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LEFT FIELD
Printing Group Limited

LEFT FIELD PRINTING GROUP LIMITED

澳獅環球集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 1540)

**RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024**

AUDITED RESULTS

The board of directors (the “Board”) of Left Field Printing Group Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2024, together with the comparative figures for the year ended 31 December 2023 as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Notes	2024 HK\$'000	2023 HK\$'000
Revenue	4	525,583	558,038
Direct operating costs		<u>(412,646)</u>	<u>(444,423)</u>
Gross profit		112,937	113,615
Other income and gains or losses, net	4	9,294	7,526
Selling and distribution costs		(33,948)	(33,149)
Administrative expenses		(37,929)	(39,632)
(Provision for)/reversal of impairment of trade receivables, net		(72)	120
Finance costs		<u>(722)</u>	<u>(1,353)</u>
Profit before income tax	5	49,560	47,127
Income tax expense	6	<u>(15,314)</u>	<u>(13,794)</u>
Profit for the year		<u>34,246</u>	<u>33,333</u>

* For identification purpose only

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

	Notes	2024 HK\$'000	2023 HK\$'000
Other comprehensive income:			
Item that will not be reclassified subsequently to profit or loss:			
Exchange loss on translation of functional currency to presentation currency		<u>(25,007)</u>	<u>(567)</u>
Other comprehensive income for the year, net of tax		<u>(25,007)</u>	<u>(567)</u>
Total comprehensive income for the year		<u>9,239</u>	<u>32,766</u>
Profit for the year attributable to:			
Owners of the Company		<u>34,246</u>	<u>33,333</u>
Total comprehensive income attributable to:			
Owners of the Company		<u>9,239</u>	<u>32,766</u>
Earnings per share			
Basic	8	<u>HK6.87 cents</u>	<u>HK6.68 cents</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

	Notes	2024 HK\$'000	2023 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	9	49,487	64,058
Deposits for acquisition of property, plant and equipment		1,577	568
Right-of-use assets	10	10,330	17,523
Deferred tax assets		15,779	20,239
Goodwill	11	11,270	12,303
		<u>88,443</u>	<u>114,691</u>
Current assets			
Inventories	12	68,528	91,170
Trade receivables	13	87,048	102,640
Other receivables, deposits and prepayments	14	6,190	8,792
Cash and cash equivalents		111,343	85,514
		<u>273,109</u>	<u>288,116</u>
Current liabilities			
Trade and other payables	15	28,138	42,708
Lease liabilities	16	8,263	14,914
Provisions	17	27,595	29,221
Provisions for income tax		7,902	8,943
		<u>71,898</u>	<u>95,786</u>
Net current assets		<u>201,211</u>	<u>192,330</u>
Total assets less current liabilities		<u>289,654</u>	<u>307,021</u>
Non-current liabilities			
Lease liabilities	16	2,386	3,645
Provisions	17	1,425	3,169
Deferred tax liabilities		8,998	12,654
		<u>12,809</u>	<u>19,468</u>
Net assets		<u>276,845</u>	<u>287,553</u>
EQUITY			
Share capital		4,987	4,987
Reserves		271,858	282,566
Total equity		<u>276,845</u>	<u>287,553</u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Merger reserve HK\$'000	Foreign currency translation reserve HK\$'000	Proposed final dividend HK\$'000	Retained earnings HK\$'000	Total HK\$'000
Balance at 1 January 2024	4,987	89,975	183,655	(42,177)	(14,462)	19,947	45,628	287,553
Total comprehensive income for the year								
Profit for the year	-	-	-	-	-	-	34,246	34,246
Other comprehensive income								
Currency translation	-	-	-	-	(25,007)	-	-	(25,007)
Total comprehensive income for the year	-	-	-	-	(25,007)	-	34,246	9,239
Transactions with owners in their capacity as owners								
Dividends (Note 7)	-	-	-	-	-	(19,947)	-	(19,947)
Total transactions with owners	-	-	-	-	-	(19,947)	-	(19,947)
Balance at 31 December 2024	<u>4,987</u>	<u>89,975</u>	<u>183,655</u>	<u>(42,177)</u>	<u>(39,469)</u>	<u>-</u>	<u>79,874</u>	<u>276,845</u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Merger reserve HK\$'000	Foreign currency translation reserve HK\$'000	Proposed final dividend HK\$'000	Retained earnings HK\$'000	Total HK\$'000
Balance at 1 January 2023	4,987	89,975	183,655	(42,177)	(13,895)	-	32,242	254,787
Total comprehensive income for the year								
Profit for the year	-	-	-	-	-	-	33,333	33,333
Other comprehensive income								
Currency translation	-	-	-	-	(567)	-	-	(567)
Total comprehensive income for the year	-	-	-	-	(567)	-	33,333	32,766
Transactions with owners in their capacity as owners								
2023 proposed final dividend (Note 7)	-	-	-	-	-	19,947	(19,947)	-
Total transactions with owners	-	-	-	-	-	19,947	(19,947)	-
Balance at 31 December 2023	<u>4,987</u>	<u>89,975</u>	<u>183,655</u>	<u>(42,177)</u>	<u>(14,462)</u>	<u>19,947</u>	<u>45,628</u>	<u>287,553</u>

