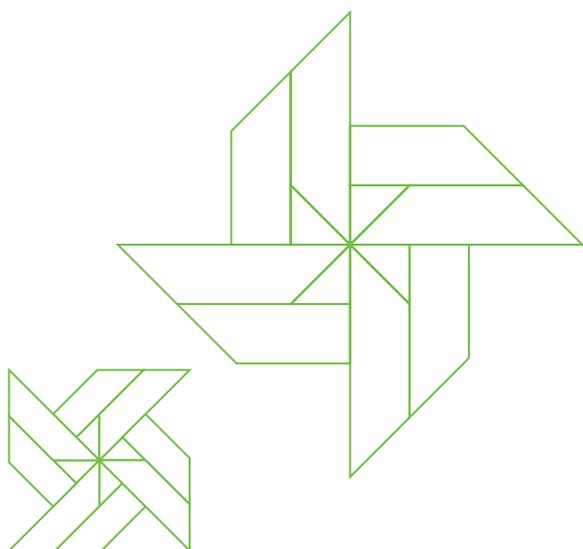


INTERIM
REPORT
2022



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MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Left Field Printing Group Limited (the "Company", together with its subsidiaries, the "Group") is an investment holding company while its subsidiaries are principally engaged in the provision of printing solutions and services in Australia.

In the first six months of 2022, the Company continued to operate with a hands-on approach within a complex economic environment of rising inflation, and supply constraints. Griffin Press Printing Pty Ltd ("Griffin Press") joined the Company in mid-June so the impact on the first six months has been minimal. The continuing logistical challenges the industry continues to experience have led to an increase of titles being brought back for onshore printing predominantly in the read-for-pleasure space. Government sector demand remains weak and the professional and educational sector is holding steady.

Our revenue for the six months ended 30 June 2022 increased 5.8% compared to the prior period, finishing at approximately HK\$205.0 million. Direct operating costs also increased by 5.3% to approximately HK\$160.5 million as a result of increased consumption of materials and utilisation of direct labour.

Profit before tax dropped by approximately 21.1% as compared to the prior period to approximately HK\$13.3 million for the six months ended 30 June 2022, mainly driven by cessation of Jobkeeper, fair value reduction of the convertible note and legal costs incurred during the period.

PROSPECTS

Looking to the second half of 2022, the management team expects to identify opportunities for synergies within its book printing division now consisting of McPherson's Printing and Griffin Press to better service the read-for-pleasure market that continues to spearhead the demand for onshore book printing. Focus on managing the ongoing and sustained cost increases across all areas of the Company will be key in the second half of 2022 as the management team navigates the challenges of supply constraints and labour shortages in the domestic operating environment.

FINANCIAL REVIEW

Revenue

Revenue for the six months ended 30 June 2022 was approximately HK\$205.0 million, representing an increase of approximately 5.8% from the prior period (six months ended 30 June 2021: approximately HK\$193.6 million). More revenue for the six months ended 30 June 2022 was driven by a number of the Group's read-for-pleasure publishers continuously increased their local printed books for quicker turnaround time and a full period result for a new agreement entered into with a customer for read-for-pleasure books early last year. Because of the depressed government spending and effect of COVID-19 related government restrictions, the printing demands from government agencies were still weak while the professional and educational sector was holding steady.

Gross profit and gross profit margin

Our gross profit raised by approximately HK\$3.3 million, or approximately 8.0% from approximately HK\$41.2 million for the six months ended 30 June 2021 to approximately HK\$44.5 million for the six months ended 30 June 2022. Such increase was as a result of the increase in revenue but partly offset by the increased consumption of materials and utilisation of direct labour. Gross profit margin remained stable across two periods.

Other income

Other income decreased from approximately HK\$3.9 million for the six months ended 30 June 2021 to approximately HK\$3.1 million for the six months ended 30 June 2022. The reduction was mainly attributable to the completion of government subsidy from the JobKeeper Payment Scheme contributed approximately HK\$2.2 million to the prior period. Such reduction was partly offset by the loan interest income earned during the period.

Selling and distribution costs

Selling and distribution costs increased by approximately HK\$2.0 million or 14.8% from approximately HK\$13.4 million for the six months ended 30 June 2021 to approximately HK\$15.4 million for the six months ended 30 June 2022. The increase in selling and distribution expenses was attributable to the increased freight and fuel prices compared to the prior period.

Administrative expenses

Administrative expenses increased approximately HK\$3.7 million from approximately HK\$14.1 million for the six months ended 30 June 2021 to approximately HK\$17.8 million for the six months ended 30 June 2022, representing a period-on-period increase of approximately 26.7%. Such increase was mainly caused by administrative staff salaries adjustment in light of rising inflation in Australia and the professional costs incurred for various corporate projects.

Other expenses

Other expenses in the current period represented the fair value reduction of the convertible note which subscribed in Jun 2022.

Income tax expense

Income tax expense decreased from approximately HK\$5.3 million (effective income tax rate: 31.5%) for the six months ended 30 June 2021 to approximately HK\$4.5 million (effective income tax rate: 33.6%) for the six months ended 30 June 2022. The increase in effective income tax rate was mainly due to some costs incurred are non-deductible in nature.

Net profit

During the period, the Group reported a net profit of approximately HK\$8.8 million (six months ended 30 June 2021: approximately HK\$11.5 million), which represented a decrease of approximately HK\$2.7 million or 23.6%. The lower profitability of the Group during the period was mainly due to the one-off professional costs incurred for various corporate projects, the cessation of Jobkeeper and fair value reduction of the convertible note.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

– continued

Liquidity and financial resources

As at 30 June 2022, the Group had net current assets of approximately HK\$137.5 million (31 December 2021: approximately HK\$226.0 million), among which, cash and bank balances, were approximately HK\$29.8 million in aggregate (31 December 2021: approximately HK\$169.9 million) which were denominated in Australian Dollars (“AUD”), US Dollars (“USD”) and HK\$.

