113	1,486
Government subsidies	134,100	-
Miscellaneous income	12,661	194,107
PRC service income	1,286,232	714,895
	<b>5,411,416</b>	<b>5,742,752</b>
<b>Expenditure</b>		
Bulletins and certificate costs	1,743,223	1,717,477
Functions costs	1,226,221	831,325
Cost of goods sold	434,699	329,112
Management and administration cost	1,987,268	2,356,283
	<b>5,391,411</b>	<b>5,234,197</b>
<b>SURPLUS BEFORE TAX</b>	<b>3</b>	<b>508,555</b>
<b>INCOME TAX EXPENSE</b>	<b>5</b>	<b>(10,195)</b>
<b>SURPLUS FOR THE YEAR</b>	<b>2,600</b>	<b>498,360</b>

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 2022

	Note	2022 HK\$	2021 HK\$
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	41,773	56,649
Investments in securities	8	744,666	849,366
		<u>786,439</u>	<u>906,015</u>
<b>Current assets</b>			
Trade receivables		106,908	236,530
Deposit paid and prepayment		349,024	198,555
Cash and cash equivalents		1,785,505	1,996,192
		<u>2,241,437</u>	<u>2,431,277</u>
<b>Current liabilities</b>			
Trade payables		-	276,435
Accruals		507,568	538,788
Deposit received		6,949	22,398
Temporary receipts		11,888	800
		<u>526,405</u>	<u>838,421</u>
<b>NET CURRENT ASSETS</b>		<u>1,715,032</u>	<u>1,592,856</u>
<b>NET ASSETS</b>		<u>2,501,471</u>	<u>2,498,871</u>
<b>REPRESENTED BY:</b>			
<b>RESERVES</b>	9(a)	<u>2,501,471</u>	<u>2,498,871</u>

Approved and authorized for issue by the Executive Committee Members on 29 August 2023

  
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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 2022

#### 1. 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 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 various organisation names of “Graphic Arts Association of Hong Kong Limited - Print Awards” (香港印藝學會有限公司-印製大獎), “Printing Materials Testing & Analytic Centre” (印刷物料測試及分析中心) and “Hong Kong Printing Alumni Association” (香港印刷同學會) for its operation during the year.

However, the branch operation of “Printing Materials Testing & Analytic Centre” (印刷物料測試及分析中心) and “Hong Kong Printing Alumni Association” (香港印刷同學會) has been ceased 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.

#### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Association and its subsidiary (“the Group”) qualifies for the reporting exemption as a small guarantee company under section 359(3A) of the Hong Kong Companies Ordinance (Cap. 622) and is therefore entitled to prepare and present its consolidated 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 consolidated financial statements:

##### (a) **Basis of consolidation**

These consolidated financial statements incorporate the financial statements of the Association and its subsidiary.

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities, generally but not necessarily accompanying a shareholding of more than half of the voting power. The subsidiary is fully consolidated from the date on which control is transferred to the Group and is de-consolidated from the date that control ceases.

## GRAPHIC ARTS ASSOCIATION OF HONG KONG LIMITED

### ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

(a) **Basis of consolidation** (Continued)

Intercompany transactions, balances and unrealised gains on transactions between Group entities are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, to ensure consistency with the policies adopted by the Group, adjustments are made to the financial statements of subsidiaries.

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.

(b) **Foreign currency translation**

(i) **Functional and presentation currency**

Items included in the financial statements of each of the group entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). These consolidated financial statements are presented in Hong Kong Dollars, which is the Association's functional and the Group's presentation currency.

(ii) **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(c) **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.

(d) **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%

(e) **Investment in securities**

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

## GRAPHIC ARTS ASSOCIATION OF HONG KONG LIMITED

### ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

(f) **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 and long-term investments. 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 recognized in the Income statement. A previously recognized 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 amortization or depreciation), had no impairment losses been recognized for the asset in prior years.

(g) **Operating lease**

Leases that retain substantially all the risk and rewards incidental to ownership of the leased assets by the lessor are accounted for as operating leases. Lease payments under an operating lease are recognized as expenses on a straight-line basis over the lease term. All incentives for agreement of a new or renewed operating lease are recognized as an integral part of the net consideration agreed for the use of the leased assets. The aggregate benefit of incentives is recognized as a reduction of rental expenses over the lease term.

