hmvod Limited

hmvod視頻有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8103)

2024

ANNUAL REPORT

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the "Directors") of hmvod Limited (the "Company", together with its subsidiaries, the "Group") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors:

Ms. Wong Tsz Ki
Mr. Chong Tung Yan Benedict *(appointed on 20 July 2022 and re-designated from the independent non-executive Director to the Executive Director on 3 April 2023)*
Ms. Ho Chi Na *(resigned on 19 June 2024)*

Independent Non-executive Directors:

Dr. Tsang Hing Bun
Mr. Chan Chi Ching
Mr. Hung Cho Sing, *B.B.S. (appointed on 3 April 2023)*
Mr. Ko Chi Kiu *(appointed on 4 September 2023)*
Mr. Ip Chi Ching *(appointed on 8 April 2024)*
Mr. Leung Tze Wai *(appointed on 8 April 2024)*

COMPANY SECRETARY

Mr. Lei Nelson *(appointed on 20 November 2023)*
Mr. Chung Kiu Pan *(resigned on 25 April 2023)*
Mr. Chow Lok Pan *(resigned on 20 November 2023)*

COMPLIANCE OFFICER

Ms. Ho Chi Na *(resigned on 19 June 2024)*

AUTHORISED REPRESENTATIVES

Mr. Lei Nelson *(appointed on 20 November 2023)*
Ms. Wong Tsz Ki *(appointed on 19 June 2024)*
Ms. Ho Chi Na *(resigned on 19 June 2024)*
Mr. Chung Kiu Pan *(resigned on 25 April 2023)*
Mr. Chow Lok Pan *(resigned on 20 November 2023)*

AUDIT COMMITTEE

Dr. Tsang Hing Bun *(Chairman)*
Mr. Chan Chi Ching
Mr. Hung Cho Sing, *B.B.S. (appointed on 3 April 2023)*
Mr. Ko Chi Kiu Robert *(appointed on 4 September 2023)*
Mr. Leung Tse Wai *(appointed on 8 April 2024)*

REMUNERATION COMMITTEE

Mr. Chan Chi Ching *(Chairman)*
Dr. Tsang Hing Bun
Mr. Hung Cho Sing, *B.B.S. (appointed on 3 April 2023)*
Mr. Ko Chi Kiu Robert *(appointed on 4 September 2023)*
Mr. Ip Chi Ching *(appointed on 8 April 2024)*

NOMINATION COMMITTEE

Mr. Chan Chi Ching *(Chairman)*
Dr. Tsang Hing Bun
Mr. Hung Cho Sing, *B.B.S. (appointed on 3 April 2023)*
Mr. Ko Chi Kiu Robert *(appointed on 4 September 2023)*
Mr. Ip Chi Ching *(appointed on 8 April 2024)*

AUDITOR

Baker Tilly Hong Kong Limited

REGISTERED OFFICE

Cricket Square Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

CORPORATE INFORMATION

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

9/F, E-Trade Plaza
No.24 Lee Chung Street
Chai Wan
Hong Kong

PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation Limited

PRINCIPAL SHARE REGISTRAR

Suntera (Cayman) Limited
Royal Bank House – 3rd Floor
24 Shedden Road
P.O. Box 1586
George Town
Grand Cayman KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Union Registrars Limited
Suites 3301–04, 33/F.
Two Chinachem Exchange Square
338 King's Road, North Point
Hong Kong

STOCK CODE

08103

WEBSITE

www.hmvod.com.hk

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE

During the year ended 31 March 2024, the Group recorded a turnover of approximately HK$22.1 million (2023: HK$24.0 million) representing a decrease of approximately 7.8% as compared to that of the corresponding year in 2023. Other income and gains increased to approximately HK$8.6 million as compared to approximately HK$2.5 million of corresponding year in 2023, representing an increase of 251.3% as a result of waiver of borrowings. Subcontractors cost increased to approximately HK$16.3 million as compared to approximately HK$16.0 million of corresponding year in 2023. Operating and administrating expenses decreased to approximately HK$5.2 million as compared to approximately HK$5.3 million of corresponding year in 2023. Finance cost increased to approximately HK$5.0 million as compared to approximately HK$4.7 million of corresponding year in 2023, representing an increase of 5.9% as a result of repayments of borrowings. For the year ended 31 March 2024, a loss attributable to owners of the Company arisen from continuing operations of approximately HK$6.8 million was recorded (2023: Loss of HK$12.2 million).

The decrease in loss was primarily attributable to (i) the increase of other income; and (ii) the decrease of staff cost.

BUSINESS PERFORMANCE AND PROSPECT

OTT services

OTT services is providing multi-media related services and contents in the Hong Kong via different platforms. OTT services market is mainly driven by ease of viewing through difference devices and platforms, a variety of content, In view of the growing penetration and expansion of multi-media segment, the Group is optimistic about such business segment. In addition, consumers are moving beyond traditional media, the multi-media platform is an option used by many companies to brand and market their products. As such, the multi-media platform is playing an increasingly vital role in business marketing strategy all over the world. We believed that our Group is beneficial from the world-wide trend given that our OTT services is equipped with experience in the industry with diversified clientele and being specialized in the provision of OTT services of video-on-demand in Hong Kong and Macau via its own digital video rental platform. The revenue in OTT services recorded approximately HK$22.1 million for the year ended 31 March 2024 (2023: HK$24.0 million), compared with the corresponding year in 2023. Such decrease is due to the market made twists and turns after the pandemic. Also, the post-pandemic environment encourages customers to other out-doing activities and some competitors, such as Disney Plus and Amazon Prime Video, appeared and shared the market. The Board is of the opinion that though the revenue of OTT services drops, the whole market is growing, which is good to all market players and the effect of finishing of social gathering ban policy is short term and would not be last long to the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 March 2024, the deficit attributable to owners of the Company amounted to approximately HK$6.8 million (2023: HK$12.3 million). Current assets amounted to approximately HK$18.4 million (2023: HK$9.0 million), of which approximately HK$13.9 million (2023: HK$2.4 million) were bank balances and cash. Current liabilities were approximately HK$42.3 million (2023: HK$31.2 million) mainly include trade and other payables, borrowings and bonds. Total of borrowings and bonds amounted to approximately HK$31.2 million as at 31 March 2024 (2023: HK$40.5 million).

During the year under review, the capital structure of the Company was changed as follows:

(i) During the year under review, the Company has been actively negotiating with potential investors to raise additional fund through different means. On 24 October 2023, the Company raised approximately of HK$23 million from the placing of new shares. The Company repaid approximately of HK$13.8 million of borrowings during the year. The Board is of the opinion that equity financing could further improve the Group's capital structure and lower the borrowing costs.

The Board will continue to look for opportunities to attract more investors, extend the shareholders base, reduce the accumulated loss and improve the flexibility of fund raising.

GEARING RATIO

The gearing ratio was calculated on the basis of total liabilities over shareholders' equity. Since the Company recorded a deficit attributable to owners of the Company in 31 March 2023 and 2024, the gearing ratio was not applicable for the both years.

FOREIGN CURRENCY EXPOSURE

During the year ended 31 March 2024, the Group experienced only immaterial exchange rate fluctuations, as the Group's operations were mainly denominated in Hong Kong dollars. As the risk on exchange rate difference considered being minimal, the Group did not employ any financial instruments for hedging purposes.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES DURING THE YEAR UNDER REVIEW

No significant investment, material acquisition and disposal was completed for the year ended 31 March 2024.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group will continue to look for opportunities to create shareholders' value through making investments into and/or acquiring interests in companies or projects that have promising outlooks and prospects. The Group is broadening its perspective to different sectors and potentially also invest into and/or make acquisitions in other industries (including renewable energy and other "green" businesses, the financial industry, and more traditional non-IT businesses) so long as such investments/acquisitions can bring value and are beneficial to the Company and its shareholders as a whole. It goes without saying that the Company will also continue to focus on existing business to bring further value to the shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

SEGMENT INFORMATION

During the year under review, the Group was principally engaged in one operating segment. The Group presents its segmental information based on the nature of the products and services and has reportable segments as follows:

- OTT services.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2024, the Group hired 15 employees including the directors (2023: 33). Total staff costs including Directors' remuneration for the year under review amounted to approximately HK$7.7 million (2023: HK$9.7 million).

Employees' remunerations are determined in accordance with their experiences, competence, qualifications and nature of duties and the current market trend. Apart from the basic salary, discretionary bonus and other incentives may be offered to the employees of the Group to reward their performance and contributions. The emoluments of the Directors are determined by the remuneration committee of the Company having regard to the performance of the individuals and market trend. The Group provides mandatory provident fund scheme for the employees employed under the jurisdiction of the Hong Kong Employment Ordinance.

The Group has not made any changes to its remuneration policy during the year under review.

The Company adopted a share option scheme pursuant to which eligible persons may be granted options to subscribe for the shares of the Company.

CHARGES ON THE GROUP'S ASSETS

There are no charges on the Group's assets as at 31 March 2024 and 31 March 2023.

CONTINGENT LIABILITIES

As at 31 March 2024, the Group did not have any material contingent liabilities (31 March 2023: Nil).

DIRECTORS AND SENIOR MANAGEMENT PROFILE

The biographical details in respect of the Directors and the senior management of the Company as at the date of this report are as follows:

EXECUTIVE DIRECTORS

Ms. Wong Tsz Ki, aged 30, was appointed as executive director on 21 March 2022. Ms. Wong graduated from Macquarie University, Australia with a Bachelor of Applied Finance. Prior to joining the Group, Ms. Wong worked in a financial services group company engaged in securities, precious metals, finance and other businesses for several years, and subsequently held management position in a media company focusing on broadcast and multimedia creation.

Mr. Chong Tung Yan Benedict, aged 41, was re-designated as executive Director on 3 April 2023. Mr. Chong graduated with honors in the each of programme of Recording Arts Management and Producing and Engineering from Harris Institute in Canada. He has more than 20 years of experience in music production and media management. He has founded Unleash Entertainment in 2012. His passion and enthusiasm has led him to be involved in music production, live events and television and films scoring with various entertainment companies. He is currently running his own music production company for production and publishing of music for records, television and films.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Chi Ching, aged 45, has extensive experience and network in media and public relations industries. He had more than 10 years of experience in editorial and management in a major media company in Hong Kong. He is currently a director of a financial public relation firm. He has been an executive director of Huisheng International Holdings Limited (stock code: 1340), a company listed on the Main Board of the Stock Exchange from June 2016 to June 2022.

Dr. Tsang Hing Bun, aged 44, was appointed as an independent non-executive director of the Company on 20 July 2022. Dr. Tsang holds a Bachelor Degree of Social Science from the Chinese University of Hong Kong and a Master of Science Degree in Finance from City University of Hong Kong. He obtained the Triple Award of Doctor of Business Administration from Universidad Católica San Antonio de Murcia, VERN University and Brittany University in 2023. He has more than 20 years of experience in audit, accounting, corporate finance and compliance. Dr. Tsang is a member of The Hong Kong Institute of Certified Public Accountants, an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute. He is also a financial risk manager granted by Global Association of Risk Professionals. He has been a non-executive director of Sino Oil and Gas Holdings Limited (stock code: 702), a company listed on the Main Board of the Stock Exchange since August 2020, an executive director of Jimu Group Limited (stock code: 8187), a company listed on the GEM of the Stock Exchange since April 2022, and an independent non-executive director of Teamway International Group Holdings Limited (stock code: 1239), a company listed on the Main Board of the Stock Exchange since January 2023. He was an executive director of Carry Wealth Holdings Limited (stock code: 643), a company listed on the Main Board of the Stock Exchange from July 2022 to January 2023, and an executive director of Kingkey Intelligence Culture Holdings Limited (stock code: 550), a company listed on the Main Board of the Stock Exchange from September 2015 to September 2023.

DIRECTORS AND SENIOR MANAGEMENT PROFILE

Mr. Hung Cho Sing, *B.B.S.*, aged 83, was appointed as an independent non-executive director of the Company on 3 April 2023. Mr. Hung has over 50 years of experience in the film distribution industry and founded Delon International Film Corporation In 1970. He has been the chairman of Hong Kong Kowloon and New Territories Motion Picture Industry Association Limited since 1991 and was the chairman of Hong Kong Film Awards Association from 1992 to 1995. He was also appointed as a consultant of the China Film Association. Mr. Hung is also a member of the 1,500-member HKSAR Election Committee and a vice-chairman of the Cultural Profession Committee of the Guangdong, Hong Kong and Macau Cooperation Promotion Council (廣東省粵港澳合作促進會文化專業委員會副主任委員), and was elected the vice-chairman of Film Association of Guangdong, China for the period from November 2016 to November 2021. Mr. Hung was awarded the Bronze Bauhinia Star (BBS) by the HKSAR Government in 2005 in recognition of his contribution to the Hong Kong film industry.

Currently, Mr. Hung is an independent non-executive director of China Star Entertainment Limited (stock code: 326), an independent non-executive director of Harbour Digital Asset Capital Limited (stock code: 913) and an independent non-executive director of Oshidori International Holdings Limited (stock code: 622), the respective securities of which are listed on the main board of the Stock Exchange. He was an independent non-executive director of Miko International Holdings Limited (stock code: 1247) from April 2016 to June 2023, which is listed on the main board of the Stock Exchange. He is also an independent non-executive director of KOALA Financial Group Limited (stock code: 8226), which is listed on the GEM of the Stock Exchange.

Mr. Ko Chi Kiu Robert, aged 46, has extensive experience in media, communication and journalism. Mr. Ko holds a Bachelor degree of Journalism and Communication from Chu Hai University. Mr. Ko had more than 22 years of experience in the editorial industry and journalism. He is currently a chief executive officer and founder of a public relation company.

Mr. Leung Tze Wai, aged 41, has over 15 years of experience in the auditing, accounting and financial sectors. He holds a Bachelor of Commerce degree in Accounting from the University of Adelaide in Australia. Mr. Leung is currently a member of the Hong Kong Institute of Certified Public Accountants and a member of the CPA Australia. He is currently an independent non-executive Director of Super Strong Holdings Limited (stock code: 8262), which is listed on the GEM of the Stock Exchange.