The Group’s current ratio was approximately 2.6 times (31 December 2021: approximately 4.5 times). The reduction in current ratio was a result of the investment projects carried during the period. The only interest bearing liabilities were lease liabilities of approximately HK\$17.9 million (31 December 2021: approximately HK\$25.6 million) which were denominated in AUD. The Group’s gearing ratio as at 30 June 2022 was approximately 6.7% (31 December 2021: approximately 9.4%), which is calculated on the basis of the Group’s total interest-bearing debts over total equity. The decrease of the Group’s interest-bearing liabilities, hence the gearing ratio, was mainly due to payment of lease liabilities during the period. Save as the aforesaid, the Group maintained sufficient cash position to meet its operations and healthy gearing ratios, reflecting its healthy financial position.

The Group adopts centralised financing and treasury policies in order to ensure that Group funding is utilised efficiently. The Group also regularly monitors its liquidity requirements and its relationship with its bankers to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in both the short and long term.

Working capital management

The Group’s capital employed includes share capital, reserves and lease liabilities. The Group’s policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders’ return is also recognised and the Group acknowledges the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position. The Group is not subject to any externally imposed capital requirements.

The allocation of capital between its specific business segments’ operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The process of allocating capital to specific business segment operations and activities is undertaken independently of those responsible for the operation.

FINANCIAL REVIEW – continued

Foreign currency management

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the functional currencies. The currencies in which transactions primarily denominated are AUD, NZD, USD, European Union Euros, Great British Pound and HK\$. As at 30 June 2022 and 31 December 2021, foreign exchange risks on financial assets and liabilities denominated in other currencies were insignificant to the Group.

Management evaluates the Group's foreign currency risk using cash flow forecasts with the objective of keeping its exposure to a minimum. The Group may in certain circumstances use forward exchange contracts to hedge its foreign currency risk. When used, the contracts would normally have maturities of less than one year at reporting date. Derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Capital expenditure

During the period, the Group acquired property, plant and equipment at approximately HK\$6.8 million (30 June 2021: approximately HK\$1.0 million). The purchases during the period were financed by internal resources of the Group.

Material acquisitions and disposals

On 24 May 2022, the Group entered into a business acquisition agreement with Ovato Limited ("Ovato"), to purchase Ovato book printing business and assets at an initial consideration of AUD 8,500,000 (equivalent to approximately HK\$47,175,000, subject to adjustments). As all conditions precedent to the business acquisition agreement have been satisfied or waived in accordance with the terms and conditions therein, the acquisition was completed on 17 June 2022. There were no other material acquisitions and disposals of subsidiaries, associates and joint venture in the course during the period of 2022.

Capital commitments and contingent liabilities

As at 30 June 2022, the Group had no capital commitment contracted but not provided for in respect of the acquisition of property, plant and equipment (31 December 2021: HK\$0.2 million).

The Group did not have any significant contingent liabilities (31 December 2021: Nil).

Charge of assets

As at 30 June 2022, there was no pledged deposit (31 December 2021: Nil).

Use of proceeds

On 8 October 2018 (the "Listing Date"), the Company's issued shares were listed on the Main Board of the Hong Kong Stock Exchange. A total of 105,000,000 shares with nominal value of HK\$0.01 each were issued to the public and placed at the final offer price of HK\$1.00 per share for total gross proceeds of HK\$105.0 million (the "Share Offer"). The total net proceeds raised from the Share Offer (the "Net Proceeds") were approximately HK\$66.5 million after the deduction of related listing expenses.

With reference to the Prospectus and in light of the difference between the actual amount of the Net Proceeds and estimated amount of the Net Proceeds as stated in the Prospectus (which was disclosed based on an offer price of HK\$1.05 per share, being the mid-point of the then indicative offer price range of HK\$1.00 to HK\$1.10 per share, net of the estimated listing expenses), the Group has adjusted the intended use of the actual amount of the Net Proceeds in the same manner and in the same proportion as disclosed in the Prospectus.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

– continued

Use of proceeds – continued

As disclosed in the Group's prior year annual report, the Group's plan of purchasing the remaining machinery had been delayed in view of the challenging economic conditions, the reduction of printing demand from various government agencies and quick turnaround time educational book publishers as a result of the adverse impact of the COVID-19 pandemic on the local and global economic environment. Given the impacts of the COVID-19 pandemic on the printing industry and the local and global economy as a whole, the Group adopted a more conservative approach for utilising the remaining Net Proceeds effectively and efficiently for its long-term benefit and development. As at the date of the Group's prior year annual report, the Group planned to prolong the timeline for using the remaining Net Proceeds up to the year ending 31 December 2024.

Reference is made to joint announcement between Lion Rock Group and the Group dated 24 May 2022 in relation to (i) acquisition of Ovato book printing business and assets (the "Acquisition") and (ii) subscription of convertible note ("Joint Announcement"), the aggregate amount of unutilised Net Proceeds as at the date of the Joint Announcement was approximately HK\$19.5 million. The Board resolved to change the use of the unutilised net proceeds to pay part of the initial consideration in respect of the Acquisition. Save for the aforesaid changes, there is no other change in use of the Net Proceeds.

As disclosed in the Joint Announcement, the Board considers that, as the Acquisition involves, among others, the purchase of digital printing presses, printing presses, binding machines and other machinery and equipment used by Ovato in the business, the Acquisition is expected to have a synergistic effect with the Group's existing printing business and will help the Group to achieve its plans for the expansion of production capacity and enhancing efficiency as described in the Prospectus.

The Board confirms that there are no material changes in the nature of the business of the Group as described in the Prospectus. The Board considers the above change in the use of the Net Proceeds is fair and reasonable as this would allow the Group to deploy its financial resources more effectively to enhance the profitability, is largely in line with the intended plan as stated in the Prospectus to expand production capacity, and is in the interests of Group and its shareholders as a whole.