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, Kwun Tong, Kowloon, 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 31 December 2024, 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 consolidated financial statements have been prepared in accordance with IFRS[®] Accounting Standards and IAS[®] Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively “IFRS Accounting Standards”) and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also include the applicable disclosures required by the Rules Governing the Listing of Securities on the SEHK.

2. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS ACCOUNTING STANDARDS

2.1 Adoption of amended IFRS Accounting Standards

During the year, the Group has adopted all the amended IFRS Accounting Standards which are first effective for the reporting year and relevant to the Group.

Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IFRS 16	Lease Liability In a Sale and Leaseback
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The amendments listed above did not have any significant impact on the Group’s results and financial position for the current or prior period. The Group has not early applied any new or amended IFRS Accounting Standards that is not yet effective for the current accounting period.

2.2 New or amended IFRS Accounting Standards that have been issued but are not yet effective

At the date of this announcement, the following amended IFRS Accounting Standards have been published but are not yet effective, and have not been adopted early by the Group.

2. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS ACCOUNTING STANDARDS (CONTINUED)

2.2 New or amended IFRS Accounting Standards that have been issued but are not yet effective (continued)

Amendments to IAS 21 and IFRS 1	Lack of Exchangeability ¹
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Annual improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosure, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, IAS 7 Statement of Cash Flows ³
IFRS 18	Presentation and Disclosure in Financial Statements ³
IFRS 19	Subsidiaries without Public Accountability: Disclosures ³

¹ Effective for annual periods beginning on or after 1 January 2025.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

⁴ The amendments were originally intended to be effective for periods beginning on or after 1 January 2016. The effective date has now been deferred/removed. Early application of the amendments continue to be permitted.

The directors of the Company anticipate that all of the pronouncements will be adopted for the first period beginning after the effective date of the pronouncement. The directors of the Company are currently assessing the impact of the amended IFRS Accounting Standards upon initial application. So far, the directors of the Company have preliminarily concluded that the initial application of these IFRS Accounting Standards will not result in material financial impact on the consolidated financial statements except for IFRS 18 explained below.

IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 and aims to improve the transparency and comparability of information about an entity's financial performance. The main changes comprise: a more structured income statement, enhanced disclosure requirement on management-defined performance measures; and enhanced requirements on aggregation and disaggregation of information.

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.

3. SEGMENT INFORMATION (CONTINUED)

(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.

(b) Segment revenue

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

Revenue by geographic location is not used by the Chief Operating Decision Maker in reviewing the performance of the CGU. Revenue and non-current assets of the Group are mainly in Australia.

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

The Chief Operating Decision Maker assesses the performance of the operating segments based on a measure of EBITDA as monitored by the directors and senior management (“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 consolidated statement of profit or loss and other comprehensive income is as follows:

	2024 HK\$'000	2023 HK\$'000
EBITDA on ordinary activities	82,044	80,142
Depreciation	(31,762)	(31,662)
Finance costs	(722)	(1,353)
Profit before income tax	<u>49,560</u>	<u>47,127</u>

3. SEGMENT INFORMATION (CONTINUED)

(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.