(h) **Trade and other receivables**

Trade and other 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.

(i) **Retirement benefit costs**

Contributions to Mandatory Provident Fund Scheme as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance, are recognized as an expense in the income statement as incurred.

(j) **Provisions and contingent liabilities**

Provisions are recognized for liabilities of uncertain timing or amount when the Association has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(k) **Trade receivables**

Trade receivables are stated at estimated realisable 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.

## GRAPHIC ARTS ASSOCIATION OF HONG KONG LIMITED

### ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

(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.
- 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.

(m) **Recognition of 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 are recognized when the significant risks and rewards of ownership of the goods are transferred to the buyers, and the Association retains no more effective control over the goods;
- v) interest income is recognized 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.

(n) **Government grants**

Grants from the government are recognised at their fair value when there is a reasonable assurance that the grant will be received and the Company will comply with all required conditions. Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

**GRAPHIC ARTS ASSOCIATION OF HONG KONG LIMITED**

**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**3. SURPLUS BEFORE TAX**

Surplus before tax is arrived at:-

	<b>2022</b>	<b>2021</b>
	<b>HKD</b>	<b>HKD</b>
After crediting the following item:		
Exchange gains, net	2,113	1,486
Governemnt grants under Anti-epidemic Fund *		
• under Employment Support Scheme	101,200	-
• under Distance Business Programme	32,900	-
	134,100	-
After charging the following items:		
Key management personnel's remuneration (note 6)	-	-
Bad debts	24,000	8,712
Depreciation on owned assets	14,876	20,495
Impairment loss	104,700	-
Operating lease charges on property rental	143,744	131,808
Staff costs		
Staff salaries and allowances	1,263,995	1,464,540
Mandatory provident fund contributions	54,296	56,908
	1,318,291	1,521,448

- The Company successfully applied for funding support from the Employment Support Scheme and Distance Business Programme under the Anti-epidemic Fund, set up by the Government of HKSAR.

The purpose of the Employment Support Scheme is to provide financial support to enterprises to retain their employees who would otherwise be made redundant. Under the terms of the grant, the Company is required not to make redundancies during the subsidy period and to spend all the funding on paying wages to the employees.

The purpose of the Distance Business Programme is to provide financial support to enterprises to adopt IT solutions to continue their business and services during the epidemic. Under the terms of the grant, for each IT solution and the relevant training expenses for the employees and the Group was required to undertake a project to be implemented within six months after approval is granted.

## GRAPHIC ARTS ASSOCIATION OF HONG KONG LIMITED

### ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 4. SURPLUS FROM HONG KONG PRINTING AWARDS

Surplus 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:

	2022 HK\$	2021 HK\$
<b>INCOME</b>		
Member entrance and renewal fee income	116,000	116,360
Advertising income	-	28,600
Functions income	602,560	610,460
Interest form bank deposits	12	1
Sponsorship income	265,600	418,448
Other income	-	5,442
	984,172	1,179,311
<b>Expenditure</b>		
Bulletins and certificate costs	-	107,353
Functions costs	608,970	442,785
Management and administration cost	326,656	395,337
	935,626	945,475
<b>SURPLUS FOR THE YEAR</b>	<b>48,546</b>	<b>233,836</b>

#### 5. INCOME TAX EXPENSE

	2022 HKD	2021 HKD
<b>Current tax:</b>		
Hong Kong Profits tax	-	-
Enterprise Income Tax in Mainland China	17,405	10,195
	17,405	10,195

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.

## GRAPHIC ARTS ASSOCIATION OF HONG KONG LIMITED

### ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 5. INCOME TAX EXPENSE (CONTINUED)

The Association is exempt from Hong Kong Profits Tax under Section 24(1) of the Inland Revenue Ordinance (2021: exempted from Hong Kong Profits Tax under section 24(1) of the Inland Revenue Ordinance)

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.

#### 6. REMUNERATION OF THE EXECUTIVE COMMITTEE MEMBERS

During the years ended 31 December 2022 and 31 December 2021, 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.