FINANCIAL REVIEW – continued

Use of proceeds – continued

Up to the date of this report, the amount of the Net Proceeds which has been fully utilised amounted to approximately HK\$66.5 million, including:

- approximately HK\$9.0 million has been utilised to purchase three digital printing presses, two binding machines and one pre-press machine to replace certain existing machines;
- approximately HK\$10.8 million has been utilised to purchase two binding machines to expand capacity;
- approximately HK\$16.0 million has been utilised for upgrading the ERP and IPALM system, of which approximately HK\$2.0 million and HK\$14.0 million was utilised to purchase equipment, such as server, and development and purchase of software, respectively;
- approximately HK\$4.5 million has been utilised for enhancing of the existing warehousing facilities;
- approximately HK\$6.7 million has been utilised as general working capital of the Group; and
- approximately HK\$19.5 million has been utilised for payment of part of the initial consideration in respect of the Acquisition.

Set out below are details of the original allocation of the Net Proceeds as disclosed in the Prospectus, the revised allocation based on the actual Net Proceeds (after the adjustment as mentioned above), the unutilised Net Proceeds as at the date of the Joint Announcement, the change of the use of unutilised Net Proceeds and the Net proceeds utilised as at the date of this report:

	Allocation percentage	Original allocation of Net Proceeds as disclosed in the Prospectus Approximate HK\$ million	Revised allocation based on the actual Net Proceeds Approximate HK\$ million	Unutilised Net Proceeds as at the date of the Joint Announcement Approximate HK\$ million	Change of the use of unutilised Net Proceeds Approximate HK\$ million	Net Proceeds utilised as at the date of this report Approximate HK\$ million
Purchasing machinery	57.2%	41.9	38.0	18.2	–	19.8
Upgrading ERP system and IPALM platform	24.1%	17.7	16.0	–	–	16.0
Expansion of the warehousing facilities and/or streamlining the printing facilities	8.7%	6.4	5.8	1.3	–	4.5
General working capital of the Group	10.0%	7.3	6.7	–	–	6.7
Payment of part of the initial consideration in respect of the Acquisition	–	–	–	–	19.5	19.5
	100.0%	73.3	66.5	19.5	19.5	66.5

The board (the "Board") of directors (the "Directors") of Left Field Printing Group Limited (the "Company") presents the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2022 together with the comparative unaudited figures for the corresponding period in 2021 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2022

		(Unaudited)	
		Six months ended 30 June	
		2022	2021
	Notes	HK\$'000	HK\$'000
Revenue	3	204,955	193,644
Direct operating costs		(160,491)	(152,468)
Gross profit		44,464	41,176
Other income	5	3,148	3,897
Selling and distribution costs		(15,355)	(13,380)
Administrative expenses		(17,831)	(14,072)
Other expenses		(683)	–
Finance costs	4	(470)	(799)
Profit before income tax	6	13,273	16,822
Income tax expense	7	(4,467)	(5,299)
Profit for the period		8,806	11,523
Other comprehensive expense			
Item that will not be reclassified subsequently to profit or loss:			
Exchange loss on translation of functional currency to presentation currency		(13,073)	(5,986)
Other comprehensive expense for the period, net of tax		(13,073)	(5,986)
Total comprehensive (expense)/income for the period		(4,267)	5,537
Profit for the period attributable to:			
Owners of the Company		8,806	11,523
Total comprehensive (expense)/income attributable to:			
Owners of the Company		(4,267)	5,537
Earnings per share for profit attributable to owners of the Company during the period	8	HK\$	HK\$
Basic and diluted		1.8 cents	2.3 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

		(Unaudited) At 30 June 2022	(Audited) At 31 December 2021
	Notes	HK\$'000	HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	9	34,614	31,133
Right-of-use assets	10	35,301	24,154
Deferred tax assets		16,525	13,831
Deposits paid for acquisition of property, plant and equipment		798	427
Loan receivables	11	33,579	–
Financial assets at fair value through profit or loss		12,598	–
Goodwill	12	15,169	–
		148,584	69,545
Current assets			
Inventories		65,145	47,647
Trade receivables	13	103,870	63,642
Other receivables, deposits and prepayments	13	5,941	5,382
Current tax recoverable		1,337	4,217
Loan receivables	11	16,147	–
Cash and cash equivalents		29,790	169,884
		222,230	290,772
Current liabilities			
Trade and other payables	14	41,285	28,918
Lease liabilities	15	8,241	10,535
Provisions		35,185	25,311
		84,711	64,764
Net current assets		137,519	226,008
Total assets less current liabilities		286,103	295,553
Non-current liabilities			
Lease liabilities	15	9,643	15,024
Provisions		2,404	1,504
Deferred tax liabilities		5,203	5,905
		17,250	22,433
Net assets		268,853	273,120
EQUITY			
Share capital	16	4,987	4,987
Reserves		263,866	268,133
Total equity		268,853	273,120

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

	Share capital	Share premium	Contributed surplus	Merger reserve	Foreign currency translation reserve	Proposed final dividend	Retained earnings	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2022 (Audited)	4,987	89,975	183,655	(42,177)	702	14,960	21,018	273,120
Profit for the period	-	-	-	-	-	-	8,806	8,806
Other comprehensive expense, net of tax	-	-	-	-	(13,073)	-	-	(13,073)
Total comprehensive income/(expense) for the period	-	-	-	-	(13,073)	-	8,806	(4,267)
Transaction with owners in their capacity as owners								
Dividends (Note 19)	-	-	-	-	-	-	-	-
Total transaction with owners	-	-	-	-	-	-	-	-
Balance at 30 June 2022 (Unaudited)	4,987	89,975	183,655	(42,177)	(12,371)	14,960	29,824	268,853

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

	Share capital	Share premium	Contributed surplus	Merger reserve	Foreign currency translation reserve	Proposed final dividend	Retained earnings	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2021 (Audited)	4,987	89,975	183,655	(42,177)	16,051	14,960	27,601	295,052
Profit for the period	-	-	-	-	-	-	11,523	11,523
Other comprehensive expense, net of tax	-	-	-	-	(5,986)	-	-	(5,986)
Total comprehensive income/(expense) for the period	-	-	-	-	(5,986)	-	11,523	5,537
Transaction with owners in their capacity as owners								
Dividends (Note 19)	-	-	-	-	-	(14,960)	-	(14,960)
Total transaction with owners	-	-	-	-	-	(14,960)	-	(14,960)
Balance at 30 June 2021 (Unaudited)	4,987	89,975	183,655	(42,177)	10,065	-	39,124	285,629