(e) Segment information

	Printing solutions and services HK\$'000	Corporate* HK\$'000	Total HK\$'000
2024			
Total external revenue	525,583	-	525,583
Other income	4,890	4,404	9,294
Operating expenses [#]	(442,008)	(10,825)	(452,833)
EBITDA	88,465	(6,421)	82,044
Depreciation	(31,577)	(185)	(31,762)
Finance cost	(661)	(61)	(722)
Profit before income tax	56,227	(6,667)	49,560
Total consolidated segment results	56,227	(6,667)	49,560
2023			
Total external revenue	558,038	-	558,038
Other income	6,389	1,137	7,526
Operating expenses [#]	(476,185)	(9,237)	(485,422)
EBITDA	88,242	(8,100)	80,142
Depreciation	(31,478)	(184)	(31,662)
Finance cost	(1,279)	(74)	(1,353)
Profit before income tax	55,485	(8,358)	47,127
Total consolidated segment results	55,485	(8,358)	47,127

* 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.

4. REVENUE, OTHER INCOME AND GAINS OR LOSSES

- (a) The Group derives its revenue from sales of goods at a point in time during the years.

The Group has assessed that the disaggregation of revenue by operating segments in Note 3 is appropriate in meeting this disclosure requirement as this is the information regularly reviewed by the Chief Operating Decision Maker in order to evaluate the financial performance of the entity.

Revenue from customers contributing over 10% of the Group's revenue of the corresponding years is as follows:

	2024 HK\$'000	2023 HK\$'000
Customer A	91,895	98,143
Customer B	80,095	80,533
Customer C	<u>62,040</u>	<u>58,670</u>

- (b) An analysis of the Group's other income and gains during the year is as follows:

	2024 HK\$'000	2023 HK\$'000
Scrap recoveries	3,269	3,058
Exchange gain, net	1,089	1,133
Gain on disposals of property, plant and equipment	3	248
Gain/(loss) of lease modification, net	4	(10)
Insurance refunds	268	694
Rental income	160	-
Bank interest income	3,581	1,185
Government subsidies (Note)	-	359
Others	<u>920</u>	<u>859</u>
	<u>9,294</u>	<u>7,526</u>

Note:

In 2023, the Group was entitled to a government subsidy related to a manufacturing energy efficiency improvement project, which provided financial support amounted to HK\$359,000 for installing solar panels.

As at 31 December 2024 and 2023, there was no government subsidies receivable included in other receivables.

There were no unfulfilled conditions or contingencies attached to these subsidies.

5. PROFIT BEFORE INCOME TAX

	2024 HK\$'000	2023 HK\$'000
Profit before income tax is arrived at after charging/(crediting):		
Depreciation of property, plant and equipment (Note 9 and Note (i) below)	15,470	13,550
Depreciation of right-of-use assets (Note 10 and Note (ii) below)	16,292	18,112
Auditor's remuneration (Note (iii) below)	1,012	990
Cost of inventories recognised as expense	187,640	215,609
Interest on lease liabilities (Note 16)	669	1,289
(Reversal of)/provision for impairment of inventories, net	(2,827)	4,401
Provision for/(reversal of) impairment of trade receivables, net	72	(120)
Short-term leases expenses	1,821	2,434
Employee benefits expense (Note (iv) below)		
Salaries, wages and other staff costs	151,233	149,974
Superannuation (Note (v) below)	14,300	13,209
	<u>165,533</u>	<u>163,183</u>

Notes:

- (i) Depreciation charges on property, plant and equipment of HK\$14,771,000 (2023: HK\$12,720,000) and HK\$699,000 (2023: HK\$830,000) have been included in direct operating costs and administrative expenses respectively for the year.
- (ii) Depreciation charges on right-of-use assets of HK\$12,887,000 (2023: HK\$14,348,000) and HK\$3,405,000 (2023: HK\$3,764,000) have been included in direct operating costs and administrative expenses respectively for the year.
- (iii) Auditor's remuneration for other services paid during 2023 amounted HK\$15,000 which was related to the review of a non-exempted continuing connected transaction (included in administrative expenses).
- (iv) Employee benefits expense of HK\$136,115,000 (2023: HK\$132,594,000), HK\$11,153,000 (2023: HK\$11,225,000) and HK\$18,265,000 (2023: HK\$19,364,000) included directors' remunerations have been included in direct operating costs, selling and distribution costs and administrative expenses respectively.
- (v) A subsidiary, OPUS Group Pty. Ltd. ("OPUS") and its controlled entities contribute to a number of superannuation funds. These funds provide benefits on a cash accumulation basis for employees or their dependents on resignation, retirement, total and permanent disablement or death. Benefits are based on the contributions and net income thereon held by the funds on behalf of their members. The level of these benefits varies according to the fund to which the employee belongs. The Group contributions to all superannuation funds are legally enforceable. Contributions may be made by the member in addition to the Group contributions, as specified by the rules of the fund.