Mr. Ip Chi Ching, aged 29, was appointed as an independent non-executive Director on 8 April 2024. Mr. Ip has over 10 years of experience in the financial market and business development. He is currently an investment course teacher and a business development consultant at an education center that offers financial quotient and securities investment experience-sharing seminars. He received his bachelor's degree in Science from the University of Hong Kong in 2017.

SENIOR MANAGEMENT

Ms. Ho Chi Na, aged 45, was appointed as executive Director on 1 November 2017. Ms. Ho is a director of Anyplex Hong Kong Limited and Anyplex Taiwan Limited, subsidiaries of the Company. She has over 20 years of experience in TV and digital industry and was a Head of Pay TV department in Hong Kong Broadband Network Limited from 2009 to 2012. She then joined Anyplex Hong Kong Limited as general manager in 2012 and was promoted to CEO in 2016 with her tremendous contribution to OTT services growth. Ms. Ho received her bachelor's degree in business administration from the City University of Hong Kong in 2001 and master degree in business administration from University of Hong Kong in 2013.

Ms. Ho resigned as the executive director, the compliance officer and the authorised representative of hmvod Limited on 19 June 2024, but remained as general manager of Anyplex Hong Kong Limited.

COMPANY SECRETARY

Mr. Lei, aged 36, is a Certified Public Accountant of American Institute of Certified Public Accountants. He is also an associate member of The Hong Kong Chartered Governance Institute. Mr. Lei holds a bachelor degree of Arts in Applied Mathematics and Statistics from University of California, Berkeley. He also has a Master degree of Science in Professional Accounting and Corporate Governance from The City University of Hong Kong. Mr. Lei has over 10 years of working experience in accounting, risk management and asset management. Mr. Lei is currently the executive director of Sau San Tong Holdings Limited (stock code: 8200).

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance in the interest of its shareholders. It has continued and will continue to identify and adopt the best corporate governance practices appropriate to the Company.

The Company has adopted the code provisions of the Corporate Governance Code (the "Code") contained in Appendix 15 of the GEM Listing Rules as its own code on corporate governance practices. Save as disclosed below, in the opinion of the Directors, the Company has complied with the code provisions as set out in the Code and there have been no material deviations from the Code during the year.

Under code provision C.2.1 of the CG code, the role of chairman (the "Chairman") and chief executive officer (the "CEO") of the Company should be separated and should not be performed by the same individual to ensure their respective independence, accountability and responsibility. To ensure a balance of power and authority, the Company has a clear and defined division of the responsibilities between the Chairman and the CEO in accordance with the Code. The Chairman is responsible for the Group's strategic planning and the management of the operations of the Board, while the CEO takes the lead in the Group's operations and business development.

The Company does not have the chairman of the Board. Ms Wong Tsz Ki, Mr. Chong Tung Yan Benedict and Ms. Ho Chi Na (resigned on 19 June 2024), three Executive Directors, perform part of the function of the chairman of the Board.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors' transactions in securities of the Company.

Having made specific enquiry, all Directors have confirmed that they have complied with the required standard of dealings and there is no event of non-compliance throughout the year ended 31 March 2024.

CORPORATE CULTURE AND STRATEGY

The Company acts as an investment holding company principally engaged in the OTT Internet entertainment video service system and the development business. Leveraging our deep expertise in developing and managing a diversified business, the Group strives to enhance the performance of segment portfolios by providing high-quality and reliable products and services, as well as strengthen the recurring income streams to deliver long-term sustainable value to shareholders.

We aim to be recognised by customers, employees, and peers as a leading provider of innovative and engaging content that inspires and entertains audiences. Our strategy is focused on expanding our reach and diversifying our offerings through strategic partnerships, acquisitions, and investments in new technologies. We are constantly exploring new ways to engage with our customers.

CORPORATE GOVERNANCE REPORT

Our corporate culture and strategic direction are underpinned by the core values of acting lawfully, ethically, and responsibly across all levels of the Group. We are deeply committed to fostering a corporate culture that values integrity, innovation, collaboration accountability, and sustainability. The board has formulated a series of guidelines and provided guidance to ensure they are embedded throughout the Company's vision, mission, policies, and business strategies.

- Integrity: Core of everything that we do;
- Innovation: Crucial to our success;
- Collaboration: Work together to achieve exponential results;
- Accountability: Accountable for our commitments; and
- Sustainability: Create sustained value and future.

The Board oversees the culture of the organization by encompassing a range of measures and tools, closely monitoring the market conditions, including changes in consumer behavior, technological advancements, market conditions, and economic trends. The Group will take proactive measures to address any challenges or opportunities that arise.

BOARD OF DIRECTORS

The Board is responsible for the formulation of strategies and policies, including an oversight of the management. The management of the Company is responsible for the day-to-day operations of the Company under the leadership of the chief executive officer.

The Board also assumes the corporate governance duties of the Company, which include:

(i) developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board;

(ii) reviewing and monitoring the training and continuous professional development of Directors and senior management;

(iii) reviewing and monitoring the Company's policies and practices in compliance with the legal and regulatory requirements;

(iv) developing, reviewing and monitoring the code of conduct and compliance manual applicable to employees and Directors; and

(v) reviewing the Company's compliance with the Code and disclosure in the corporate governance report enclosed in the annual report of the Company.

Throughout the year under review, the Board has assumed the above corporate governance duties by discussing and considering the above matters.

As at 31 March 2024, the Board comprised of nine Directors, including (i) three executive Directors, namely Ms. Wong Tsz Ki, Mr. Chong Tung Yan Benedit and Ms. Ho Chi Na (resigned on 19 June 2024); and (ii) six independent non-executive Directors namely Mr. Chan Chi Ching, Mr. Hung Cho Sing, *B.B.S.*, Dr. Tsang Hing Bun, Mr. Ko Chi Kiu Robert, Mr. Ip Chi Ching and Mr. Leung Tze Wai. The independent non-executive Directors have appropriate professional qualifications, or related financial management expertise.

CORPORATE GOVERNANCE REPORT

On 3 April 2023, Mr. Chong Tung Yan Benedict was re-designated to be the executive Director from the independent non-executive Director and Mr. Hung Cho Sing, *B.B.S.* was appointed as an independent non-executive Director of the Company.

On 4 September 2024, Mr. Ko Chi Kiu was appointed as an independent non-executive Director of the Company. On 8 April 2024, Mr. Ip Chi Ching and Mr. Leung Tze Wai were appointed as independent non-executive Directors of the Company.

On 19 June 2024, Ms. Ho Chi Na resigned as an executive Director of the Company.

Pursuant to the articles of association of the Company, at each annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not more than one-third, shall retire from office by rotation provided that every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

The Board meets regularly, and at least four times a year of approximately quarterly internals. Between scheduled meetings, senior management of the Company from time to time meets with Directors to discuss the businesses of the Company. In addition, Directors have full access to information on the Group and independent professional advice whenever deemed necessary by the Directors.

If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter should be dealt with by a physical Board meeting rather than a written resolution. Independent Non-executive Directors who, and whose close associates, have no material interest in the transaction should be present at that Board meeting.

During the financial year ended 31 March 2024, the Board held 12 board meetings and the attendance records of these meetings are set out below:

Name	Attendance Board meeting	 General meeting *(Note)*
Executive Directors:		
Ms. Wong Tsz Ki	12/12	2/2
Mr. Chong Tung Yan Benedict *(appointed on 20 July 2022 and re-designated from independent non-executive Director to the Executive Director on 3 April 2023 subsequently)*	12/12	2/2
Ms. Ho Chi Na *(resigned on 19 June 2024)*	12/12	2/2
Independent non-executive Directors:		
Dr. Tsang Hing Bun	12/12	2/2
Mr. Chan Chi Ching	12/12	2/2
Mr. Hung Cho Sing *B.B.S. (appointed on 3 April 2023)*	12/12	2/2
Mr. Ko Chi Kiu Robert *(appointed on 4 September 2023)*	6/6	1/1
Mr. Leung Tze Wai *(appointed on 8 April 2024)*	N/A	N/A
Mr. Ip Chi Ching *(appointed on 8 April 2024)*	N/A	N/A

Note: The general meeting was convened on 12 May 2023 and 26 September 2023.

There is no relationship (including financial, business, family or material/relevant relationship(s)) among members of the Board.

DIRECTORS' CONTINUOUS TRAINING AND PROFESSIONAL DEVELOPMENT

Pursuant to the code provision C.1.4 of the Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills so as to ensure their contribution to the Board remains informed and relevant. The Company should be responsible for arranging and funding suitable training, placing an appropriate emphasis on the roles, functions and duties of the Director.

During the year under review, all Directors have been provided with and read the materials prepared by the Company relating to their roles, functions and duties as directors of a listed issuer.

The Directors also provided their training record to the Company in respect of their participation in other training activities such as attending trainings and/or seminars, or reading newspapers, journals and updates relevant to the Group's businesses or to their duties and responsibilities as directors of a listed company, particulars of which are as follows:

Name	Trainings
Executive Directors:	
Ms. Wong Tsz Ki	✓
Mr. Chong Tung Yan Benedict *(appointed on 20 July 2022 and re-designated from independent non-executive Director to the Executive Director on 3 April 2023 subsequently)*	✓
Ms. Ho Chi Na *(resigned on 19 June 2024)*	✓
Independent non-executive Directors:	
Dr. Tsang Hing Bun	✓
Mr. Chan Chi Ching	✓
Mr. Hung Cho Sing *B.B.S. (appointed on 3 April 2023)*	✓
Mr. Ko Chi Kiu Robert *(appointed on 4 September 2023)*	✓
Mr. Leung Tze Wai *(appointed on 8 April 2024)*	✓
Mr. Ip Chi Ching *(appointed on 8 April 2024)*	✓

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Board acknowledges its responsibility to prepare the Company's consolidated financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Company and of the results and cash flows of the Group for that year. In preparing the consolidated financial statements for the year ended 31 March 2024, the Board has selected suitable accounting policies and applied them consistently; made judgements and estimates that are prudent, fair and reasonable and prepared the accounts on a going concern basis.

The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors, having made appropriate enquiries, consider that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

CORPORATE GOVERNANCE REPORT

DIRECTORS AND OFFICERS INSURANCE

Appropriate insurance covers on directors' and officers' liabilities have been in force to protect the Directors and officers of the Group from their risk exposure arising from the business of the Group.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

The Directors are aware that the Group incurred a net loss of HK$5.9 million for the year ended 31 March 2024 and, as of that date, the Group's current liabilities exceeded its current assets by HK$23.9 million and total liabilities exceeded its total assets by HK$54.9 million. These conditions may cast a significant doubt about the ability of the Group to continue as a going concern. Further discussion of this matter is set out in note 2 to the consolidated financial statements.

In view of these circumstances, the Directors have given careful consideration to the future liquidity requirements and operating performance of the Group and its available sources of financing to assess whether the Group would have sufficient financial resources to fulfill its financial obligations to continue as a going concern. The Directors considered the Group has applied appropriate accounting policies consistently, made judgments and estimates that are prudent and reasonable in accordance with applicable accounting standards.

ACCOUNTABILITY AND AUDIT

The Directors were responsible for overseeing the preparation of the consolidated financial statements for the year ended 31 March 2024. The Directors' responsibilities for the preparation of the consolidated financial statements and the auditor's responsibilities are set out in the "Independent Auditor's Report".

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for ensuring an effective system of risk management and internal control be maintained and for reviewing on an annual basis its effectiveness to safeguard the Company's assets and the Shareholders' interests.

The Audit Committee have been established under the Board, which is responsible for monitoring and reviewing the risk management procedures and internal control system of the Group.

The purpose of the Company's risk management process is to identify and manage risks (including environmental, social and governance (ESG) risks) in such a way that the Company is able to meet its strategic and financial targets. The Group formulated risk management procedures by taking into account adequately the eight elements of this risk management framework: Internal Environment, Objective Setting, Event Identification, Risk Assessment, Risk Respond, Control Activities, Information and Communication and Monitoring.

The Group aims to develop risk awareness and control responsibility as our culture and the foundation of our internal control system. The internal control system applies to the Group's critical business processes including strategy development, business planning, investment decisions, capital allocation and day-to-day operations.

At beginning of each year, the Group conducts a risk assessment on the existing or potential risks that may impact the achievement of business objectives over the course of business operation. The assessment includes potential likelihood and impact of the identified risks. For the risks identified, the management determines the action plans and management targets in the expected time of completion according to the risk assessment result. The management is also responsible for managing their respective day-to-day operating risks, implementing measures to mitigate such risks.

The internal control system is designed and implemented to reduce the risks associated with the business accepted by the Group and minimise the adverse impact resulted from the risks. The risk management and internal control system are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

For the year ended 31 March 2024, the Group has undertaken the internal audit function to ensure the effectiveness and efficiency of the risk management and internal control system of the Group. There is no significant deficiency and weakness on the internal control system has been identified for the year ended 31 March 2024.

The Board considered that, for the year ended 31 March 2024, the risk management and internal control system and procedures of the Group, covering all material controls were reasonably effective and adequate.

REMUNERATION COMMITTEE

The remuneration committee of the Company (the "Remuneration Committee") was established in 2005 with written terms of reference. As at 31 March 2024, the chairman of the Remuneration Committee was Mr. Chan Chi Ching, an independent non-executive Director.

Pursuant to the terms of reference of the Remuneration Committee, the Remuneration Committee is mainly responsible for:

(i) making recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;

(ii) having the delegated responsibility to determine the specific remuneration packages of all executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and making recommendations to the Board of the remuneration of non-executive Directors, and the Remuneration Committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions elsewhere in the group and desirability of performance-based remuneration;

(iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;

(iv) reviewing and approving the compensation payable to executive Directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company;

(v) reviewing and approving compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate;

(vi) ensuring that no Director or any of his associates is involved in deciding his own remuneration; and

(vii) advising shareholders on how to vote with respect to any service contracts of Directors that require shareholders' approval under Rule 17.90 of the GEM Listing Rules.

During the financial year ended 31 March 2024, the Remuneration Committee held two meetings, and the attendance records of the meeting are set out below:

Name	**Attendance**
Mr. Chan Chi Ching	2/2
Dr. Tsang Hing Bun	2/2
Mr. Hung Cho Sing, *B.B.S. (appointed on 3 April 2023)*	2/2
Mr. Ko Chi Kiu Robert *(appointed on 4 September 2023)*	1/1
Mr. Ip Chi Ching *(appointed on 8 April 2024)*	N/A

During the year under review, the Remuneration Committee has considered and reviewed the existing terms of appointment of the Directors. The Remuneration Committee considers that the existing terms of appointment of the Directors are fair and reasonable.