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

		(Unaudited) Six months ended 30 June	
		2022	2021
	Notes	HK\$'000	HK\$'000
Cash flows from operating activities			
Profit before income tax		13,273	16,822
Adjustments for:			
Depreciation of property, plant and equipment	9	4,337	5,882
Amortisation of right-of-use assets	10	5,041	5,988
Provision for impairment of trade receivables, net		287	46
Write-back impairment of inventories		(267)	(1,415)
Finance costs	4	470	799
Loan interest income		(1,133)	–
Gain on disposal of property, plant and equipment		(26)	–
Gain on termination of a lease contract		(373)	–
Loss on financial assets at fair value through profit or loss		683	–
Net cash inflow generated from operating activities		22,292	28,122
(Increase)/decrease in inventories		(1,779)	3,046
(Increase)/decrease in trade and other receivables, deposits and prepayments		(13,652)	22,412
Increase/(decrease) in trade and other payables		820	(4,820)
Increase/(decrease) in provisions		3,557	(249)
Changes in financial assets at fair value through profit or loss		(13,728)	–
Cash (used in)/generated from operations		(2,490)	48,511
Income taxes paid, net		(5,589)	(6,486)
Net cash (used in)/generated from operating activities		(8,079)	42,025
Cash flows from investing activities			
Payment for purchase of property, plant and equipment		(6,338)	(978)
Deposits paid for acquisition of property, plant and equipment		(659)	(995)
Proceeds from disposal of property, plant and equipment		31	–
Payment on acquisition of business	20	(47,175)	–
Prepayment on right-of-use assets		(17,668)	–
Loan to a third party		(54,932)	–
Loan repayment from a third party		4,021	–
Loan interest received		556	–
Net cash used in investing activities		(122,164)	(1,973)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

		(Unaudited) Six months ended 30 June	
		2022	2021
	Notes	HK\$'000	HK\$'000
Cash flows from financing activities			
Repayment of principal portion of lease liabilities		(6,602)	(5,881)
Interest paid on lease liabilities	4	(470)	(799)
Dividends paid	19	–	(14,960)
Net cash used in financing activities		(7,072)	(21,640)
Net (decrease)/increase in cash and cash equivalents		(137,315)	18,412
Net effect of exchange fluctuations		(2,779)	(5,092)
Cash and cash equivalents at the beginning of the period		169,884	174,752
Cash and cash equivalents at the end of the period		29,790	188,072
Analysis of balances of cash and cash equivalents			
Bank balances and cash		29,790	188,072

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Left Field Printing Group Limited (the "Company") was incorporated as an exempted company with limited liability in Bermuda on 18 April 2018. The address of the Company's registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business in Hong Kong is Level 11 East Wing, NEO, 123 Hoi Bun Road, Hong Kong. The principal place of business in Australia is 138 Bonds Road, Riverwood, NSW 2210, Australia. The Company's shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "SEHK") on 8 October 2018.

As at 30 June 2022, the Company's ultimate holding company is Lion Rock Group Limited, which was incorporated in Bermuda and is also a listed company on the Main Board of the SEHK.

The Company is an investment holding company. The Company and its subsidiaries are collectively referred to as the "Group" hereafter. Major operations of the Group are carried out in Australia.

The functional currency of the Company is Australian Dollars ("AUD") and the presentation currency is Hong Kong Dollars ("HK\$"). The directors of the Company considered that presenting in HK\$ enables the shareholders and potential investors of the Company to have a more accurate picture of the Group by aligning the Group's financial performance with its share price as the Company's shares are listed on the SEHK.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The Group's unaudited condensed consolidated interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with International Accounting Standard 34 "Interim Financial Reporting" issued by International Accounting Standard Board (the "IASB"). The condensed consolidated interim financial statements are unaudited but have been reviewed by the Company's audit committee.

The unaudited condensed consolidated interim financial statements have been prepared under the historical cost convention, unless otherwise stated.

The accounting policies used in preparing the unaudited condensed consolidated interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2021 except for the adoption of the new and revised International Financial Reporting Standards ("IFRSs") which collective term includes all applicable individual International Financial Reporting Standards and Interpretations approved by the IASB, and all applicable individual International Accounting Standards ("IASs") and Interpretations as originated by the Board of the International Accounting Standards Committee and adopted by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance which are relevant to the operations of the Group and mandatory for annual period beginning 1 January 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of preparation (Continued)

The adoption of the new and revised IFRSs had no material impact on these unaudited condensed consolidated interim financial statements of the Group for the current and prior accounting period.

The Group has not early adopted the new IFRSs that have been issued but are not yet effective. The Directors of the Company are currently assessing the impact of the new or amended IFRSs upon initial application. So far, the Directors of the Company have preliminarily concluded that the initial application of these IFRSs will not result in material financial impact on the Group's results of operations and financial position.

These unaudited condensed consolidated interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to gain an understanding of the changes in financial position and performance of the Group since the 2021 annual financial statements. These unaudited condensed consolidated interim financial statements and notes do not include all of the information required for a complete set of financial statements prepared in accordance with IFRSs and should be read in conjunction with the 2021 consolidated financial statements.

3. SEGMENT INFORMATION

Operating segments are presented using the "management approach", where the information presented is on the same basis as the internal reports provided to the chief operating decision maker (the "Chief Operating Decision Maker"). The Chief Operating Decision Maker is responsible for the allocation of resources to operating segments and assessing their performance, has been identified as the board of directors.

(a) Description of segments

Management has determined the operating segments based on the reports reviewed by the Chief Operating Decision Maker as defined above that are used to make strategic decision.

These individuals review the business primarily from a product and service offering perspective and have identified one reportable segment, which is printing solutions and services.

The printing solutions and services division provides digital and offset printing, and other ancillary business services including digital asset management, content management, back catalogue fulfilment, direct to consumer distribution and warehousing, variable data and intelligent mailing.