6. INCOME TAX EXPENSE

The amount of taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	2024 HK\$'000	2023 HK\$'000
Current tax expense - Australia		
- Tax for the year	15,132	13,878
- Over-provision in prior years	-	(1,107)
	<u>15,132</u>	<u>12,771</u>
Deferred tax		
- Charged for the year	182	1,023
Total income tax expense	<u>15,314</u>	<u>13,794</u>

The Group's subsidiaries in Australia are subject to domestic tax rate of 30% (2023: 30%) on the estimated assessable profits.

For years ended 31 December 2024 and 2023, under the two-tiered profits tax rate regime, Hong Kong Profits Tax of the qualifying group entity incorporated in Hong Kong is calculated at 8.25% on the first HK\$2,000,000 of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2,000,000. There is no group entity subject to Hong Kong Profits Tax qualified for the two-tiered profits tax rates regime, is continuously taxed at a flat rate of 16.5% for the year ended 31 December 2024 (2023: nil). Overseas entity refers to incorporated in Hong Kong.

7. DIVIDENDS AND DISTRIBUTION

(i) Dividends and distribution attributable to the previous financial year, approved and paid during the year:

	2024 HK\$'000	2023 HK\$'000
Final dividend paid in respect of prior year of HK\$0.04 (2023: nil) per share	19,947	-
	<u>19,947</u>	<u>-</u>

(ii) Dividends declared after the end of reporting period:

	2024 HK\$'000	2023 HK\$'000
Interim dividend declared of HK\$0.04 (2023: nil) per share in lieu of final dividend (Note)	19,947	-
	<u>19,947</u>	<u>-</u>

Note:

The amount of the interim dividend declared for the year ended 31 December 2024, which will be payable in cash, has been calculated by reference to the 498,671,823 issued ordinary share outstanding at the date of this announcement. The interim dividends are not reflected as dividend payable in the consolidated financial statements.

There are no income tax consequences related to the payment of dividend by the Company to its shareholders.

8. EARNINGS PER SHARE

The calculation of basic earnings per share amount is based on profit attributable to owners of the Company of approximately HK\$34,246,000 (2023: HK\$33,333,000) and on the weighted average number of ordinary shares of 498,671,823 (2023: 498,671,823) in issue during the year.

No diluted earnings per share are presented as the Group has no dilutive potential ordinary shares during the year (2023: nil).

9. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings HK\$'000	Plant and equipment HK\$'000	Office furniture and equipment HK\$'000	Motor vehicles HK\$'000	Leasehold improvements HK\$'000	Computer equipment HK\$'000	Total HK\$'000
At 1 January 2023							
Cost	15,096	252,977	2,309	1,446	8,601	17,019	297,448
Accumulated depreciation and impairment	(10,774)	(213,258)	(2,261)	(1,304)	(8,433)	(16,459)	(252,489)
Net book amount	4,322	39,719	48	142	168	560	44,959
Year ended 31 December 2023							
Opening net book amount	4,322	39,719	48	142	168	560	44,959
Additions	-	32,520	-	421	150	172	33,263
Depreciation for the year	(327)	(12,720)	(37)	(114)	(53)	(299)	(13,550)
Disposal	-	-	-	(30)	-	-	(30)
Exchange differences	(33)	(381)	-	(31)	(136)	(3)	(584)
Closing net book amount	3,962	59,138	11	388	129	430	64,058
At 31 December 2023 and 1 January 2024							
Cost	15,010	280,202	2,241	1,768	8,568	17,042	324,831
Accumulated depreciation and impairment	(11,048)	(221,064)	(2,230)	(1,380)	(8,439)	(16,612)	(260,773)
Net book amount	3,962	59,138	11	388	129	430	64,058
Year ended 31 December 2024							
Opening net book amount	3,962	59,138	11	388	129	430	64,058
Additions	-	5,457	-	-	176	107	5,740
Depreciation for the year	(267)	(14,771)	(7)	(95)	(70)	(260)	(15,470)
Exchange differences	(315)	(4,453)	(2)	(27)	(17)	(27)	(4,841)
Closing net book amount	3,380	45,371	2	266	218	250	49,487
At 31 December 2024							
Cost	13,750	260,651	2,031	1,457	8,014	15,648	301,551
Accumulated depreciation and impairment	(10,370)	(215,280)	(2,029)	(1,191)	(7,796)	(15,398)	(252,064)
Net book amount	3,380	45,371	2	266	218	250	49,487