NOMINATION COMMITTEE

The nomination committee of the Company (the "Nomination Committee") was established in 2012 with written terms of reference. As at 31 March 2024, the chairman of the Nomination Committee was Mr. Chan Chi Ching, an independent non-executive Director.

Pursuant to the terms of reference of the Nomination Committee, the Nomination Committee is mainly responsible for:

(i) reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and make recommendations to the Board regarding any proposed changes;

(ii) identifying individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;

(iii) assessing the independence of independent non-executive Directors; and

(iv) making recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for directors in particular the chairman and the chief executive officer.

During the financial year ended 31 March 2024, the Nomination Committee held two meetings, and the attendance records of these meetings are set out below:

Name	Attendance
Mr. Chan Chi Ching	2/2
Dr. Tsang Hing Bun	2/2
Mr. Hung Cho Sing, *B.B.S. (appointed on 3 April 2023)*	2/2
Mr. Ko Chi Kiu Robert *(appointed on 4 September 2023)*	1/1
Mr. Ip Chi Ching *(appointed on 8 April 2024)*	N/A

The Company adopted a board diversity policy which sets out the approach to achieve diversity on the Board and the factors (including but not limited to age, gender, cultural and educational background, professional experience, skill and knowledge) to be considered in determining the optimum composition of the Board so as to contribute to the achievement of the Company's corporate goals and strategic objectives. The Nomination Committee will review the board diversity policy when appropriate to ensure its effectiveness and will discuss any revisions that may be required to be considered and approved by the Board.

The Nomination Committee is of the view that the current diversity of the Board is appropriate.

During the year under review, the Nomination Committee has considered and reviewed the policy for the nomination of Directors, the process and criteria to select and recommend candidates for directorship. The Nomination Committee considers that the existing policy for nomination, selection and recommendation for directorship are suitable.

AUDIT COMMITTEE

In full compliance with Rule 5.28 of the GEM Listing Rules, the audit committee of the Company (the "Audit Committee") was established in 2000 with written terms of reference. As at 31 March 2024, the chairman of the Audit Committee was Dr. Tsang Hing Bun.

Pursuant to the terms of reference of the Audit Committee, the Audit Committee is mainly responsible for:

(i) considering the appointment of the external auditor, the performance of the external auditors, the audit fee and any questions of resignation or dismissal of the external auditor;

(ii) reviewing with the Group's management, external auditors and internal auditors, the adequacy of the Group's policies and procedures regarding internal controls (including financial, operational and compliance controls) and any statement by the Directors on such system to be included in the annual accounts prior to endorsement by the Board;

(iii) having familiarity, through the individual efforts of its members, with the financial reporting principles and practices applied by the Group in preparing its financial statements;

(iv) prior to its commencement, reviewing the scope of the external audit, including the engagement letter, and the review should include an understanding, from the external auditors of the factors considered by them in determining their audit scope, and negotiating the external auditors' fees with management;

(v) reviewing the extent of non-audit services provided by the external auditors in relation to their independence;

(vi) reviewing the quarterly, interim and annual report prior to approval by the Board, with particular focus on:

(a) any changes in accounting policies and practices;

(b) major judgmental areas;

(c) significant adjustments resulting from the audit;

(d) compliance with accounting standards;

(e) compliance with the listing requirements of the Stock Exchange and legal requirements;

(f) the fairness and reasonableness of any connected transaction and the impact of such transaction on the profitability of the Group;

(g) whether all relevant items have been adequately disclosed in the Group's financial statements and whether the disclosures give a fair view of the Group's financial conditions;

(h) the cash flow position of the Group; and

(i) providing advice and comments thereon to the Board;

(vii) reviewing the draft representation letter prior to approval by the Board;

(viii) reviewing and considering the budget, revised budget prepared by the Board;

(ix) evaluating the cooperation received by the external auditors, including their access to all requested records, data and information; obtaining the comments of management regarding the responsiveness of the external auditors to the Group's needs; inquiring the external auditors as to whether there have been any disagreements with management which if not satisfactorily resolved would result in the issue of a qualified report on the Group's financial statements;

(x) discussing with the external auditors any relevant recommendations arising from the audit; and reviewing the draft management letter including management's response to the points raised;

(xi) when the auditors supply a substantial volume of non-audit services to the Group, keeping the nature and extent of such services under review, seeking to balance the maintenance of objectivity and value for money;

(xii) discussing with management the risk management and internal control systems and ensure that management has discharged its duty to have effective systems including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting , as well as those related to environmental, social and governance (ESG) performance and reporting function;

(xiii) appraising the Board of significant developments in the course of performing the above duties;

(xiv) recommending to the Board any appropriate extensions to, or changes, in the duties of the Audit Committee;

(xv) considering major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;

(xvi) (where an internal audit function exists) reviewing the internal audit program, ensure co-ordination between the internal and external auditors, and ensure that the internal audit function is adequately resourced and has appropriate standing within the Group; and

(xvii) considering other topics, as defined or assigned by the Board from time to time.

During the financial year ended 31 March 2024, the Audit Committee held four meetings, and the attendance records of these meetings are set out below:

Name	Attendance
Dr. Tsang Hing Bun *(Chairman)*	4/4
Mr. Chan Chi Ching	4/4
Mr. Hung Cho Sing, *B.B.S. (appointed on 3 April 2023)*	4/4
Mr. Ko Chi Kiu Robert *(appointed on 4 September 2023)*	2/2
Mr. Leung Tze Wai *(appointed on 8 April 2024)*	N/A

The audited consolidated results of the Group for the year ended 31 March 2024 have been reviewed by the Audit Committee as at the date of this report.

CORPORATE GOVERNANCE FUNCTIONS

The Board has delegated the Group's corporate governance functions to Audit Committee. The principal functions include:

(a) to develop and review the Company's policies and practices on corporate governance;

(b) to review and monitor the training and continuous professional development of directors and senior management;

(c) to review and monitor the Company's policies and practices in compliance with legal and regulatory requirements;

(d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and

(e) to review the Company's compliance with the Code and disclosure in the Corporate Governance Report.

BOARD INDEPENDENCE EVALUATION MECHANISM

The Company has adopted the board independence evaluation mechanism. The details are as follows:

Objective

Continuing improvement and development of the Board and its committee processes and procedures through Board independence evaluation provides a powerful and valuable feedback mechanism for improving Board effectiveness, maximising strengths, and identifying the areas that need improvement or further development.

The evaluation process also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director.

This mechanism is designed to ensure a strong independent element on the Board, which allows the Board to effectively exercise independent judgment to better safeguard Shareholders' interests.

Mechanism

(a) Nomination Committee is established with clear terms of reference to identify suitable candidates, including independent non-executive Directors, for appointment as Directors.

(b) Nomination policy is in place with details of the process and criteria of identifying, selecting, recommending, cultivating and integrating new directorship.

(c) For independent non-executive Directors ("INED(s)"):

  (i) Every INED is required to confirm in writing to the Company his/her independence upon his/her appointment as Director with reference to such criteria as stipulated in the nomination policy as well as the Listing Rules;

  (ii) Each INED has to declare his/her past or present financial or other interests in the Group's business as soon as practicable, or his/her connection with any of the Company's connected persons (as defined in the Listing Rules), if any; and

  (iii) Each INED is required to inform the Company as soon as practicable if there is any change in his/her own personal particulars that may affect his/her independence.

(d) The Nomination Committee will assess annually the independence of all INEDs and to affirm if each of them still satisfies the criteria of independence as set out in the Listing Rules and is free from any relationships and circumstances which are likely to affect, or could appear to affect, their independent judgement. Every Nomination Committee member should abstain from assessing his/her own independence.

(e) Where the Board proposes a resolution to elect an individual as an INED at the general meeting, it will set out in the circular to Shareholders the reasons it believes he/she should be elected and the reasons it considers him/her to be independent.

(f) A mechanism is in place for Directors to seek independent professional advice, if necessary, in performing their duties at the Company's expense.

(g) Directors are encouraged to access and consult with the Company's senior management independently, if necessary.

(h) The Board Independence Evaluation may take in the form of a questionnaire to all Directors individually and may be supplemented by individual interview with each Director, if necessary, and/or in any other manners which the Board considers fit and necessary.

(i) The Board Independence Evaluation report will be presented to the Board which will collectively discuss the results and the action plan for improvement, if appropriate.

(j) The results of the Board Independence Evaluation or a summary of the findings of the said evaluation will be disclosed in the CG Report contained in the annual report of the Company or on the Company's website for accountability and transparency purposes.

(k) The aforesaid Board Independence Evaluation will be regarded as an ongoing exercise of the Company while the Company may seek assistance from external consultant if an external evaluation on the same subject is needed.

During the year ended 31 March 2024 and as at the date of this report, the Board Independence Evaluation had been conducted by way of completing a questionnaire by all Directors. The results of the Board Independence Evaluation are summarised as follows:

1. The Board as a whole possessed the skills and range of experience needed to adequately fulfill its fiduciary responsibilities, more reliably hold management to account, and better safeguard Shareholders' interests.

2. Board meetings were conducted in a manner that allowed open communication, meaningful participation (including in–depth discussion and resolutions of issues).

3. All INEDs brought independent judgement to bear on the Board's deliberations.

4. All INEDs have actively participated in all Board meetings and Board Committees' meetings; and raised governance and ethical issues to the Board.

DIVERSITY POLICY

The Company recognises and embraces the importance of having a diverse Board, that increasing diversity at the Board level will support the attainment of the Company's strategic objectives and sustainable development. Pursuant to the board diversity policy, the Company seeks to achieve the Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, length of service and any other factors that the Board may consider relevant and applicable from time to time. All Directors appointment will be based on applicable merits and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. The Nomination Committee shall review the Board Diversity Policy and make recommendations to the Board on amendments to the Board diversity policy (if any) as appropriate, which will include an assessment of the implementation and effectiveness of the Board diversity policy on an annual basis in accordance with code provision B.1.3 of the CG Code. The Board Diversity Policy is available on the website of the Company for public information.

The Board currently has one female Director. We will continue to strive to enhance female representation and achieve an appropriate balance of gender diversity with reference to the Shareholders' expectation and international and local recommended best practices. We will also ensure that there is gender diversity when recruiting staff at mid to senior level and we are committed to providing career development opportunities for female staff so that we will have a pipeline of female senior management and potential successors to our Board in near future.

CORPORATE GOVERNANCE REPORT

WHISTLE-BLOWING POLICY

In compliance with code provision D.2.6 of the CG Code, the Board adopted a whistle-blowing policy. It provides employees and the relevant third parties who deal with the Group (e.g. customers, and suppliers) with guidance and reporting channels on reporting any suspected improprieties in any matters related to the Group directly addressed to the Audit Committee and designated person. An email account (whistleblowing@hmvod.com.hk) has been set up for this purpose. All reported matters will be investigated independently and, in the meantime, all information received from a whistle-blower and its identity will be kept confidential. The Board and the Audit Committee will regularly review the whistle-blowing policy and mechanism to improve its effectiveness.

ANTI-FRAUD AND ANTI-CORRUPTION POLICY

In compliance with the new code provision D.2.7 of the CG Code, the Board adopted an anti-fraud and anti-corruption policy. It outlines guidelines and the minimum standards of conducts, all applicable laws and regulations in relation to the anti-corruption and anti-bribery, the responsibilities of employees to resist fraud, to help the Group defend against corrupt practices and to report any reasonably suspected case of fraud and corruption or any attempts thereof, to the management or through an appropriate reporting channel. The Group would not tolerate all forms of fraud and corruption among all employees and those acting in an agency or fiduciary capacity on behalf of the Group, and in its business dealing with third parties.

The Board and the Audit Committee will review the anti-fraud and anti-corruption policy and mechanism periodically to ensure its effectiveness and enforce the commitment of the Group to the prevention, deterrence, detection and investigation of all forms of fraud and corruption.

AUDITOR'S REMUNERATION

The audit works of the Group for the year ended 31 March 2023 and 31 March 2024 were performed by Baker Tilly Hong Kong Limited.

The total fee paid/payable in respect of the statutory audit and non-audit services provided by the external auditors is set out in the following table:

	2024 ***HK$'000***	2023 *HK$'000*
– Audit services	**730**	690
– Non-audit services	**–**	–
Total	**730**	690

CORPORATE GOVERNANCE REPORT

COMPANY SECRETARY

On 25 April 2023, Mr. Chung Kiu Pan ("Mr. Chung") tendered his resignation as the company secretary of the Company. Following the resignation of Mr. Chung, Mr. Chow Lok Pan ("Mr. Chow") has been appointed as the Company Secretary on 25 April 2023.

On 20 November 2023, Mr. Chow tendered his resignation as the company secretary of the Company. Following the resignation of Mr. Chow, Mr. Lei Nelson ("Mr. Lei") has been appointed as the Company Secretary on 20 November 2023.

Mr. Lei is the company secretary of the Company.

According to the requirements of Rule 5.15 of the GEM Listing Rules, Mr. Lei have taken not less than 15 hours of relevant professional training during the financial year ended 31 March 2024.

SHAREHOLDERS' RIGHTS

Pursuant to article 58 of the articles of association of the Company, any one or more shareholders of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

In the event that any shareholders of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company would like to call for an extraordinary general meeting, please make a written requisition to the principal office of the Company in Hong Kong from time to time, making attention to "The Board of Directors and the Company Secretary".

There are no provisions allowing shareholders to put forward proposals at the general meetings under the memorandum and articles of association. If shareholders wish to do so, they may request to convene an extraordinary general meeting as stipulated above and specify the proposals in such written requisition.

For any enquiries, shareholders are welcome to contact the Company by post to the principal office of the Company in Hong Kong, by phone at (852) 3108 0188 or by email cs_reply@hmvod.com.hk.

INVESTOR RELATIONS

All corporate communication materials published on the Stock Exchange's website (http://www.hkexnews.hk) are posted on the Company's corporate website (http://www.hmvod.com.hk) as soon as practicable after their release. The Company's constitutional documents are also available on both websites. During the year ended 31 March 2024, there has been a significant change to the Company's constitutional documents.