The division has short run, medium and long run production capabilities and in-house finishing.

The printing solutions and services division also has a business services model that enables the efficient and seamless content creation to consumption for the Australian government, government departments and agencies. This includes webhosting, electronic fulfilment, printing on demand and digital asset management. These capabilities have been extended to the publishing sector as well.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS – continued

3. SEGMENT INFORMATION (CONTINUED)

(b) Segment revenue

Revenue from external parties reported is measured in a manner consistent with that in the condensed consolidated statements of profit or loss and other comprehensive income that are revenue from contracts with customer within the scope of IFRS 15 “Revenue from contracts with customers”.

Revenue by geographic location is not used by the Chief Operating Decision Maker in reviewing the performance of the cash generating unit. The Directors of the Company considered the cost to develop it would be excessive.

(c) EBITDA as monitored by the directors and senior management

The Chief Operating Decision Maker assesses the performance of the operating segment based on a measure of EBITDA as monitored by the board of directors (“EBITDA”). This measure is consistent with the presentation of financial information internally for management accounts purpose.

A reconciliation of EBITDA to the profit before income tax per the unaudited condensed consolidated statements of profit or loss and other comprehensive income is as follows:

	(Unaudited)	
	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
EBITDA on ordinary activities	22,058	29,317
Depreciation and amortisation	(9,378)	(11,870)
Net finance income/(cost)	593	(625)
Profit before income tax	13,273	16,822

(d) Segment assets and liabilities

The amounts provided to the Chief Operating Decision Maker with respect to total assets and total liabilities are not reported by operating segment as the Group has majority of its operation and workforce located in Australia.

3. SEGMENT INFORMATION (CONTINUED)

(e) Segment information

	(Unaudited)		
	Printing solutions and services	Corporate*	Total
	HK\$'000	HK\$'000	HK\$'000
Six months ended 30 June 2022			
Total external revenue	204,955	–	204,955
Other income	2,403	–	2,403
Operating expenses#	(177,593)	(7,707)	(185,300)
EBITDA	29,765	(7,707)	22,058
Depreciation and amortisation	(9,351)	(27)	(9,378)
Net finance income/(cost)	(694)	1,287	593
Profit/(loss) before income tax	19,720	(6,447)	13,273
Total consolidated segment results	19,720	(6,447)	13,273

	(Unaudited)		
	Printing solutions and services	Corporate*	Total
	HK\$'000	HK\$'000	HK\$'000
Six months ended 30 June 2021			
Total external revenue	193,644	–	193,644
Other income	5,332	87	5,419
Operating expenses#	(165,991)	(3,755)	(169,746)
EBITDA	32,985	(3,668)	29,317
Depreciation and amortisation	(11,775)	(95)	(11,870)
Net finance income/(cost)	(827)	202	(625)
Profit/(loss) before income tax	20,383	(3,561)	16,822
Total consolidated segment results	20,383	(3,561)	16,822

* Included in "Corporate" are the Group's activities in finance income and costs, staff costs and other corporate activities incurred under central corporate and treasury function which are not able to be allocated to printing solutions and services segment.

Included in "Operating expenses" are production expenses, staff costs and other administrative expenses incurred by the Group.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS – continued

4. FINANCE COSTS

	(Unaudited)	
	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Interest on lease liabilities	470	799
	470	799

5. OTHER INCOME

	(Unaudited)	
	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Scrap recoveries	989	726
Gain on disposal of property, plant and equipment	26	–
Gain on termination of a lease contract	373	–
Insurance refunds	293	554
Loan interest income	1,133	–
Other interest income	142	173
Government subsidies	–	2,234
Other	192	210
	3,148	3,897

6. PROFIT BEFORE INCOME TAX

Profit before income tax has been arrived at after charging/(crediting):

	(Unaudited)	
	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Write-back impairment of inventories	(267)	(1,415)
Provision for impairment of trade receivables	287	46
Gain on disposal of property, plant and equipment	(26)	–
Exchange losses/(gains), net	121	(91)
Cost of inventories recognised as expenses	71,236	62,137
Depreciation of property, plant and equipment (Note 9)	4,337	5,882
Amortisation of right-of-use assets (Note 10)	5,041	5,988
Loss on financial assets at fair value through profit or loss	683	–
Gain on termination of a lease contract	(373)	–
Employee benefits expense		
Salaries, wages and other staff costs	62,458	57,560
Superannuation	4,954	4,827

7. INCOME TAX EXPENSE

The amount of income tax expense charged/(credited) to the condensed consolidated statement of profit or loss and other comprehensive income represents:

	(Unaudited)	
	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Current tax expense – Australia	8,411	3,519
Deferred tax	(3,944)	1,780
	4,467	5,299

No Hong Kong profits tax has been provided as the Group had no assessable profits arising in Hong Kong during the six months ended 30 June 2022 and 2021. The Group's subsidiaries in Australia are subject to domestic tax rate of 30% (2021: 30%) on the estimated assessable profits.

8. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following data:

	(Unaudited)	
	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Earnings for the purposes of basic earnings per share for the period	8,806	11,523

	Number of shares ('000)	
	2022	2021
Weighted average number of ordinary shares for the purpose of basic earnings per share	498,672	498,672

No diluted earnings per share are presented as the Group has no dilutive potential ordinary shares during the period (2021: Nil).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS – continued

9. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Plant and equipment	Office furniture and equipment	Motor vehicles	Leasehold improvements	Computer equipment	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2022 (Audited)							
Cost	14,637	252,580	2,421	1,526	9,116	17,407	297,687
Accumulated depreciation and impairment	(10,763)	(226,295)	(2,309)	(1,261)	(8,852)	(17,074)	(266,554)
Net book amount	3,874	26,285	112	265	264	333	31,133
Period ended 30 June 2022 (Unaudited)							
Opening net book amount	3,874	26,285	112	265	264	333	31,133
Additions	1,283	5,475	7	-	-	-	6,765
Additions through business acquisition	-	2,441	8	-	-	364	2,813
Disposal	-	(5)	-	-	-	-	(5)
Depreciation	(354)	(3,698)	(39)	(57)	(54)	(135)	(4,337)
Exchange differences	(219)	(1,484)	(5)	(10)	(10)	(27)	(1,755)
Closing net book amount	4,584	29,014	83	198	200	535	34,614
At 30 June 2022 (Unaudited)							
Cost	15,182	376,585	3,153	1,455	24,690	28,109	449,174
Accumulated depreciation and impairment	(10,598)	(347,571)	(3,070)	(1,257)	(24,490)	(27,574)	(414,560)
Net book amount	4,584	29,014	83	198	200	535	34,614

At 30 June 2022 and 31 December 2021, the Group's freehold land and buildings were situated in Australia.