As at 31 December 2024 and 2023, the Group's freehold land and buildings were situated in Australia.

10. RIGHT-OF-USE ASSETS

	Leased properties HK\$'000	Plant and equipment HK\$'000	Total HK\$'000
At 1 January 2023			
Cost	79,646	15,540	95,186
Accumulated depreciation	<u>(64,336)</u>	<u>(7,872)</u>	<u>(72,208)</u>
Net book amount	<u><u>15,310</u></u>	<u><u>7,668</u></u>	<u><u>22,978</u></u>
Year ended 31 December 2023			
Opening net book amount	15,310	7,668	22,978
Additions	-	1,720	1,720
Depreciation for the year	(14,725)	(3,387)	(18,112)
Lease modification	13,671	(2,426)	11,245
Exchange differences	<u>(338)</u>	<u>30</u>	<u>(308)</u>
Closing net book amount	<u><u>13,918</u></u>	<u><u>3,605</u></u>	<u><u>17,523</u></u>
At 31 December 2023 and 1 January 2024			
Cost	89,653	9,024	98,677
Accumulated depreciation	<u>(75,735)</u>	<u>(5,419)</u>	<u>(81,154)</u>
Net book amount	<u><u>13,918</u></u>	<u><u>3,605</u></u>	<u><u>17,523</u></u>
Year ended 31 December 2024			
Opening net book amount	13,918	3,605	17,523
Additions	3,126	725	3,851
Depreciation for the year	(15,139)	(1,153)	(16,292)
Lease modification	6,522	(230)	6,292
Exchange differences	<u>(793)</u>	<u>(251)</u>	<u>(1,044)</u>
Closing net book amount	<u><u>7,634</u></u>	<u><u>2,696</u></u>	<u><u>10,330</u></u>
At 31 December 2024			
Cost	91,229	7,659	98,888
Accumulated depreciation	<u>(83,595)</u>	<u>(4,963)</u>	<u>(88,558)</u>
Net book amount	<u><u>7,634</u></u>	<u><u>2,696</u></u>	<u><u>10,330</u></u>

11. GOODWILL**HK\$'000**

At 1 January 2023	
Cost	12,374
Accumulated impairment loss	-
Net carrying amount	<u>12,374</u>
Year ended 31 December 2023	
Opening net carrying amount	12,374
Exchange differences	(71)
Closing net carrying amount	<u>12,303</u>
At 31 December 2023 and 1 January 2024	
Cost	12,303
Accumulated impairment loss	-
Net carrying amount	<u>12,303</u>
Year ended 31 December 2024	
Opening net carrying amount	12,303
Exchange differences	(1,033)
Closing net carrying amount	<u>11,270</u>
At 31 December 2024	
Cost	11,270
Accumulated impairment loss	-
Net carrying amount	<u>11,270</u>

12. INVENTORIES

	2024	2023
	HK\$'000	HK\$'000
Raw materials	68,660	94,111
Work-in-progress	2,522	3,047
Finished goods	2,063	2,909
Less: Provision for impairment	(4,717)	(8,897)
	<u>68,528</u>	<u>91,170</u>

13. TRADE RECEIVABLES

	2024	2023
	HK\$'000	HK\$'000
Trade receivables	87,227	102,828
Less: Provision for impairment	(179)	(188)
	<u>87,048</u>	<u>102,640</u>

13. TRADE RECEIVABLES (CONTINUED)

Ageing analysis of trade receivables, net of provision, based on the invoice date, is as follows:

	2024 HK\$'000	2023 HK\$'000
0 – 30 days	39,723	46,176
31 – 60 days	24,061	33,854
61 – 90 days	17,905	21,334
91 – 120 days	5,276	1,115
121 – 150 days	77	13
Over 150 days	6	148
	<u>87,048</u>	<u>102,640</u>

In general, the Group allows a credit period from 30 to 90 days (2023: 30 to 90 days) to its customers.