CHANGE IN CONSTITUTIONAL DOCUMENTS

The memorandum of the Company and the Articles of Association have been amended and restated with effect from 26 September 2023, the latest version of which are available from the websites of the Company and the Stock Exchange.

DIRECTORS' REPORT

The Board is pleased to present its report together with the audited financial statements of the Group for the year ended 31 March 2024.

PRINCIPAL ACTIVITIES AND SEGMENT INFORMATION

The principal activity of the Company is investment holding and the activities of the subsidiaries are set out in Note 36 to the consolidated financial statements.

An analysis of the Group's performance for the year ended 31 March 2024 by segments are set out in Note 6 to the consolidated financial statements.

ANNUAL RESULTS

The annual results of the Group for the year ended 31 March 2024 are set out in the section headed "Consolidated statement of profit or loss and other comprehensive income" of this report.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year ended 31 March 2024 are set out in Note 25 to the consolidated financial statements.

RESERVES

Details of the movements in reserves of the Group during the year under review are set out in the section headed "Consolidated statement of changes in equity" of this report.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 March 2024.

DISTRIBUTABLE RESERVES

The Company did not have reserves available for distribution to the shareholders as at 31 March 2024. Under the Companies Law of the Cayman Islands, the share premium of the Company amounted to approximately HK$637.3 million at 31 March 2024 (2023: HK$614.5 million) is distributable to the shareholders of the Company subject to the provisions of the Company's memorandum and articles of association and provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

BORROWINGS

Particulars of borrowings of the Group as at 31 March 2024 are set out in Notes 23 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year ended 31 March 2024 are set out in Note 16 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2024, the aggregate percentage of purchases attributable to the Group's five largest suppliers accounted for approximately 23.14% (2023: 36.89%) of the total purchases of the Group and the largest supplier amounted to approximately 8.53% (2023: 8.55%).

The aggregate percentage of revenue for the year attributable to the Group's five largest customers is less than 30% of total revenue for the year and therefore no disclosures with regard to major customers are made.

At no time during the year have the Directors, chief executive, substantial shareholders of the Company or any of its subsidiaries or their associates (which to the knowledge of the Directors own more than 5% of the Company's share capital) had any interest in these major customers and suppliers.

DIVIDENDS

The Board does not recommend the payment of any final dividend for the year ended 31 March 2024.

RETIREMENT BENEFITS SCHEME

Details of the Group's retirement benefits scheme for the year ended 31 March 2024 are set out in Note 28 to the consolidated financial statements.

RELATED PARTY TRANSACTIONS

Details of the Group's related party transactions are set out in Note 35 to the consolidated financial statements. Such related party transactions do not fall under the definition of connected transaction or continuing connected transaction under the GEM Listing Rules.

DIRECTORS' REPORT

DIRECTORS

During the year ended 31 March 2024 and up to the date of this report, the Board comprises the following Directors:

Executive Directors

Ms. Wong Tsz Ki
Mr. Chong Tung Yan Benedict *(appointed on 20 July 2022 and re-designated from the independent non-executive Director to the Executive Director on 3 April 2023)*
Ms. Ho Chi Na *(resigned on 19 June 2024)*

Independent non-executive Directors

Dr. Tsang Hing Bun
Mr. Chan Chi Ching
Mr. Hung Cho Sing, *B.B.S. (appointed on 3 April 2023)*
Mr. Ko Chi Kiu Robert *(appointed on 4 September 2023)*
Mr. Leung Tze Wai *(appointed on 8 April 2024)*
Mr. Ip Chi Ching *(appointed on 8 April 2024)*

The biographical details of the Directors as at the date of this report are set out in the section of "Directors and senior management profile" of this report.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors of the Company and the independent non-executive Directors of the Company has entered into a service contract with the Company for an initial term of three years commencing from their dates of appointment, and their employments are subject to the rotation requirements under the articles of association of the Company.

None of the Directors has entered into any service contract with any member of the Group which in order to entitle the Company to terminate the service contract, expressly requires the Company to give a period of notice of more than 1 year or to pay compensation or make other payments equivalent to more than 1 year's remuneration, other than statutory compensation.

INDEPENDENT NON-EXECUTIVE DIRECTORS CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive directors an annual confirmation of his or her independence in relation to their services for the year ended 31 March 2024 pursuant to Rule 5.09 of the GEM Listing Rules and the Company considers that each of the independent non-executive Directors is independent.

DIRECTORS' REMUNERATION

Details of the Directors' remuneration are set out in Note 12 to the consolidated financial statements.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at 31 March 2024, none of the Directors and chief executive of the Company were interested in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong) ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have under such provisions of the SFO), or which are required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which are required, pursuant to the required standard of dealing by the Directors under the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS

So far as is known to the Directors, as at 31 March 2024, save as disclosed below, there are no person (other than a director or chief executive of the Company) who have interests or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who is, directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group. As at 31 March 2024, the issued share capital of the Company was 129,447,897 shares.

Long position in shares of the Company:

Name	Capacity	No. of Shares	Approximately percentage to the issued share capital of the Company as at 31 March 2024
Lui Yu Kin	Beneficiary owner	22,376,000	17.29%
Cheng Chi Heng	Beneficiary owner	8,628,500	6.67%
Chan Chui Ping	Beneficiary owner	6,422,500	5.00%

Note:

According to the information disclosed in the notices of disclosure of interest.

LONG POSITIONS IN UNDERLYING SHARES OF THE COMPANY

As at 31 March 2024, no long positions of other persons or substantial shareholders in the underlying shares of equity derivatives of the Company and its associated corporations were recorded in the register.

SHORT POSITIONS IN SHARES OF THE COMPANY

As at 31 March 2024, no short positions of other persons or substantial shareholders in the shares of the Company and its associated corporations were recorded in the register to be kept under section 336 of the SFO.

SHORT POSITIONS IN UNDERLYING SHARES OF THE COMPANY

As at 31 March 2024, no short positions of other persons or substantial shareholders in the underlying shares of equity derivatives of the Company and its associated corporations were recorded in the register. Save as disclosed above, as at 31 March 2024, the Directors were not aware of any other person who has an interest or short position in the shares or underlying shares (including interest in options, if any) of the Company as recorded in the register required to be kept under section 336 of the SFO.

CONTRACTS OF SIGNIFICANCE

No contract of significance in relation to the Group's business to which any member of the Group was a party and in which a director of the Group had a material interest, whether directly or indirectly, subsisted at the end of the year ended 31 March 2024.

No contract of significance between the Company, or any of its subsidiaries, and a controlling shareholder or any of its subsidiaries subsisted during the year ended 31 March 2024.

No contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder or any of its subsidiaries subsisted during the year ended 31 March 2024.

DIRECTORS' COMPETING INTERESTS

As at 31 March 2024, none of the Directors, the substantial shareholders or their respective associates (as defined under the GEM Listing Rules) had any business or interest in a business which competes or may compete with the business of the Group.

SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed at an annual general meeting of the Company held on 12 November 2014, the Company approved and adopted a share option scheme (the "Scheme"). There were no movement in the share options during the year ended 31 March 2024 and there were no outstanding share options as at 31 March 2023 and 2024. Summary of the Scheme are set out below:

(a) Purpose of the Scheme

The purpose of the Scheme is to provide participants with the opportunity to acquire proprietary interests in the Company and to encourage participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its Shareholders as a whole.

(b) Participants

The categories of the participant under the Scheme include any directors (including executive directors, non-executive directors and independent non-executive directors) and employees of the Group or any entity in which any member of the Group holds an equity interest (an "Invested Entity") and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers, shareholders, co-investors, lenders of or to, and persons who have business relationships with, any member of the Group or any Invested Entity (including the employees thereof) who the Board considers, in its sole discretion, have contributed or will contribute to the Group.

The scope of participants under the Scheme is with an aim to attract, retain and maintain on-going business relationship with the other participants whose contributions are or will be beneficial to the long term growth of the Group which would enhance the value of the Company and its shares on the basis of the Board's discretion with reference to their history, business relationship and contributions with/to the Group.

(c) Maximum number of shares

The maximum number of shares to be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Company must not in aggregate exceed 30 per cent. in nominal amount of the issued share capital of the Company from time to time ("Scheme Limit").

(i) The maximum number of shares in respect of which options may be granted under the Scheme shall not (when aggregated with any shares subject to any other share option scheme(s) of the Company) exceed 10 per cent. in nominal amount of the issued share capital of the Company on the adoption date (the "Scheme Mandate Limit"). Option lapsed in accordance with the terms of the Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit.

(ii) The Scheme Mandate Limit referred to in paragraph (c)(i) may be renewed at any time subject to prior Shareholders' approval but in any event shall not exceed 10 per cent. of the issued share capital of the Company as at the date of approval of the renewal of the Scheme Mandate Limit. Option previously granted under the Scheme or any other share option schemes (including those outstanding, cancelled, lapsed in accordance with the terms or exercised options) will not be counted for the purpose of calculating the refreshed Scheme Mandate Limit.

(iii) The Company may grant options beyond the Scheme Mandate Limit to Participants if:

(a) the Company has first sent a circular to Shareholders containing a generic description of the specified participants in question, the number and terms of the options to be granted, the purpose of granting options to the specified participants with an explanation as to how the terms of the options serve such purpose; and

(b) separate Shareholder's approval has been obtained.

(d) Maximum entitlement of each participant

The maximum number of shares in respect of which options may be granted to a specifically identified single grantee under the Scheme shall not (when aggregated with any shares subject to any other share option scheme(s) of the Company) in any 12-month period exceed 1 per cent. of the shares in issue (the "Individual Limit"). The Company may grant options beyond the Individual Limit to a participant at any time if:

(i) the Company has first sent a circular to Shareholders containing the identity of the participant in question, the number and terms of the options to be granted (and options previously granted to such participant); and

(ii) separate Shareholder's approval has been obtained in general meeting with the proposed relevant grantee (as the case may be) and his associates abstaining from voting.

(e) Subscription price for shares

The subscription price shall be determined by the Board in its absolute discretion but in any event shall not be less than the greater of:

(i) the closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange on date of grant;

(ii) the average closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding date of grant; and

(iii) the nominal value of a share.

(f) Duration of the Scheme

Subject to the provisions of the Scheme, the Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date (the "ten-year" period), after which period no further options shall be offered or granted but the provisions of the Scheme shall remain in full force and effect in all other respects. Options granted during the life of the Scheme shall continue to be exercisable in accordance with their terms of grant after the end of the ten-year period.

(g) Exercise of options

An option may be exercised in whole or in part in accordance with the terms of the Scheme by the grantee (or his legal personal representative(s)) by giving notice in writing to the Company stating that the option is thereby exercised and the number of shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the subscription price multiplied by the number of shares in respect of which the notice is given. Within 28 days after receipt of the notice and, where appropriate, receipt of the Auditors' certificate or the certificate from the independent financial adviser to the Company, the Company shall accordingly allot and issue the relevant number of Shares to the grantee (or his legal personal representative(s)) credited as fully paid and issue to the grantee (or his legal personal representative(s)) share certificates in respect of the Shares so allotted.

(h) Minimum period

There are no minimum holding period for which an Option must be held before it can be exercised nor performance targets that need to be met before a grantee is entitled to exercise an Option duly granted under the Scheme.

(i) Time of acceptance and payment on acceptance

An Offer shall be deemed to have been accepted and an Option shall be deemed to have been granted and accepted and shall take effect when the duplicate letter comprising acceptance of the Offer duly signed by the Grantee with the number of Shares in respect of which the Offer is accepted clearly stated therein together with a remittance in favour of the Company of HK$1.00 by way of consideration for the grant thereof is received by the Company. Such remittance shall in no circumstances be refundable.

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 March 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

FIVE YEAR SUMMARY

A summary of results and of the assets and liabilities of the Group for the last five financial years is set out in the section headed "Five year summary" of this report.

PERMITTED INDEMNITY

Pursuant to the memorandum and Articles of Association of the Company, the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in the execution of their duties in their offices. Such permitted indemnity provision has been in force throughout the year. The Company has arranged appropriate Directors' and officers' liability insurance coverage for the Directors and officers of the Group.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands.

AUDITOR

Baker Tilly Hong Kong Limited has retired and, being eligible offer themselves for reappointment. A resolution for their reappointment as auditor of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Wong Tsz Ki
Executive Director
Hong Kong

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

MESSAGE FROM THE BOARD

Amidst global uncertainties and challenges, the Group remains convicted to environmental, social, and governance ("ESG") integration into our core business. This laid the foundation for our operational resilience and has enabled us to contribute to the long-term success of our Group. We believe that sustainability integration is fundamental to creating long-term value for our stakeholders. We strive to not only understand our stakeholders' views and expectations towards the Group and also work closely with our key stakeholders to emerge stronger for tackling future challenges and drive forward a green and resilient recovery.

Climate change has not ceased and has continued to threaten humanity and the living environment. It poses significant risks to all businesses. We are increasingly taking this into account in our business strategy and risk management framework. Our green roadmap for the next decade underpinned our ambitious ESG goals and strategies, we are well-placed to accelerate our net zero goals. We are committed to supporting Hong Kong's net-zero goal in 2050 and to further assist our clients in their journey to carbon neutrality. Over the year, we were on track to reduce emissions from our own operations by implementing mitigation and adaptation measures. Racing to net zero will remain the cornerstone of our sustainability strategy in this decade of action.

Upholding a healthy and empowered workforce is critical to address the challenges we face, and to ensure our future sustainability and success. Our commitment to social responsibility is reflected in our efforts to promote diversity and inclusion in our workplace, provide a safe and healthy work environment, and support the wellbeing of our employees. We also work closely with our local communities to support their development and help them address their unique challenges. We believe that by investing in our people and communities, we can create a sustainable future together.

I would like to thank our people, business partners, investors and all the stakeholders for their support of our commitment and efforts towards a net zero future. Together, we can make a positive impact on the world.

Looking ahead, we will steadfastly align our business with our net zero goals to mitigate the negative impact of climate change. We remain committed to our roadmap by investing in our people, communities, and the environment, and we will work to find new ways to create long-term value for all our stakeholders. We believe that by integrating sustainability into our business strategy, we can build a more resilient and sustainable future for ourselves and future generations.

Thank you for your interest in the ESG report and we welcome any comments or suggestions on our ESG approach.