10. RIGHT-OF-USE ASSETS

	Leased properties	Plant and equipment	Total
	HK\$'000	HK\$'000	HK\$'000
At 1 January 2022 (Audited)			
Carrying amount	23,459	695	24,154
At 30 June 2022 (Unaudited)			
Carrying amount	15,854	19,447	35,301
For the six months ended 30 June 2022 (Unaudited)			
Amortisation charge	4,598	443	5,041

11. LOAN RECEIVABLES

	(Unaudited) At 30 June 2022	(Audited) At 31 December 2021
	HK\$'000	HK\$'000
Current	16,147	–
Non-current	33,579	–
	49,726	–

On 1 April 2022, the Group acquired the Chattel Mortgage Loan approximately HK\$28.2 million from Scottish Pacific Business Finance Pty Ltd and be repayable together with accrued interest by Ovato Limited ("Ovato") on a monthly basis by 25 November 2023. The Group also granted an additional non-revolving loan approximately HK\$29.8 million to Ovato. The principal amount of the additional loan, together with any accrued interest will be repayable on 25 November 2023. Both loans bear an interest rate of 8.5% per annum and secured by certain machinery and equipment of Ovato group.

12. GOODWILL

	Total HK\$'000
As at 1 January 2022 (Audited)	–
Acquisition of business (note 20)	15,884
Exchange differences	(715)
At 30 June 2022 (Unaudited)	15,169

13. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

The Group generally allows a credit period from 30 to 90 days (2021: 30 to 90 days) to its trade customers. Ageing analysis of trade receivables, net of provision as at 30 June 2022, based on sales invoice date, is as follows:

	(Unaudited) At 30 June 2022	(Audited) At 31 December 2021
	HK\$'000	HK\$'000
0 – 30 days	66,281	33,241
31 – 60 days	24,514	21,405
61 – 90 days	9,364	7,111
91 – 120 days	2,560	787
121 – 150 days	76	1,092
Over 150 days	1,075	6
Total trade receivables	103,870	63,642
Other receivables, deposits and prepayments	5,941	5,382
	109,811	69,024

As at 30 June 2022, a provision of HK\$1,464,000 (31 December 2021: HK\$67,000) was made against the gross amounts of trade receivables.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS – continued

14. TRADE AND OTHER PAYABLES

As at 30 June 2022, the ageing analysis of trade payables based on invoice date is as follows:

	(Unaudited) At 30 June 2022	(Audited) At 31 December 2021
	HK\$'000	HK\$'000
0 – 30 days	18,240	10,117
31 – 60 days	2,857	1,311
61 – 90 days	77	16
91 – 120 days	2	4
Over 120 days	46	95
Total trade payables	21,222	11,543
Other payables	20,063	17,375
	41,285	28,918

15. LEASE LIABILITIES

	(Unaudited) At 30 June 2022	(Audited) At 31 December 2021
	HK\$'000	HK\$'000
Current	8,241	10,535
Non-current	9,643	15,024
	17,884	25,559

16. SHARE CAPITAL

	No. of shares	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each	10,000,000,000	100,000
Issued and fully paid:		
At 1 January 2022 and 30 June 2022	498,671,823	4,987

17. CAPITAL COMMITMENTS

As at 30 June 2022, the Group had no capital commitment contracted but not provided for in respect of the acquisition of property, plant and equipment (31 December 2021: HK\$165,000).

18. PERFORMANCE BONDS

As at 30 June 2022, the obligations of the Group under commercial agreements amounted HK\$530,000 (31 December 2021: HK\$556,000). No security was required for this performance bond (31 December 2021: Nil). There have been no claims from the agreements in both periods.

19. DIVIDENDS AND DISTRIBUTION

- (a) Dividends and distribution attributable to the previous financial year, approved and paid during the interim period:

	(Unaudited)	
	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Final dividend in respect of the year ended 31 December 2021, approved and paid during the interim period of HK\$ nil (2021: HK\$3 cents) per share	–	14,960

- (b) Dividends attributable to the interim period

	(Unaudited)	
	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Interim dividends declared HK\$ nil (2021: HK\$2 cents) per share	–	9,973

The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2022 (2021: HK\$2 cents per share).

20. BUSINESS COMBINATION

On 24 May 2022, OPUS Group Pty Limited ("OPUS"), a wholly owned subsidiary of the Company, entered into a business acquisition agreement with Ovato, pursuant to which, OPUS has conditionally agreed to purchase and Ovato has conditionally agreed to sell its book printing business at an initial consideration of AUD 8,500,000 (equivalent to approximately HK\$47,175,000, subject to adjustments) ("Acquisition of Business"). As all conditions precedent to the business acquisition agreement have been satisfied or waived in accordance with the terms and conditions therein, the Acquisition of Business was completed on 17 June 2022.

The provisional fair value of identifiable assets and liabilities of the acquired business ("Acquired Business") as at the date of acquisition and goodwill arising from the acquisition were as follows:

	Unaudited	Unaudited
	HK\$'000	HK\$'000
Property, plant and equipment	2,813	
Right-of-use assets	4,097	
Inventories	20,399	
Trade and other receivables	33,520	
Trade and other payables	(13,386)	
Lease liabilities	(4,097)	
Provisions	(12,055)	
Total identifiable assets acquired and liabilities assumed		31,291
Cash consideration		47,175
Goodwill		15,884

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS – continued

20. BUSINESS COMBINATION (CONTINUED)

The fair value of trade and other receivables acquired as of the acquisition date amounted to HK\$33,520,000. None of these receivables have been impaired and it is expected that the full contractual amounts can be collected.