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2024 HK\$'000	2023 HK\$'000
Deposits	710	763
Prepayments	4,477	6,345
Other receivables	1,003	1,684
	<u>6,190</u>	<u>8,792</u>

15. TRADE AND OTHER PAYABLES

	2024 HK\$'000	2023 HK\$'000
Trade payables	<u>11,832</u>	<u>13,266</u>
Other payables and accruals:		
Other creditors	1,275	1,453
Sundry provisions and accruals	11,820	23,241
Contract liabilities	479	1,226
Provision for pay-as-you-earn/pay-as-you-go	436	634
GST payables	2,296	2,888
	<u>16,306</u>	<u>29,442</u>
	<u>28,138</u>	<u>42,708</u>

As at 31 December 2024, ageing analysis of trade payables based on invoice date, is as follows:

	2024 HK\$'000	2023 HK\$'000
0 – 30 days	10,026	11,010
31 – 60 days	1,381	1,143
61 – 90 days	-	7
91 – 120 days	1	-
Over 120 days	424	1,106
	<u>11,832</u>	<u>13,266</u>

Credit terms granted by the suppliers are generally 0 to 90 days (2023: 0 to 90 days).

16. LEASE LIABILITIES

	2024 HK\$'000	2023 HK\$'000
Balance as at 1 January	18,559	24,095
Additions	3,851	1,720
Lease modification	6,288	11,245
Interest expense	669	1,289
Lease payments	(17,623)	(19,483)
Exchange differences	(1,095)	(307)
Balance as at 31 December	<u>10,649</u>	<u>18,559</u>
Represented by:		
Current liabilities	8,263	14,914
Non-current liabilities	<u>2,386</u>	<u>3,645</u>
	<u>10,649</u>	<u>18,559</u>

17. PROVISIONS

	2024 HK\$'000	2023 HK\$'000
Current		
Employee benefit liabilities for annual leave and time in lieu	10,420	12,992
Employee benefit liabilities for long service leave	14,902	15,163
Provision for leasehold dilapidations	<u>2,273</u>	<u>1,066</u>
	<u>27,595</u>	<u>29,221</u>
Non-current		
Employee benefit liabilities for long service leave	1,425	1,809
Provision for leasehold dilapidations	<u>-</u>	<u>1,360</u>
	<u>1,425</u>	<u>3,169</u>
	<u>29,020</u>	<u>32,390</u>

CHAIRMAN'S STATEMENT

Dear Fellow Shareholders,

The Group's 2024 revenue decreased by approximately 6% from HK\$558.0 million (equivalent to AUD108.9 million) in 2023 to HK\$ 525.6 million (equivalent to AUD102.8 million) in 2024 while net profit after tax increased slightly by 3% from HK\$33.3 million (equivalent to AUD6.5 million) to HK\$34.2 million (equivalent to AUD6.7 million).

The Australian book industry, according to Nielsen Bookscan, for the full year of 2024 was worth AUD1.29 billion, a reduction of 3% compared to 2023. Sales by volume totalled 69 million books and remain higher in value and volume compared to 2021 figures despite dropping 0.8 million in volume compared to 2023. The top 3 growth categories according to Nielsen were humour, trivia and puzzles; food and drink and general fiction.

Our operations in 2024 focused on improving efficiencies within our manufacturing sites and continued to strengthen synergies and collaboration to deliver quality and value to our publishing clients. In a somewhat subdued macroeconomic environment, our management team maintained strong control over costs and purchasing decisions to ensure our operations were able to flex with the demand.

Looking forward to 2025, given the ongoing uncertainty in East Europe and Gaza as well as the dynamic geopolitical relationships yet to stabilize with the new US administration and the pending Australian election, domestic market conditions are expected to remain uncertain and dynamic.