ABOUT THIS REPORT

hmvod Limited ("hmvod" or the "Company") and its subsidiaries (collectively referred to as the "Group" or "we") are pleased to present this ESG report, which summarizes the ESG policies, initiatives, and performance of the Group, in accordance with the "Environmental, Social and Governance Reporting Guide" ("ESG Reporting Guide") set out in Appendix C2 of the Listing Rules. This report explains our work and key performance in environmental and social areas during the period from 1 April 2023 to 31 March 2024 (the "Reporting Period"), and aims to provide our stakeholders with a comprehensive understanding of our key ESG policies, initiatives and the Group's performance in four areas: environmental protection, employment and labor practices, operational management and community engagement.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The ESG report is governed by the “Comply or Explain” principle which is the disclosure of the key performance indicators (KPIs). In order to present a more balanced picture of our ESG performance and practices, the ESG report also encompasses other principles as following:

Materiality

The materiality was assessed based on the results obtained from stakeholder engagement. The threshold for sustainability topics to become material was reviewed and confirmed by our Management to ensure that they were sufficiently. The details on materiality analysis of ESG issues are summarised under sections “Stakeholder Engagement” and “Materiality Assessment”.

Quantitative

We have kept track of our performance and target throughout the reporting period. Where applicable, we compared our data and discuss on their implication. This principle applies to all information in the report.

Balance

The content and data provided in the report are unbiased. The Group discussed both our achievements and rooms for improvement in all ESG aspects.

Consistency

The report adopts consistent methodologies on assumptions and calculation methods to allow a fair comparison of our performance over time. Where applicable, we disclosed the changes to the method and KPIs used.

REPORTING SCOPE

The content of this report covers the offices in Hong Kong, which includes over the top (“OTT”) services which is the source of the Group’s revenue during the Reporting Period.

The information contained in this report has been collected through various means, including but not limited to reviewing the Group’s internal control policies and ESG-related processes, conducting interviews with stakeholders and referencing industry research papers and articles.

GOVERNANCE STRUCTURE

In line with the Corporate Governance Code, the Board is responsible for the Group's ESG strategies and reporting. The Board is also responsible for evaluating and determining the Group's ESG-related risks and ensuring that appropriate and effective ESG risk management and internal control systems are in place. Management is responsible for ensuring the effectiveness of these systems and reporting to the Board at least once annually that oversees compliance of ESG-related issues with laws and regulations.

Material ESG issues are identified and prioritised through our stakeholder engagement exercise. The list of material ESG issues were reviewed and validated by the Board, and incorporated into the Group's planning for business strategies and ESG initiatives. The list of material ESG issues will be reviewed annually by the Board. For more details on materiality analysis of ESG issues, please refer to the sections "Stakeholder Engagement" and "Materiality Assessment" below.

As a service oriented corporation, our impact to the environment are considered as minimal. The Group understands the importance of ESG reporting and is committed to making continuous improvements of our corporate social responsibility strategy into our business in order to better meet the ever-changing needs of our stakeholders.

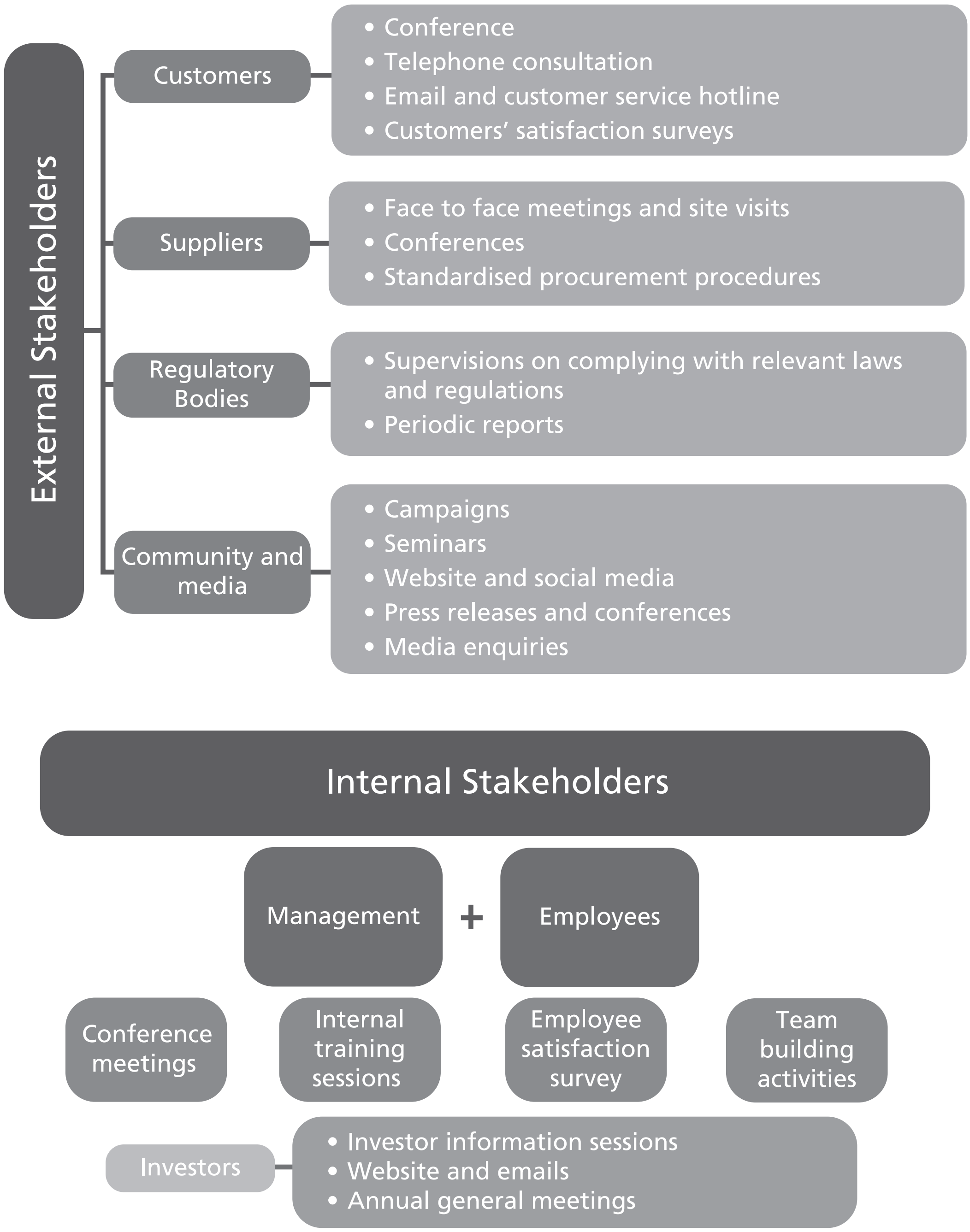
Our strategic approach to this subject matter includes a wide range of considerations, including the monitoring of similar regulations of other jurisdictions and on the bases of research articles and publications. This enables us to achieve our objective; to deploy our resources in an efficient, socially responsible and commercially viable manner. This report mainly presents policies, initiatives and performance.

STAKEHOLDERS ENGAGEMENT

Stakeholders' views and expectations are an integral part of our sustainability strategy. To better understand different stakeholders and meet their expectations, the Group has actively engaged with various stakeholder groups throughout the year via various communication channels. We are constantly improving our communication channels, including surveys, interviews, visits, meetings and events, email and hotlines, and social media channels, to maintain long-term relationships with our stakeholders. We endeavour to engage them on a regular basis to maximise opportunities for them to share their insights, perspectives and experience with us.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Our key stakeholders are grouped into categories with featured engagements:



MATERIALITY ASSESSMENT

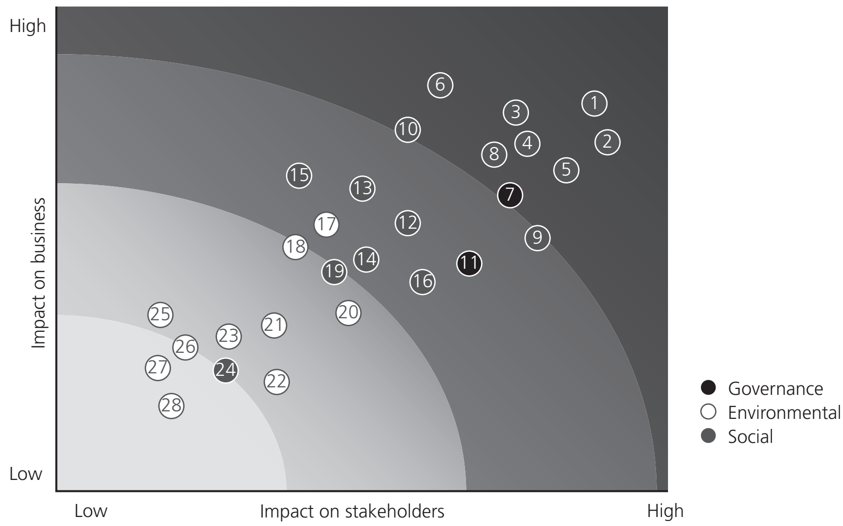
We have identified and ascertained the importance of a range of ESG issues to the Group through a robust annual materiality assessment process involving both internal and external stakeholders over the past few years. Our approach was undertaking benchmarking exercise to understand industry approaches and best practices in sustainability disclosure and reviewed issues identified in last year's assessment. A list of 28 material topics was identified and considered as relevant to the Group with reference to peer benchmarking results. The identification of ESG issues in our annual materiality assessment process of this year builds on that of the previous year.

The Group is committed to continuously improving priority ESG issues identified through the materiality assessments from the past few years, we believe this year's approach will help us better target our resources to where they are most needed and in ways to formulate our business strategies and sustainability approach.

The outcome is a materiality matrix, with priority issues that internal and external stakeholders rated as important for the Group to consider in its pursuit of sustainable growth. The management of the Group is responsible for reviewing and confirming assessment results, then reporting to the Board. The list of material topics was confirmed that remains significant to the Group and its stakeholders for this year.

The result of the materiality assessment:

Materiality Assessment Matrix



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The ranking of the Group's material ESG topics is as follows:

Material ESG Topics

1.	Intellectual property rights	2.	Cyber-security, privacy, and data protection
3.	Talent, recruitment, and retention	4.	Supply chain management
5.	Changing consumer preferences	6.	Impact of technology and innovation
7.	Anti-corruption, bribery, and compliance	8.	Customer satisfaction
9.	Employee development and training	10.	Occupational health and safety
11.	Human rights governance	12.	Product and service labelling
13.	Marketing communication	14.	Diversity and equal opportunity
15.	Child labour and forced labour	16.	Local employment
17.	Climate change actions	18.	Biodiversity
19.	Community support	20.	Energy consumption
21.	Green and responsible procurement practice	22.	Use of materials
23.	Greenhouse gas emissions	24.	Product quality and safety
25.	Non-hazardous waste production	26.	Air emissions
27.	Water consumption	28.	Hazardous waste production

The top ten material issues to internal and external stakeholders, namely Intellectual property rights, Cyber-security, privacy, and data protection, Talent, recruitment, and retention, Supply chain management, Changing consumer preferences, Impact of technology and innovation, Anti-corruption, bribery, and compliance, Customer satisfaction, Employee development and training and Occupational health and safety. The above 10 topics are categorised as the main elements and highly important to the Group that drive the sustainable business development of the Group. We will further elaborate on them in the following sections.

FEEDBACK CONTACT

The latest business updates are available to the public through our website (www.hmvod.com.hk). The Group welcomes all stakeholders' feedback regarding the ESG issues. Interested parties can contact the Group to share their suggestions and opinions through the channels listed below:

Mail: 9/F, E-Trade Plaza, No. 24 Lee Chung Street, Chai Wan, Hong Kong
Name: Angel Yu
Email: angelyu@anyplex.com
Phone: 2892 7549

A. ENVIRONMENTAL

The Group adopts the best industry practice on environmental management according to various international standards and provides frequent training to employees based on the latest regulatory standards. During the Reporting Period, the Group was not aware of any non-compliance cases related to environmental laws and regulations in Hong Kong.

A.1. Emissions

The Group has established the policies related to gas emissions and waste emissions during the Reporting Period, which are reviewed periodically by the Board of the Group and amended based on operational changes. The policies provide guidance on energy-saving methods and other measures including but not limited to:

- Turn off the electric switch when the appliance is not applicable;
- Reduce paper usage through electronic technology; and
- Encourage double-sided printing and, where permitted, employees can reuse single-sided printing paper.

At the same time, the Group also strictly abides by the laws and regulations related to environmental protection in its region, which includes but not limited to:

- Waste Disposal Ordinance (Cap. 354);
- Air Pollution Control Ordinance (Chapter 311); and
- Water Pollution Control Regulations (Chapter 358).

Exhaust emissions

The Group implements a strict management process for emissions generated during operations to meet relevant emission standards. We have collected, collated and analysed greenhouse gas ("GHG") emissions data in accordance with ESG Reporting Guideline to monitor and control the emissions at source.

The electricity consumption of the office is included in the management fee paid to the property, thus the Group is unable to account for the electricity consumption during the Reporting Period. The Group considers the impact to be minor and should be treated as insignificant. Thus, there are no Scope 1 and Scope 2 GHG emissions data for the Group. In the future, the Group will continue to monitor and explore other ways to collect electricity consumption data.

During the Reporting Period, the Group has generated GHG emissions through our business operations, mainly other indirect emissions, resulting from the disposal of paper waste at landfill and business air travel by employees. The Group does not own and operate any transport fleets. We committed to reducing the GHG emissions generated by the Group and have adopted several measures for the management of the emissions and promote a green office to reduce the negative impact on the environment, including but not limited to, saving energy, reducing unnecessary waste, reasonable use of paper, encouraging employees to use teleconferencing or online meetings and avoiding unnecessary travel.