Goodwill of HK\$15,884,000, which is not deductible for tax purposes, mainly represented the value of expected synergies arising from the combination of the acquired business with the existing operations of the Group.

Since the acquisition date, the Acquired Business has contributed HK\$7,617,000 to revenue and a profit of HK\$1,115,000 to the Group. If the acquisition had occurred on 1 January 2022, the Group's revenue and net profit would have been HK\$284,640,000 and HK\$5,525,000 respectively. This pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the group that actually would have been achieved had the acquisition been completed on 1 January 2022, nor is it intended to be a projection of future performance.

The acquisition-related costs of HK\$2,384,000 have been expensed and are included in administrative expenses.

21. RELATED PARTY TRANSACTIONS

(a) During the period, the Group entered into the following transactions with related parties:

Party	Relationship with the Group	Nature of transactions	(Unaudited)	
			Six months ended 30 June 2022	2021
			HK\$'000	HK\$'000
D.M.R.A. Property Pty Limited	Common Director	Rent and outgoings	2,012	2,130
Angrich Pty Ltd	Common Director	Consulting fees	783	586
1010 Printing International Limited	Fellow Subsidiary	Outwork	884	1,584
		Sales	13	49
C.O.S. Printers Pte Limited	Fellow Subsidiary	Plant, property and equipment acquisition	2,885	–

(b) Compensation of key management personnel

The directors of the Company were considered to be key management personnel of the Group. The remuneration of key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends.

	(Unaudited)	
	Six months ended 30 June 2022	2021
	HK\$'000	HK\$'000
Short-term remuneration	1,689	1,313
Post-employment benefit	58	31
	1,747	1,344

22. FAIR VALUE MEASUREMENT

(i) Recurring fair value measurements

	(Unaudited)		(Audited)	
	At 30 June 2022		At 31 December 2021	
	Level 1	Level 2	Level 1	Level 2
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Financial assets at fair value through profit or loss				
Convertible note	–	12,598	–	–
Net fair values	–	12,598	–	–

(ii) Fair values of financial instruments carried at other than fair value

Trade and other receivables, trade and other payables and lease liabilities are carried at cost or amortised cost which are not materially different from their fair values as at 30 June 2022 and 31 December 2021.

(iii) Measurement of fair values

The fair value of the convertible note is measured using the applicable market prices at the reporting date.

23. EVENTS SUBSEQUENT TO THE END OF FINANCIAL PERIOD

On 21 July 2022, Ovato announced the appointment of voluntary administrators with immediate effect. As at 30 June 2022, the Group has outstanding secured loan receivables of HK\$49,726,000 to Ovato and convertible note issued by Ovato with fair value of HK\$12,598,000. The Group recognised the right-of-use assets of HK\$17,361,000 in respect of the license right to use certain machineries granted by Ovato as at 30 June 2022. Such license right was settled by advanced payment to Ovato and Ovato is obliged to settle the lease liabilities on behalf of the Group. Subject to the outcome of the administration, the value of the aforesaid assets may have significant adverse impact.

Save for the aforesaid above, the Group has no other significant events after the reporting period and up to the date of this interim report.

OTHER INFORMATION

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board, the Company has complied with the code provisions set out in Corporate Governance Code and Corporate Governance Report contained in Appendix 14 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules") throughout the six months ended 30 June 2022.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2022, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations, within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register maintained by the Company required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

(a) Long Position in the shares of the Company (the "Shares")

Name of Directors	Personal Interests (Shares)	Trust Interests (Shares)	Beneficiary of a Trust Interests (Shares)	Corporate Interests (Shares)	Total Interests (Shares)	Percentage to the issued share capital of the Company (%)
Mr. Lau Chuk Kin (Note 1)	9,803,278	Nil	Nil	313,048,997	322,852,275	64.74
Mr. Richard Francis Celarc (Note 2)	Nil	7,533,039	5,955,780	11,523,168	25,011,987	5.01
Mr. Paul Antony Young (Note 3)	Nil	Nil	Nil	2,903,967	2,903,967	0.58

Notes:

- Mr. Lau Chuk Kin ("Mr. Lau") is deemed to be interested in 322,852,275 Shares through his personal interests and corporate interests. Of 313,048,997 corporate interests, 296,396,954 Shares, 16,133,457 Shares and 518,586 Shares are beneficially owned through Bookbuilders BVI Limited ("Bookbuilders BVI"), City Apex Ltd. ("City Apex") and ER2 Holdings Limited ("ER2 Holdings"), respectively. Bookbuilders BVI is an indirect wholly-owned subsidiary of 1010 Group Limited ("1010 Group") and 1010 Group is a wholly-owned subsidiary of Lion Rock Group Limited ("Lion Rock"). Lion Rock is held directly by City Apex, ER2 Holdings and Mr. Lau as to 33.52%, 1.08% and 10.22% respectively. City Apex is owned as to 77.00% by ER2 Holdings. ER2 Holdings is owned as to 69.76% by Mr. Lau. By virtue of Part XV of the SFO, Mr. Lau is deemed to be interested the said Shares.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY (CONTINUED)

(a) Long Position in the shares of the Company (the "Shares") (Continued)

Notes: – continued

2. Mr. Richard Francis Celarc ("Mr. Celarc") is deemed to be interested in 25,011,987 Shares, which comprise (i) 33,117 Shares held by Navigator Australia Limited (as the custodian for the Richard Celarc Family Trust); (ii) 11,523,168 Shares held by D.M.R.A. Property Pty Limited, a company wholly-owned by Mr. Celarc; (iii) 7,533,039 Shares held by the Richard Celarc Family Trust by virtue of Mr. Celarc being the trustee; and (iv) 5,922,663 Shares held by Ligare Superannuation Nominees Pty Ltd as the trustee for Ligare Staff Superannuation Fund of which both Mr. Celarc and his wife are the only members of the superannuation fund.
3. Mr. Paul Antony Young ("Mr. Young") is deemed to be interest in 2,903,967 Shares through Clapsy Pty Ltd, a company owned as to 50.00% and 50.00% by Mr. Young and his wife Mrs. Lorraine Young.