Our management teams are expected to continue and expand synergies across complementary manufacturing sites while maintaining strong control over costs and determine forward looking investments to improve our service offering and production workflow. As the leading local book printing group, we are thankful to our dedicated staff, supportive customers and collaborative suppliers and will work diligently to contribute positively to the Australian book industry.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Company is an investment holding company with its subsidiaries being principally engaged in the provision of printing solutions and services in Australia.

In 2024, our businesses weathered a subdued domestic economy with the Reserve Bank of Australia noting that inflation remained high for the year and could take some time beyond 2024 to adjust back into the targeted range owing to a range of factors in the domestic and international environment.

As a result, the group's revenue decreased by 6% to HK\$525.6 million in 2024 compared to prior year. Direct operating costs pleasingly decreased by 7% to HK\$412.6 million and profit before tax increased by 5% to HK \$49.6 million compared to prior year.

The planned complementary synergy from the operations of McPherson's and Griffin Press was still work in progress in 2024. The uniqueness of the pricing strategy is unlikely be accomplished as the competition the Book Group facing is global instead of domestic. The targeted margin improvement as a result of the acquisition of Griffin Press would be arduous through pricing power but the management team is working on the improvement of operation and cost efficiency to enhance the Book Group's profitability.

PROSPECTS

Looking forward, the management team is cautious about trading conditions in 2025 with potential improvement in the domestic macroeconomic environment challenged by uncertainty in the geopolitics of Australia's trading partners potentially affecting domestic confidence and demand. Management will continue to tightly focus on cost control as well as operational collaboration so we can position ourselves to respond dynamically to the needs of our publishing customers and the challenges in our operating environment.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW

Revenue

Revenue in 2024 was approximately HK\$525.6 million, representing a drop of approximately 5.8% from the previous year (2023: approximately HK\$558.0 million). Such decrease for the year ended 31 December 2024 was driven by the weak domestic printing demand in quick turnaround time educational sector as well as Government sector. The high domestic interest rate and subdued economic condition of high inflation rate have dampened personal consumptions on read-for-pleasure books which resulted in reduced local demand.

Gross profit and gross profit margin

Our gross profit slightly dropped by approximately HK\$0.7 million, or approximately 0.6%, from approximately HK\$113.6 million in 2023 to approximately HK\$112.9 million in 2024 while gross profit margin enhanced by approximately 1.1% in comparison of last year from approximately 20.4% to approximately 21.5%. The improvement of gross profit margin was mainly due to a number of costs saving measures were imposed by the Group to reduce the number of headcount and control overtime costs in response to the increased wages level. The synergies of production efficiency from book printing division have continuously flown to the business with improvement of both delivery time and production costs.

Other income and gains or losses, net

Other income increased by approximately HK\$1.8 million, or approximately 23.5% from approximately HK\$7.5 million in 2023 to approximately HK\$9.3 million in 2024. Such increase was mainly attributable to higher interest income from the Group's time deposits with the improved cash position but partly offset by the reduction of scrap recoveries which in line of the drop of production volume and one-off government subsidy in the prior year in relation to a manufacturing energy efficiency improvement solar project of HK\$0.4 million.

Selling and distribution costs

Selling and distribution costs raised by approximately HK\$0.8 million, or approximately 2.4%, from approximately HK\$33.1 million in 2023 to approximately HK\$33.9 million in 2024. The increase in selling and distribution costs was as a result of the increase in domestic fuel charges and increased inter-sites transportation volume.

Administrative expenses

Administrative expenses decreased approximately HK\$1.7 million from approximately HK\$39.6 million in 2023 to approximately HK\$37.9 million in 2024, representing a year-on-year reduction of approximately 4.3%. The drop was as a result of reduced number of administrative staff headcount and no material bad debts expenses during the current year. Such impact was partly offset by the increased general insurance costs of the Group's Australian production facilities.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW (CONTINUED)

Finance costs

Finance costs reduced by approximately HK\$0.7 million or approximately 46.6% from approximately HK\$1.4 million in 2023 to approximately HK\$0.7 million in 2024. The decrease was mainly attributable to the expiration of certain machine lease contracts in the prior year.

Income tax expense

Income tax expense increased from approximately HK\$13.8 million (effective income tax rate: approximately 29.3%) in 2023 to approximately HK\$15.3 million (effective income tax rate: approximately 30.9%) in 2024. The increase was consistent with higher taxable income during the year. The effective tax rate in the current year was slightly higher than the statutory tax rate 30% due to certain expenses incurred were non-deductible in nature.