During the Reporting Period, details of the emissions are shown in the following table:

			For the Year ended 31 March 2024		For the Year ended 31 March 2023	
Emission category	**KPIs**	**Unit**	**Total Amount of Carbon Dioxide Produced**	**Carbon emission intensity (metric tonnes of carbon dioxide equivalent/ per thousand revenue)**	**Total Amount of Carbon Dioxide Produced**	**Carbon emission intensity (metric tonnes of carbon dioxide equivalent/ per thousand revenue)**
GHG emissions[1]	Scope 3[2]	tCO_2e	2.19	0.00010	4.24	0.00018
	Total	tCO_2e	**2.19**	**0.00010**	**4.24**	**0.00018**

The decrease in the intensity of GHG emissions is due to the use of teleconferencing or online meetings to reduce business air travel. Therefore, the Group has achieved the GHG emissions target. To uphold our sustainable strategy, the Group is committed to reducing the impact of its operation on carbon footprints and aims to maintain or reduce the GHG emissions intensity between 95% to 120% for the next reporting period. We will continue to track and monitor the performance and enforce the relevant controls.

1 GHG emissions included emissions of carbon dioxide, methane, and nitrous oxide, where methane and nitrous oxide emissions were converted to carbon dioxide emissions based on global warming potential ("GWP"). Therefore, the total amount of GHG emissions is the total amount of carbon dioxide emissions equivalent.

2 Scope 3 included the indirect greenhouse gas emissions of disposal of paper waste at landfill and business travel by employees.

Waste management

The Group strictly abides by the Waste Disposal Ordinance (Cap 354 of the Laws of Hong Kong), and other relevant regulations. Due to the nature of our service business, the operations of the Group do not include any production of hazardous materials. Wastes disposed of in offices are mainly papers and domestic wastes, which are immaterial and non-hazardous. The Group is not aware of any material cases of non-compliance with laws and regulations relating to the generation of hazardous and non-hazardous wastes during the Reporting Period.

During the Reporting Period, the Group has generated a total of 0.12 tonnes (2023: 0.37 tonnes) of general office waste with an intensity of 0.01 per employee (2023: 0.01 tonnes per employee). The Group aims to maintain or reduce its office waste intensity for the next reporting period.

To reduce the generation of non-hazardous waste, the Group has launched a number of waste management programs, which are updated from time to time as needed, including:

- Using environmentally friendly equipment;
- Using online versions of reports instead of printing it out;
- Encouraging duplex printing; and
- Encourage a habit of recycling.

The Group will continue to monitor and enforce the relevant controls on waste reduction.

A.2. Use of Resources

As mentioned in the above section “A.1. Emissions”, the Group has established policies related to the economical use of resources. Due to the nature of our business, the usage of water is limited to cleaning our offices and hydrating our employees, which is considered as insignificant.

The Group will continue to closely monitor the utilisation of resources and conduct regular assessment to seek better ways for contributing to environmental protection. Considering the nature of our business, the main resources consumed by the Group were electricity and water, and no packaging materials were used.

The payment for electricity and water is included in the management fee given to the properties, so the relevant consumption data is not available, and the Group considers this item as immaterial and did not disclose it. The Group will continue to explore other ways to collect these data. Meanwhile, the Group did not have problems with shortage of water supply.

The Group considers the impact of the use of electricity is minimal and immaterial mentioned above in section "A.1. Emissions", and therefore the Group does not set targets. The Group has regularly assessed its materiality every year, and if the situation does not change significantly, the Group will maintain and control at a low level. To better manage the use of resources and improve resource utilisation, the Group has implemented key measures during the Reporting Period including but not limited to the following:

- Strictly control the use of electricity in office buildings by turning off the electrical equipment when not in use;
- Procure energy efficient electrical appliances; and
- Encourage employees to consciously develop the habit of saving water, turn off taps at will, and eliminate waste.

A.3. The Environment and Natural Resources

As a service-oriented corporation, our consumption of resources is limited to electricity and water, and the level of consumption of resources and greenhouse gas emissions is relatively low, so the impact of our business activities on the environment and natural resources is minimal. According to our materiality analysis matrix, we considered this to be an insignificant topic.

Nevertheless, the Group remains mindful of our environmental footprint. The Group has been upholding the concept of green office and encourages our employees to save water and electricity in their daily office activities to improve the efficiency of resource usage. For more details, please refer to the section "A.1. Emissions" and "A.2. Use of Resources".

During the Reporting Period, the Group has established policies related to the environment and natural resources, which is reviewed periodically by the Board. The policies include the following but not limited to:

- Reduce carbon footprint by setting and implementing long-term carbon reduction targets;
- Conserve natural resources, save energy, reduce and recycle waste aiming to reduce pollution and carbon emissions; and
- To raise the environmental awareness of employees, partners and contractors through regular training and education, and to distribute these environmental policies through internal and external communication channels.

A.4. Climate Change

Nowadays, climate change has become a pressing issue around the globe. The Group is increasingly recognising the importance of identifying and assessing the significant risks associated with climate change and is committed to managing potential climate change risks that may affect the Group's business activities. The Group recognises that climate change is already affecting all aspects of our communities, stakeholders and business operations. While climate change creates new risks, it also creates new opportunities. During the Reporting Period, the Group has been closely identifying and monitoring potential physical risks and transition risks as follows:

Physical risks

- *Acute risks*

  Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as super typhoons, floods, extreme temperature fluctuations. Under such extreme weather conditions, the Group's office premises, office operations and staff safety will be affected. During the Reporting Period, the Group regularly perform complete backups of system data to support the resumption of critical business operations.

- *Chronic risks*

  Chronic physical risks refer to longer-term shifts in climate patterns (e.g. sustained higher temperatures) that may cause sea level rise or chronic heat waves. The Group's business operations are mainly conducted through online platforms, with employees located in an indoor environment, and the nature of the business is service-oriented and less exposed to this risk.

Transition risks

- *Policy and legal risks*

  As the Group's environmental footprint is minimal, the potential government policy and legal risks have relatively little impact on the Group.

- *Cyber and Technology risks*

  The Group's business operations are conducted partially through an online platform and as of 31 March 2023, we have not experienced any significant system failures on our online platform. The Group reviewed the system regularly and make regular backups of system data to minimise the occurrence of system errors, maintain data stability and ensure that it is stakeholder friendly.

- *Market risks*

  As a content provider, the Group needs to always prepare for the possibility of permanent shifts or changes in consumption patterns. The Group has also taken this into consideration and has been conducting continuous market research to understand the new consumer needs and to make appropriate adjustments to its business model to prevent the loss of customers.

- *Reputation risks*

  The Group has incorporated environmental protection measures into its corporate business operations. The Group will closely monitor the carbon footprint of its business operations and further explore other ways to reduce our impact on the environment.

  In order to reduce those risks, we have put in place emergency response procedures and safeguards to minimise loss of office equipment and facilities, business impact, and harm to employee safety. The relevant procedures and measures are as follows:

  - Design appropriate workflows and measures to prevent or reduce the damage that climate change can cause to the Group and to capture the opportunities associated with climate change;
  - Develop emergency management programs to respond to extreme weather events due to climate change;
  - Employees are not required to work when typhoon signal no. 8 or above is hoisted and no salary is deducted during the period;
  - Strengthen resilience and monitor the impact of climate change on business and the Group's carbon management goals and objectives;
  - Communicate with stakeholders, including employees, suppliers, and local communities, about the impacts of climate change and the company's climate change strategy to help them become more resilient to climate change; and
  - The Group will review this climate change policy in due course.

B. SOCIAL

B.1. Employment

The Group expects that all employees and contractors treat each other with respect. In the Group's policy, it has covered the issues in relation to compensation and dismissal, recruitment and promotion, working hours, rest period, equal opportunity, diversity anti-discrimination and other benefits and welfare, which complies with the requirements of Employment Ordinance (Chapter 57 of the Laws of Hong Kong), and other relevant laws and regulations.

The Group specifically prohibits discrimination on the basis of age, colour, disability, ethnicity, marital or family status, national origin, race, religion, gender, sexual orientation, or any other characteristic protected by law. These principles extend to all employment decisions, including but not limited to recruiting, training, promotion etc.

All employees are committed to maintain a professional and harassment-free working environment – a place where employees act with respect for one another and those with whom we do business. Behaviors such as unwelcome conduct and sexual harassment are strictly prohibited.

As a caring employer, we care for our employees through comprehensive welfare and benefits schemes, including but not limited to, insurance coverage, medical, and dental benefits for our full-time employees. We provide benefits and adopt welfare practices in line with the HKSAR Government's regulations. The Employment (Amendment) Bill 2019 from the HKSAR Government highlights the importance of parental leave. Apart from all statutory holidays, our employees are entitled to annual leaves, and other paid leaves such as maternity leave, paternity leave, compensation leave, wedding leave, and birthday leave in accordance with the Group's policy.

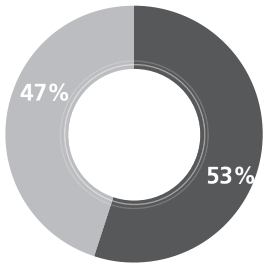
Staff are remunerated according to the job nature, market trends and individual performance. Apart from medical insurance and mandatory provident fund, discretionary bonuses are rewarded to employees based on individual performance.

As of 31 March 2024, the Group had a total of 15 full-time employees (2023: 33) and no part-time employees (2023: 0). The breakdowns of our workforce by gender, age group, region and employment type are as follows.

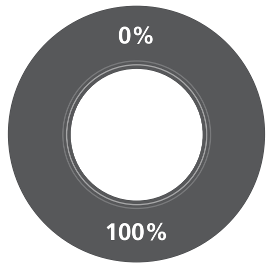
Breakdown of Workforce	As at 31 March 2024	As at 31 March 2023
By Gender		
Male	8	15
Female	7	18
By Age		
<25	0	3
25–29	5	6
30–39	6	12
40–49	4	11
>50	0	1
By Region		
HK	15	33
Other regions	0	0
By Employment Type		
Full-time	15	33
Part-time	0	0

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

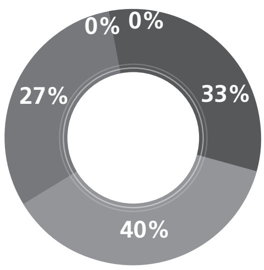
NUMBER OF EMPLOYEES BY GENDER IN 2023/24



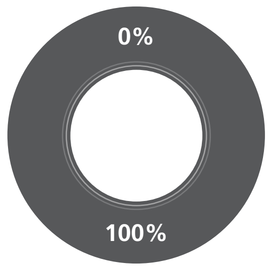
NUMBER OF EMPLOYEES BY REGION IN 2023/24



NUMBER OF EMPLOYEES BY AGE GROUP IN 2023/24



NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE IN 2023/24



During the Reporting Period, 7 employees left the Group (2023: 16), with total employee turnover rate of 47% (2023: 48%). The breakdowns of employee turnover rate of the Group by gender, age group and region are as follows.

Percentage of Employee Turnover Rate[3]	For the Year ended 31 March 2024	For the Year ended 31 March 2023
By Gender		
Male	50%	47%
Female	43%	50%
By Age		
<25	100%	33%
25–29	0%	67%
30–39	67%	50%
40–49	50%	36%
>50	0%	100%
By Region		
HK	47%	48%
Other regions	0%	0%

[3] Turnover rate = (number of employees leaving employment within the year / number of employees as at the year ended) x 100%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B.2. Health and Safety

The Group is committed to provide a healthy and safe workplace for all employees. The Group's policy requires the administration department to perform regular inspection on the fire-fighting facilities and safety equipment to ensure that a safe and healthy working environment is provided for employees and to prevent fire accidents, thereby avoiding hazards to the safety of employees.

We strictly comply with the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong) and its subsidiary regulations to protect our employees from occupational During the Reporting Period, there were no cases of non-compliance with the laws and regulations in respect of the provision of a safe working environment and the protection of employees from occupational hazards.

In addition to the physical health of our employees, the mental health of our employees is equally important. We provide a work-life balance by hosting various events throughout the year and provide mental health counselling.

In order to raise the awareness of health and safety at the workplace, the Group provides regular safety training to employees. In case of any work-related injuries, the Group will take all necessary measures to make sure that proper medical care is offered to the relevant employee.

Due to the dedicated efforts the Group has made, there has been zero work-related casualties, and work-related fatalities in the past three years including this Reporting period:

Occupational health and safety statistics	For the Year ended 31 March 2024	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Number of lost days	0	0	0
Number of work-related fatalities	0	0	0
Number of work injuries	0	0	0

B.3. Development and Training

The Group attaches great importance to the training and development of its personnel. In the Group's anti-corruption policy, refresher training will be periodically arranged to ensure that all directors and staff members are aware of the Group's zero-tolerance stance on bribery and corruption.

The Group provides diversified on-the-job training based on the needs of respective position, talents and interests of employees. The Group provides internal and external training for employees, including orientation training for new employees, specialised training for different departments, management training, etc. Moreover, the Group's guidelines are established to assess the performance of employees so as to identify and implement development programs for employees.

The Group attaches great importance to the training and continuous development of its employees. During the Reporting Period, we arranged employee training on anti-corruption, and other professional training to meet the needs of our employees.

During the Reporting Period, 26.7% (2023: 9.1%) of our total employees have completed training. The Group has conducted 63 hours (2023: 54 hours) of training in total, while the average training hour completed per employee was 4.2 hours (2023: 1.64 hours). The breakdown of employees who took part in training and average number of training hours per employee by gender and employment category are as follows:

	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Average training hours completed per employee[4]		
By Gender		
Male	7.88	3.60
Female	0	0
By Employment Category		
Entry Level	2.67	1.13
Middle Level	3.20	2.25
Management Level	7.75	2.00
Percentage of total employees trained		
By Gender[5]		
Male	50%	100%
Female	0%	0%
By Employment Category		
Entry Level	16.7%	33.3%
Middle Level	20.0%	33.3%
Management Level	50.0%	33.3%

4 Average training hours completed per employee = number of training hours for employee in the specific category during the year / number of employees in the specific category as at the year ended

5 Percentage of total employees trained = (total number of employees in the specific category who took part in training during the year / number of employees in the specific category as at the year ended) x 100%

B.4. Labour Standards

Although the Group has not established a separate policy related to labor standards, the Group strictly implements labor standards in accordance with legal requirements and prohibits the use of forced and child labour. The Group complies with the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), and other applicable employment laws and regulations to safeguard the rights of our employees and we do not tolerate labour exploitation.

During the recruitment process, the Group prevents hiring child labour by conducting identification check of job applicant. Without exception. Applicants who fail to meet the legal requirements would not be hired, once we find that there are employees who do not meet the requirements, we will deal with them in accordance with the law and investigate the case.