(b) Long Position in the shares of Lion Rock

Name of Director	Personal Interests (Shares)	Corporate Interests (Shares)	Total Interests (Shares)	Percentage to the issued share capital of Lion Rock (%)
Mr. Lau Chuk Kin (Note)	78,701,906	266,432,717	345,134,623	44.82

Note:

Of 266,432,717 shares of Lion Rock which Mr. Lau is deemed to be interested, 258,135,326 shares and 8,297,391 shares are beneficially owned by City Apex and ER2 Holdings respectively. As at 30 June 2022, ER2 Holdings was the ultimate holding company of City Apex. Mr. Lau owned 69.76% of the issued share capital of ER2 Holdings and accordingly, Mr. Lau is deemed to be interested in the said shares of Lion Rock pursuant to Part XV of the SFO.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY (CONTINUED)

(c) Shares award of Lion Rock during the reporting period

Name of Director	Outstanding at 1.1.2022	Granted during the period	Vested during the period	Cancelled/lapsed during the period	Outstanding at 30.6.2022
Mr. Lau Chuk Kin	200,000	–	–	–	200,000
Mr. Richard Francis Celarc	200,000	–	–	–	200,000
Ms. Tang Tsz Ying	1,288,000	–	–	–	1,288,000

Save as disclosed above, as at 30 June 2022, to the best knowledge of the Company, none of the Directors or chief executives of the Company had or was deemed to have any interests and short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be maintained under section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2022, the following persons, other than a Director or chief executive of the Company, had interests or short positions in the Shares or underlying Shares of the Company, being 5% or more in the issued share capital of the Company, as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of shareholder	Nature of interest			Percentage to the issued share capital of the Company (%)
	Beneficial Owner (Shares)	Interest in controlled corporation (Shares)	Total Interests (Shares)	
ER2 Holdings (Note)	518,586	312,530,411	313,048,997	62.78
City Apex (Note)	16,133,457	296,396,954	312,530,411	62.67
Lion Rock (Note)	Nil	296,396,954	296,396,954	59.44
1010 Group (Note)	Nil	296,396,954	296,396,954	59.44
Bookbuilders BVI (Note)	296,396,954	Nil	296,396,954	59.44

Note:

Bookbuilders BVI is a wholly owned subsidiary of 1010 Group and an indirect wholly owned subsidiary of Lion Rock. Lion Rock was owned as to 33.52%, 1.08% and 10.22% by City Apex, ER2 Holdings and Mr. Lau, respectively. ER2 Holdings was the holding company of City Apex and deemed to be interested in the said Shares pursuant to Part XV of the SFO.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS (CONTINUED)

Save as disclosed above, as at 30 June 2022, the Company had not been notified of any other person (other than a Director or chief executive of the Company) who had an interest or short position in the Shares, underlying Shares or debentures of the Company and was required to be recorded in the register required to be kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEME

The Company has no share option scheme as at the date of this interim report.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

At no time during the reporting period and at the end of the reporting period was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debt securities, including debentures, of the Company or any other body corporate, and none of the Directors, chief executives or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the six months ended 30 June 2022, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding directors' securities transactions. Having made specific enquiry to all the Directors, the Company was not aware of any non-compliance with the required standard set out in the Model Code regarding securities transactions by the directors throughout the six months ended 30 June 2022.

EMPLOYEES AND EMOLUMENT POLICY

As at 30 June 2022, the Group had 336 full-time employees (30 June 2021: 260). The remuneration packages of the Group's employees are maintained at a competitive level and employees are rewarded on a performance-related basis within the general framework of the Group's salary, bonus and over-time payments system. Other employees' fringe and welfare benefits include retirement benefits, occupational injury insurance and other miscellaneous items.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2022 (30 June 2021: HK\$2 cents per share).

OTHER INFORMATION

AUDIT COMMITTEE

The audit committee has four members comprising one non-executive director namely Mr. Paul Antony Young and the three independent non-executive directors, namely, Mr. David Ho, Mr. Tsui King Chung David and Mr. Lai Wing Hong Joseph with terms of reference in compliance with the Listing Rules. The audit committee reviews the Group's financial reporting, internal controls and makes relevant recommendations to the Board.

The audit committee had met with the management to review the Company's interim report for the six months ended 30 June 2022 and had the opinion that such report was compiled with the applicable accounting standards and adequate disclosures had been made.

By Order of the Board
Left Field Printing Group Limited
Richard Francis Celarc
Chairman

Hong Kong, 30 August 2022

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Richard Francis Celarc (*Chairman*)
Mr. Lau Chuk Kin
Ms. Tang Tsz Ying

Non-Executive Director

Mr. Paul Antony Young

Independent Non-Executive Directors

Mr. David Ho
Mr. Tsui King Chung David
Mr. Lai Wing Hong Joseph

COMPANY SECRETARY

Ms. Tang Tsz Ying *HKICPA, ICAA (Australia)*

AUTHORISED REPRESENTATIVES

Mr. Lau Chuk Kin
Ms. Tang Tsz Ying

BERMUDA RESIDENT REPRESENTATIVE

Conyers Corporate Services (Bermuda) Limited

AUDIT COMMITTEE

Mr. David Ho (*Chairman*)
Mr. Paul Antony Young
Mr. Tsui King Chung David
Mr. Lai Wing Hong Joseph

NOMINATION COMMITTEE

Mr. Richard Francis Celarc (*Chairman*)
Mr. David Ho
Mr. Tsui King Chung David
Mr. Lai Wing Hong Joseph

REMUNERATION COMMITTEE

Mr. Tsui King Chung David (*Chairman*)
Mr. Lau Chuk Kin
Mr. David Ho
Mr. Lai Wing Hong Joseph

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Clarendon House
2 Church Street
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Hong Kong Branch Registrar

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