Net profit

The Group reported a net profit of approximately HK\$34.2 million in 2024 compared to approximately HK\$33.3 million in the prior year, which represented an increase of approximately HK\$0.9 million or approximately 2.7%. The improvement of profitability of the Group during the year was mainly due to various cost control measures taken by the management in response to the weak domestic printing demand.

Liquidity and financial resources

As at 31 December 2024, the Group had net current assets of approximately HK\$201.2 million (2023: approximately HK\$192.3 million), among which, cash and bank balances were approximately HK\$111.3 million (2023: approximately HK\$85.5 million) which were denominated in Australian Dollars (“AUD”), US Dollars (“USD”), Great British Pound (“GBP”) and HK\$. The enhancement of cash and bank balances was mainly attributable to positive operating cashflow generated during the year.

The Group’s current ratio was approximately 3.8 times as at 31 December 2024 (2023: approximately 3.0 times), which was calculated by the Group’s current assets over current liabilities. The only interest bearing liabilities were lease liabilities of approximately HK\$10.6 million as at 31 December 2024 (2023: approximately HK\$18.6 million) which were denominated in AUD. The Group’s gearing ratio as at 31 December 2024 was approximately 3.8% (2023: approximately 6.5%), which is calculated on the basis of the Group’s total interest-bearing debts over total equity. The improvement of the Group’s current ratio was mainly due to positive operating result during the year. Save as the aforesaid, the Group maintained net cash position and healthy current and 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, its compliance with lending covenants and its relationship with 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 the short and long term.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW (CONTINUED)

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 investor, creditor 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.

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, New Zealand Dollar, USD, European Union Euros, GBP and HK\$.

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. The Group does not hold or issue financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Capital expenditure

During the year, the Group acquired property, plant and equipment at approximately HK\$5.7 million (2023: approximately HK\$33.3 million). The purchases during the year were financed by internal resources of the Group.

Material acquisitions and disposals

There were no material acquisitions and disposals of subsidiaries, associates and joint venture in the course during 2024 (2023: nil).

Capital commitment and contingent liabilities

As at 31 December 2024, the Group had capital commitment of approximately HK\$3.5 million to acquire machineries (2023: approximately HK\$0.8 million).

The Group did not have any significant contingent liabilities as at 31 December 2024 (2023: nil).

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW (CONTINUED)

Employees and emolument policy

As at 31 December 2024, the Group had 319 full-time employees (2023: 329). 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 AND CLOSURE OF REGISTER OF MEMBERS

The Board has resolved to recommend the payment of an interim dividend of HK4 cents per share (the "Interim Dividend") for the year ended 31 December 2024 (2023: final dividend: HK4 cents per share) to holders of ordinary shares whose names appear on the register of holders of ordinary shares of the Company as at the close of business on 15 April 2025. The register of shareholders will be closed on 15 April 2025, which no transfer of shares will be registered. To qualify for the Interim Dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, whose share registration public office is located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on 14 April 2025. The Interim Dividend is expected to be paid on 8 May 2025.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (2023: nil).

EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

The Group has no significant events after the reporting period and up to the date of this result announcement.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board, the Company has complied with the Corporate Governance Code and Corporate Governance Report contained in Appendix C1 of the Listing Rules during the year ended 31 December 2024.

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. Ho Tai Wai David, Mr. Tsui King Chung David and Mr. Lai Wing Hong Joseph with terms of reference in compliance with the Listing Rules. The audit committee has reviewed the audited financial results of the Group for the year ended 31 December 2024.

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

Hong Kong, 27 March 2025

As at the date of this announcement, the Board comprises Mr. Richard Francis Celarc, Mr. Lau Chuk Kin and Ms. Tang Tsz Ying as executive directors; Mr. Paul Antony Young as non-executive director; Mr. Ho Tai Wai David, Mr. Tsui King Chung David and Mr. Lai Wing Hong Joseph as independent non-executive directors.

This final results announcement is published on the website of Hong Kong Stock Exchange at www.hkexnews.hk and on the Company's website at www.leftfieldprinting.com. The annual report of the Company for the year ended 31 December 2024 will also be published on the aforesaid websites in due course.