There is full compliance towards relevant national and local regulations that prohibits child or forced labour. During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations regarding child labour and forced labour laws and regulations.

B.5. Supply Chain Management

The Group sub-contracted functions related to supply chain management to the service provider, hence management is not directly involved in the daily operational aspects. Although this is out-sourced, the Group will continue to assess service providers to ensure the quality meets the Group's standards and expectations.

We have established supplier management policies and procedures to manage risks associated with our suppliers, including environmental and social risks in the supply chain, the implementation of which is the responsibility of the Group's middle management and overseen by the Board.

During the Reporting Period, we reminded our service provider to give preference to those suppliers who are environmentally friendly to ensure that their business philosophy is in line with the Group. For details of the number of suppliers by region is set out below:

Number of suppliers by geographical region	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Mainland China	3	3
Hong Kong	24	26
Taiwan	1	1
USA	3	3
Japan	1	1
Total	32	34

B.6. Product Responsibility

Due to the service nature of the Group's business, the Group is not involved in production of products and there will not be any product recall due to health or safety reasons.

Data protection and privacy policies

As a service provider of OTT services in Hong Kong, the Group collects personal details of customers, therefore, ensuring the privacy of customer information is one the Group's utmost priority.

The Group has formulated a set of privacy principal in collection, retention, use, security, openness and accessibility of information to ensure all personal information received is only for its intended purpose and to prevent information leakage, such as:

- Access controls to all information;
- Requiring employees not to retain and disclose any confidential information about the Group's business and other sensitive, confidential data to any third party; and
- Only obtain necessary personal information from customers.

The Group has also stipulated in its employee handbook that:

- All information received by employees related to the Group's situation, procedures, orders, accounts, clients, etc. is to be considered confidential and is under no circumstances for discussion with, nor disclosure to, third parties; and
- Employees shall not remove any document file, note or correspondence from the Group's premises unless their responsibilities require it and such removal has been approved in advance by the department manager.

The Group is in strict compliance with the relevant legislation, and is not aware of any non-compliance with the Hong Kong Personal Data (Privacy) Ordinance. We have implemented a suite of policies and guidelines to protect our customers' data privacy and personal data. Our Privacy Policy Statement outlines our approach to the collection and retention of personal information in accordance with the regulatory requirements. It is our policy to provide individuals with a Personal Information Collection Statement informing them of the purpose of data collection, the rights to access and correct the data, and other relevant information. There were no incidents or substantiated complaints concerning breaches of customer privacy or losses of customer data during the Reporting Period.

Intellectual Property Rights

The Group respects the intellectual property rights of consumers and third parties and manages the protection and confidentiality of consumers' and third parties' intellectual property in the form of contracts and internal measures. In addition to being contractually bound, the Group's internal controls set out the responsibilities of our employees, customers and other third parties in relation to the handling of our proprietary information in order to avoid infringements as far as possible. In addition, the Group also has a policy that sets out the procedures on how to protect our own intellectual property rights. The policy stipulates that the Group shall first negotiate with the third party to resolve the relevant matters, and if negotiation fails, we will take legal action to stop infringement by third parties.

The Group complies with all intellectual property-related laws and regulations, including but not limited to the following:

- Trade Marks Ordinance, Cap. 559;
- The Copyright Ordinance, Cap. 528; and
- The Prevention of Copyright Piracy, Cap. 544.

During the Reporting Period, the Group is not aware of any infringement of any law and regulations relating to copyrights and intellectual properties.

Customer satisfaction

It is our policy that once a complaint is received by phone, email or letter, the employee must report it to management through the channels described in our policy. Management will investigate to determine the cause of the complaint and provide feedback to the responsible department, which is essential to maintain our services at a high quality.

In addition, we have provided a consultation platform on our website (www.hmvod.com.hk) for our clients to provide feedback for our services, and we evaluate the quality of our employees' services according to the satisfaction of our clients.

During the Reporting Period, the Group received two minor complaints about our services, and complaints were handled in a timely manner.

B.7. Anti-corruption

In order to uphold the highest ethical standards, the Group has zero-tolerance attitude towards any form of corruption and bribery in the value chain and strictly abide by laws and regulations including but not limited to the "Prevention of Bribery Ordinance, Cap. 201".

The Group has formulated the comprehensive company regulations and employee code of conduct (the "Code of Conduct") as the standards of staff conduct. With the aim of preventing bribery, extortion and fraud, the Group's Code of Conduct clearly states that:

- Employees shall not accept gifts or other benefits that are beyond common business hospitality;
- Employees shall not offer bribes to any person or company for the purpose of obtaining or retaining business;
- Employees should always avoid any situation involving a conflict, or that could be perceived by others as a conflict, between their person interests, or those of their close relatives, and the performance of their official duties; and
- If a potential conflict exists, employees should make prompt and full disclosure to the management.

In addition to the above precautionary measures, the Group established a channel for whistle-blowing to facilitate the implementation of employee-wide monitoring of corruption matters. During the Reporting Period, the Group provided anti-corruption training on the prevention of corruption issued by ICAC, such as leaflets and presentation materials, to the employees to ensure that they remain vigilant on such matters.

To prevent and detect money laundering and terrorist financing, the Group follows the "Guideline on Compliance of Anti-Money Laundering and Counter-Terrorist Financing Requirements for Licensed Money Lenders".

To maintain a high standard in our business integrity, the Group has no tolerance towards any corruption, fraud, money laundering, bribery and extortion and evaluates the policies from time to time. The Board has reviewed the effectiveness of implementation of such policies. The Group complied with relevant laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering.

During the Reporting Period, there were no legal cases regarding corrupt practices brought against the Group or our employees.

B.8. Community Investment

For the continuous effort in giving back to society, the Group would seek for opportunities to get involved in various community programs. The Group's approach to community involvement is set out in its policy as follows:

- Fulfils the corporate social responsibility (CSR) through the sustainable development strategy to expand its efforts in the areas of charity work;
- Assesses how to give business activities to the interests of community; and
- Commits to the provision of career opportunities to the locals and promotes the development of the community's economy.

During the Reporting Period, the Group has not conducted any donations. Yet, the Group always encourages employees to participate in various community events such as Earth Hour hosted by World Wildlife Fund.

ESG REPORTING GUIDE CONTENT INDEX

Aspects, General disclosures and KPI	Description	Corresponding section in this report
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental, Page 38
KPI A1.1	The types of emissions and respective emission data.	Environmental, Page 39
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental, Page 39
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, Intensity (e.g. per unit of production volume, per facility).	Not applicable to the Group's business.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental, Page 40
KPI A1.5	Description of emission target(s) set and steps take to achieve them.	Environmental, Page 39
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental, Page 40
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental, Page 40
KPI A2.1	Direct and/or indirect energy consumption by type. (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental, Page 40
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental, Page 40
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental, Page 41
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environmental, Page 40
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable to the Group's business.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects, General disclosures and KPI	Description	Corresponding section in this report
Aspect A3: The Environmental and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Environmental, Page 41
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental, Page 41
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Environmental, Page 42
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Environmental, Page 42
B. Social		
Employment and Labour Practices		
Aspect B1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Social, Page 43
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Social, Page 44
KPI B1.2	Employment turnover rate by gender, age group and geographical region.	Social, Page 45

Aspects, General disclosures and KPI	Description	Corresponding section in this report
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Social, Page 46
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Social, Page 46
KPI B2.2	Lost days due to work injury.	Social, Page 46
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Social, Page 46
Aspect B3: Development and training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Social, Page 47
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Social, Page 47
KPI B3.2	The average training hours completed per employee by gender and employee category.	Social, Page 47
Aspect B4: Labour standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Social, Page 48
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Social, Page 48
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Social, Page 48

Aspects, General disclosures and KPI	Description	Corresponding section in this report
Aspect B5: Supply chain management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Social, Page 48
KPI B5.1	Number of suppliers by geographical region.	Social, Page 48
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Social, Page 48
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Social, Page 48
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Social, Page 48
Aspect B6: Product responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Social, Page 49
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable to the Group's business.
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Social, Page 50
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Social, Page 49
KPI B6.4	Description of quality assurance process and recall procedures.	Not applicable to the Group's business.
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Social, Page 49

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects, General disclosures and KPI	Description	Corresponding section in this report
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	Social, Page 50
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Social, Page 51
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Social, Page 51
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Social, Page 51
Aspect B8: Community investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure that its activities take into consideration the communities' interests.	Social, Page 51
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Social, Page 51
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Social, Page 51

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the shareholders of hmvod Limited
(Incorporated in Cayman Islands with limited liability)

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of hmvod Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 59 to 115, which comprise the consolidated statement of financial position as at 31 March 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the "Basis for disclaimer of opinion" section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

Scope limitation relating to appropriateness of the going concern basis of accounting

As set out in note 2 to the consolidated financial statements, the Group recorded a net loss of approximately HK$5,928,000 for the year ended 31 March 2024, and as at 31 March 2024, the Group's current liabilities exceeded current assets by approximately HK$23,898,000 and total liabilities exceeded total assets by approximately HK$54,850,000. The Group's borrowings amounted to approximately HK$31,165,000, of which approximately HK$13,343,000 will be due for repayment within the next twelve months. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

The directors of the Company have prepared a cashflow forecast covering fifteen months from the end of the reporting period for the Group's going concern assessment (the "Cashflow Forecast"). The validity of the going concern assumption on which these consolidated financial statements have been prepared depends on the outcome of the measures to improve the Group's liquidity and financial position, i.e. whether (i) extensions of repayments of borrowings will be obtained from the existing lenders; (ii) new sources of finance will be obtained to support the Group's working capital and commitments; and (iii) the implementation of cost controls will enhance the Group's profitability and improve the cash flows from its operation in future. However, we have not been provided with sufficient supporting information of the key assumptions and inputs adopted in the Cashflow Forecast, including documents or evidence relating to potential renewal and extension for repayments of the existing borrowings, potential new sources of finance and details of the Group's cost control strategies.

INDEPENDENT AUDITOR'S REPORT

In view of the above scope limitation, we have not been able to obtain sufficient appropriate audit evidence to satisfy ourselves about the appropriateness of the use of the going concern basis of accounting in preparation of these consolidated financial statements. Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the Group's assets to their realisable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities. The effects of these adjustments have not been reflected in these consolidated financial statements.

RESPONSIBILITIES OF THE DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and to issue an auditor's report. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. However, because of the matters described in the "Basis for Disclaimer of Opinion" section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

The engagement director on the audit resulting in this independent auditor's report is Tong Wai Hang.

Baker Tilly Hong Kong Limited
Certified Public Accountants
Hong Kong, 28 June 2024
Tong Wai Hang
Practising certificate number P06231

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2024 (Expressed in Hong Kong dollars)

	Note	2024 HK$'000	2023 HK$'000
Continuing operations			
Revenue	6	**22,110**	23,993
Other income and gains	7	**8,620**	2,454
Subcontractor costs		**(16,266)**	(15,986)
Operating and administrative expenses		**(5,228)**	(5,295)
Staff costs, including directors' emoluments		**(7,728)**	(9,704)
Amortisation of intangible assets		**–**	(1,723)
Depreciation of property, plant and equipment		**(135)**	(577)
Reversal of impairment loss under expected credit loss model, net		**1**	10
Impairment loss on goodwill	17	**(2,264)**	(936)
Provisions for litigation	24	**(80)**	(198)
Finance costs	8	**(4,958)**	(4,681)
Loss before income tax	9	**(5,928)**	(12,643)
Income tax credit	10	**–**	285
Loss for the year from the continuing operations		**(5,928)**	(12,358)
Discontinued operation			
Loss for the year from the discontinued operation	11	**–**	(134)
Loss for the year		**(5,928)**	(12,492)
Other comprehensive income/(expense)			
Item that may be reclassified subsequently to profit or loss:			
– Exchange differences arising on translation of foreign operations		**12**	(12)
Total comprehensive expense for the year		**(5,916)**	(12,504)
(Loss)/profit for the year attributable to:			
Owners of the Company		**(6,763)**	(12,331)
Non-controlling interests		**835**	(161)
		(5,928)	(12,492)
Loss for the year attributable to owners of the Company arises from:			
Continuing operations		**(6,763)**	(12,232)
Discontinued operation		**–**	(99)
		(6,763)	(12,331)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2024 (Expressed in Hong Kong dollars)

	Note	2024 HK$'000	2023 HK$'000
Profit/(loss) for the year attributable to non-controlling interests arises from:			
Continuing operations		**835**	(126)
Discontinued operation		**–**	(35)
		835	(161)
Total comprehensive expense attributable to:			
Owners of the Company		**(6,751)**	(12,341)
Non-controlling interest		**835**	(163)
		(5,916)	(12,504)
Total comprehensive expense attributable to owners of the Company arises from:			
Continuing operations		**(6,751)**	(12,242)
Discontinued operation		**–**	(99)
		(6,751)	(12,341)

Loss per share

	Note	2024 HK cents	2023 HK cents
From continuing and discontinued operation			
Basic	15	**(5.77)**	(11.43)
From continuing operations			
Basic	15	**(5.77)**	(11.34)
From discontinued operation			
Basic	15	**–**	(0.09)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024 (Expressed in Hong Kong dollars)

	Note	**2024** **HK$'000**	2023 HK$'000
Non-current assets			
Property, plant and equipment	*16*	**271**	381
Goodwill	*17*	**6,270**	8,534
Intangible assets	*18*	**–**	–
		6,541	8,915
Current assets			
Trade and other receivables	*19*	**2,533**	2,436
Prepayments	*20*	**2,051**	4,196
Cash and cash equivalents	*21*	**13,860**	2,392
		18,444	9,024
Current liabilities			
Trade and other payables	*22*	**28,999**	30,330
Borrowings	*23*	**13,343**	495
Tax liabilities		**–**	377
		42,342	31,202
Net current liabilities		**(23,898)**	(22,178)
Total assets less current liabilities		**(17,357)**	(13,263)
Capital and reserves			
Share capital	*25*	**1,294**	1,079
Reserves		**(52,150)**	(68,191)
Deficit attributable to owners of the Company		**(50,856)**	(67,112)
Non-controlling interests		**(3,994)**	(4,829)
Total deficit		**(54,850)**	(71,941)
Non-current liabilities			
Other payables	*22*	**7,872**	7,872
Borrowings	*23*	**17,822**	39,986
Provisions	*24*	**11,799**	10,820
		37,493	58,678
		(17,357)	(13,263)