#### 7. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fixtures	Office equipment	Computer	Total
	HK\$	HK\$	HK\$	HK\$
<b>Cost</b>				
At 1 January 2022	671,773	337,417	103,390	1,112,580
Addition	-	-	-	-
At 31 December 2022	671,773	337,417	103,390	1,112,580
<b>Accumulated depreciation</b>				
At 1 January 2022	658,646	329,357	67,927	1,055,931
Annual depreciation	2,626	1,612	10,639	14,876
At 31 December 2022	661,272	330,969	78,566	1,070,807
<b>Net carrying amount</b>				
At 31 December 2022	10,501	6,448	24,824	41,773
At 31 December 2021	13,127	8,060	35,463	56,649



GRAPHIC ARTS ASSOCIATION OF HONG KONG LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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8. INVESTMENTS IN SECURITIES

	HK\$
<b>Cost</b>	
At 1 January 2022	849,366
Addition	-
At 31 December 2022	<u>849,366</u>
<b>Accumulated impairment loss</b>	
At 1 January 2022	-
Impairment for the year	104,700
At 31 December 2022	<u>104,700</u>
<b>Net carrying amount</b>	
At 31 December 2022	<u>744,666</u>
At 31 December 2021	<u>849,366</u>
<b>Listed equities securities in Hong Kong, at fair value</b>	
At 31 December 2022	<u>819,200</u>
At 31 December 2021	<u>969,300</u>

## GRAPHIC ARTS ASSOCIATION OF HONG KONG LIMITED

### ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 9. RESERVES

- (a) The reconciliation between the opening and closing balances of each component of the Group's consolidated reserves is set out as below:

	General Fund HK\$
Balance as at 1 January 2021	2,000,511
Surplus for the year	498,360
	<hr/>
Balance as at 31 December 2021 and 1 January 2022	2,498,871
Surplus for the year	2,600
	<hr/>
Balance as at 31 December 2022	<u>2,501,471</u>

- (b) Details of the changes in the Association's individual components of reserve between the opening and the end of the year are set out as below:

	General Fund HK\$
Balance as at 1 January 2021	1,906,534
Surplus for the year	102,658
	<hr/>
Balance as at 31 December 2021 and 1 January 2022	2,009,192
Deficit for the year	(666,574)
	<hr/>
Balance as at 31 December 2022	<u>1,342,618</u>

- (c) Details of nature and purpose of reserves are as follows:

General fund comprises the accumulated surplus and accumulated amount transferred from other funds.

**GRAPHIC ARTS ASSOCIATION OF HONG KONG LIMITED**


**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**10. STATEMENT OF FINANCIAL POSITION OF THE ASSOCIATION**

	Note	2022 HK\$	2021 HK\$
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	41,773	56,649
Investments in securities	8	744,666	849,366
Investment in a subsidiary	11	118,760	118,760
		905,199	1,024,775
<b>Current assets</b>			
Trade receivables		99,958	229,580
Deposit paid and prepayment		347,056	196,587
Cash and cash equivalents		621,375	1,486,431
		1,068,389	1,912,598
<b>Current liabilities</b>			
Trade payables		-	276,435
Accruals		500,322	532,186
Temporary receipts		11,888	800
Amount due to a subsidiary		118,760	118,760
		630,970	928,181
<b>NET CURRENT ASSETS</b>		437,419	984,417
<b>NET ASSETS</b>		1,342,618	2,009,192
<b>REPRESENTED BY:</b>			
<b>RESERVES</b>	9(b)	1,342,618	2,009,192

Approved and authorised for issue by the Executive Committee Members on 29 August 2023:

  
 \_\_\_\_\_  
 Ma Cho Lik  
 Chairman

  
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 Ng Wai Chi  
 Honorary Treasurer

## GRAPHIC ARTS ASSOCIATION OF HONG KONG LIMITED

### ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 11. INVESTMENT IN A SUBSIDIARY

Details of the subsidiary of the Association at 31 December 2022 are as follows:

Name of subsidiary	Place of incorporation and principal place of operation	Percentage of ownership and voting power		Nature of business
		2022	2021	
印藝管理顧問服務(東莞)有限公司	People's Republic of China	100%	100%	Providing consulting business

#### 12. OPERATING LEASE COMMITMENTS

At 31 December 2022, the Association had the following total future minimum lease payments payable under non-cancellable operating leases:

	2022 HKD	2021 HKD
Not later than one year	-	110,000
Later than one year	-	-
	<u>-</u>	<u>110,000</u>

#### 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 2022 were approved for issue by the Executive Committee Members on 29 August 2023