The consolidated financial statements on pages 59 to 115 were approved and authorised by the board of directors on 28 June 2024 and are signed on its behalf by:

Chong Tung Yan Benedict
Director

Wong Tsz Ki
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2024 (Expressed in Hong Kong dollars)

	Attributable to owners of the Company							
	Share capital *HK$'000*	Share premium *HK$'000*	Capital reserve *HK$'000*	Translation reserve *HK$'000*	Accumulated losses *HK$'000*	Subtotal *HK$'000*	Non-controlling interests *HK$'000*	Total *HK$'000*
At 1 April 2022	1,079	614,487	1,200	(642)	(670,895)	(54,771)	(7,979)	(62,750)
Loss for the year	–	–	–	–	(12,331)	(12,331)	(161)	(12,492)
Other comprehensive expense for the year	–	–	–	(10)	–	(10)	(2)	(12)
Total comprehensive expense for the year	–	–	–	(10)	(12,331)	(12,341)	(163)	(12,504)
Derecognition of non-controlling interests upon disposal of subsidiaries *(note 29)*	–	–	–	–	–	–	3,313	3,313
At 31 March 2023	1,079	614,487	1,200	(652)	(683,226)	(67,112)	(4,829)	(71,941)
At 1 April 2023	1,079	614,487	1,200	(652)	(683,226)	(67,112)	(4,829)	(71,941)
(Loss)/profit for the year	–	–	–	–	(6,763)	(6,763)	835	(5,928)
Other comprehensive income for the year	–	–	–	12	–	12	–	12
Total comprehensive income/(expense) for the year	–	–	–	12	(6,763)	(6,751)	835	(5,916)
Issue of shares *(note 25)*	215	22,792	–	–	–	23,007	–	23,007
At 31 March 2024	**1,294**	**637,279**	**1,200**	**(640)**	**(689,989)**	**(50,856)**	**(3,994)**	**(54,850)**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2024 (Expressed in Hong Kong dollars)

	Note	2024 HK$'000	2023 HK$'000
Operating activities			
Loss before income tax			
– From continuing operations		**(5,928)**	(12,643)
– From discontinued operation		**–**	(134)
Adjustments for:			
Bank interest income	*7*	**(73)**	(6)
Depreciation of property, plant and equipment	*9*	**135**	577
Amortisation of intangible assets	*9*	**–**	1,723
Waiver of borrowings	*7*	**(7,053)**	(1,836)
Reversal of over-provision of accrued salaries	*7*	**(926)**	–
Reversal of other payables	*7*	**(377)**	–
Loss on disposal of subsidiaries	*29*	**–**	63
Finance costs	*8*	**4,958**	4,752
Reversal of impairment loss under expected credit loss model, net	*9*	**(1)**	(10)
Impairment loss on goodwill	*9*	**2,264**	936
Provisions for litigation	*24*	**80**	198
Operating cash flows before movements in working capital		**(6,921)**	(6,380)
(Increase)/decrease in trade and other receivables		**(96)**	3,568
Decrease in prepayments		**2,145**	673
Decrease in trade and other payables		**(940)**	(3,998)
Net cash used in operating activities		**(5,812)**	(6,137)
Investing activities			
Interest received		**73**	6
Purchases of property, plant and equipment		**–**	(158)
Net cash outflow on disposal of subsidiaries	*29*	**–**	(173)
Net cash generated from/(used in) investing activities		**73**	(325)
Financing activities			
New borrowings raised	*33*	**10,025**	39,365
Repayment of borrowings	*33*	**(13,807)**	(31,008)
Interest paid	*33*	**(2,030)**	(1,366)
Proceeds from issue of shares	*25*	**23,007**	–
Net cash generated from financing activities		**17,195**	6,991
Net increase in cash and cash equivalents		**11,456**	529
Cash and cash equivalents at beginning of year		**2,392**	1,875
Effect of foreign exchange rate changes		**12**	(12)
Cash and cash equivalents at end of year		**13,860**	2,392

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

1 GENERAL INFORMATION

hmvod Limited (the "Company") is a limited company incorporated in the Cayman Islands and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company has its registered office and principal place of business at Cricket Square Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and 9/F, E-Trade Plaza, No. 24 Lee Chung Street, Chai Wan, Hong Kong respectively.

The Company acts as an investment holding company. The Company and its subsidiaries (the "Group") are principally engaged in provision of over-the-top ("OTT") services (distribution and production of films, television programmes and music production on OTT platforms).

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company, and all values are rounded to nearest thousands of Hong Kong dollars ("HK$'000") except when otherwise indicated.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange ("GEM Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 "Share-based Payment", leasing transactions that are accounted for in accordance with HKFRS 16 "Leases" and measurements that have some similarities to fair value but are not fair value, such as value in use in HKAS 36 "Impairment of Assets".

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

(i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

(ii) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

(iii) Level 3 inputs are unobservable inputs for the asset or liability.

Going concern assessment

During the year ended 31 March 2024, the Group recorded a net loss of approximately HK$5,928,000 for the year ended 31 March 2024, and as at 31 March 2024, the Group's current liabilities exceeded its current assets by approximately HK$23,898,000 and total liabilities exceeded total assets by approximately HK$54,850,000. The Group's borrowings amounted to approximately HK$31,165,000, of which approximately HK$13,343,000 will be due for repayment within the next twelve months.

The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. In view of these, the directors of the Company have given careful consideration to the future liquidity and financial position of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. The following measures have been formulated to mitigate the liquidity pressure and to improve the financial position of the Group:

(i) The Group has been actively negotiating with existing lenders for extension of repayment of borrowings;

(ii) The Group has also been actively negotiating with various financial institutions to secure new sources of finance and identifying various options for financing the Group's working capital and commitments in the foreseeable future; and

(iii) The Group continues to improve the operating efficiency by implementing measures to tighten cost controls, over various operating expenses in order to enhance its profitability and to improve the cash flows from its operation in future.

The directors of the Company have reviewed the Group's cash flow projections which cover a period of fifteen months from the end of the reporting period, and are of the opinion that the Group will have sufficient financial resources to satisfy its future working capital requirements and meet its financial obligations as they fall due within the next twelve months from the date of approval of these consolidated financial statements. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Going concern assessment (Continued)

Notwithstanding the above, material uncertainty exists as to whether the Group is able to achieve the measures as described above which incorporate assumptions about future events and conditions that are subject to inherent uncertainties. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to mitigate its liquidity pressure and improve the financial position of the Group through the following:

(i) Successful negotiations with the existing lenders for extensions of the repayments of borrowings;

(ii) Successful obtaining new sources of finance from various financial institutions to support the Group's working capital and commitments; and

(iii) Successful enhancing the Group's profitability and improving cash flows from operations from tightening cost controls.

Should the Group fail to achieve the above-mentioned measures, it might not be able to continue to operate as a going concern, and adjustments might have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities. The effects of these adjustments have not been reflected in the consolidated financial statements.

3 APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND CHANGES IN OTHER ACCOUNTING POLICIES

(a) New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2023 for the preparation of the consolidated financial statements:

HKFRS 17 and related amendments	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International tax reform – Pillar Two Model Rules

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

3 APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND CHANGES IN OTHER ACCOUNTING POLICIES (Continued)

(a) New and amendments to HKFRSs that are mandatorily effective for the current year (Continued)

Impact on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

The Group has applied the amendments for the first time in the current year. HKAS 1 Presentation of Financial Statements is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 Making Materiality Judgements (the "Practice Statement") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group's financial positions and performance but has affected the disclosure of the Group's accounting policies set out in note 3.

Change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund ("MPF") – Long Service Payment ("LSP") offsetting mechanism in Hong Kong

The Group has several subsidiaries operating in Hong Kong which are obliged to pay LSP to employees under certain circumstances. Meanwhile, the Group makes mandatory MPF contributions to the trustee who administers the assets held in a trust solely for the retirement benefits of each individual employee. Offsetting of LSP against an employee's accrued retirement benefits derived from employers' MPF contributions was allowed under the Employment Ordinance (Cap.57). In June 2022, the Government of the Hong Kong Special Administrative Region ("HKSAR") gazetted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance") which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset severance payment and LSP (the "Abolition"). The Abolition will officially take effect on 1 May 2025 (the "Transition Date"). In addition, under the Amendment Ordinance, the last month's salary immediately preceding the Transition Date (instead of the date of termination of employment) is used to calculate the portion of LSP in respect of the employment period before the Transition Date.

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" which provides guidance for the accounting for the offsetting mechanism and the impact arising from abolition of the MPF-LSP offsetting mechanism in Hong Kong.

The abolition of the offsetting mechanism did not have a material impact on the Group's financial results and financial position.

(Expressed in Hong Kong dollars)

3 APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) AND CHANGES IN OTHER ACCOUNTING POLICIES (Continued)

(b) Amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[1]
Amendments to HKAS 1	Non-current Liabilities with Covenants[1]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[1]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements[1]
Amendments to HKAS 21	Lack of Exchangeability[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]

1 Effective for annual periods beginning on or after 1 January 2024.
2 Effective for annual periods beginning on or after 1 January 2025.
3 Effective for annual periods beginning on or after a date to be determined.

Except for the amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Impact on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the “2020 Amendments”) and Amendments to HKAS 1 Non-current Liabilities with Covenants (the “2022 Amendments”)

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 Financial Instruments: Presentation.

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

3 APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND CHANGES IN OTHER ACCOUNTING POLICIES (Continued)

(b) Amendments to HKFRSs in issue but not yet effective (Continued)

Impact on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the "2020 Amendments") and Amendments to HKAS 1 Non-current Liabilities with Covenants (the "2022 Amendments") (Continued)

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the requirements introduced by the 2020 Amendments have been modified by the 2022 Amendments. The 2022 Amendments specify that only covenants with which an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date. Covenants which are required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting period.

In addition, the 2022 Amendments specify the disclosure requirements about information that enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period, if an entity classifies liabilities arising from loan arrangements as non-current when the entity's right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months after the reporting period.

The 2022 Amendments also defer the effective date of applying the 2020 Amendments to annual reporting periods beginning on or after 1 January 2024. The 2022 Amendments, together with the 2020 Amendments, are effective for annual reporting periods beginning on or after 1 January 2024, with early application permitted. If an entity applies the 2020 Amendments for an earlier period after the issue of the 2022 Amendments, the entity should also apply the 2022 Amendments for that period.

Based on the Group's outstanding liabilities as at 31 March 2024, the application of the 2020 and 2022 Amendments will not result in reclassification of the Group's liabilities.

4 MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

(i) has power over the investee;

(ii) is exposed, or has rights, to variable returns from its involvement with the investee; and

(iii) has the ability to use its power to affect its returns.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(a) Basis of consolidation (Continued)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

(b) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(c) Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

(i) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

(ii) the Group's performance creates or enhances an asset that the customer controls as the Group performs; or

(iii) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

(d) Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application of HKFRS 16 "Leases" or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(d) Leases (Continued)

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

(e) Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. HK$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

(f) Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(g) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income and gains".

(h) Employee benefits

Pension schemes

Payments to defined contribution retirement benefit plans, government-managed retirement benefit schemes and the Mandatory Provident Fund Scheme ("MPF Scheme") are recognised as an expense when employees have rendered services entitling them to the contributions.

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

(i) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit/loss before income tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(i) Taxation (Continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same tax authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(j) Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(k) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(l) Impairment on non-current assets (other than goodwill)

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of property, plant and equipment and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(l) Impairment on non-current assets (other than goodwill) (Continued)

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro-rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(m) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(n) Contingent liabilities

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as contingent liability and it is not recognised in the consolidated financial statements.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

(o) Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 "Revenue from Contracts with Customers". Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(o) Financial instruments (Continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

(i) the financial asset is held within a business model whose objective is to collect contractual cash flows; and

(ii) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

(i) the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and

(ii) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 "Business Combinations" applies.

A financial asset is held for trading if:

(i) it has been acquired principally for the purpose of selling in the near term; or

(ii) on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

(iii) it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that is required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(o) Financial instruments (Continued)

Financial assets (Continued)

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade receivables, other receivables and bank balances) which are subject to impairment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(o) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g., a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(o) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full without taking into account any collaterals held by the Group.

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

– significant financial difficulty of the issuer or the borrower;

– a breach of contract, such as a default or past due event;

– the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

– it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(o) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward-looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

– past-due status;

– nature, size and industry of debtors; and

– external credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(o) Financial instruments (Continued)

Financial assets (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

Financial liabilities including trade payables, other payables and accruals and borrowings are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. Difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(p) Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. It also occurs if the operation is abandoned.

Where an operation is classified as discontinued, a single amount is presented on the face of the consolidated statement of profit or loss and other comprehensive income, which comprises:

(a) the post-tax profit or loss of the discontinued operation; and

(b) the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group(s) constituting the discontinued operation.

(q) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's executive directors for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

5 KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

5 KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit (or a group of cash-generating units) and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise.

As at 31 March 2024, the carrying amount of goodwill is HK$6,270,000 (2023: HK$8,534,000) (net of accumulated impairment loss of HK$48,322,000 (2023: HK$46,058,000)). Details of the recoverable amount calculation are disclosed in note 17.

Impairment of property, plant and equipment

Property, plant and equipment and intangible assets are stated at costs less accumulated depreciation, amortisation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing:

(i) whether an event has occurred or any indicators that may affect the asset value;

(ii) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and

(iii) the appropriate key assumptions to be applied in estimating the recoverable amounts including the cash flow projections and an appropriate discount rate.

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

As at 31 March 2024, the carrying amounts of property, plant and equipment subject to impairment assessment was HK$271,000 (2023: HK$381,000) respectively. No impairment loss was recognised for the years ended 31 March 2024 and 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

5 KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Provision of ECL for trade receivables

Trade receivables with significant balances and credit-impaired are assessed for ECL individually. In addition, the Group assesses ECL for the trade receivables which are individually insignificant on a collective basis. The provision rates are based on internal credit ratings as groupings of various debtors that have similar loss patterns. The collective assessment is based on the Group's historical default rates taking into consideration default rates by external credit agency and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the estimated loss rates are reassessed and changes in the forward-looking information are considered. In addition, ECL on trade receivables which are credit-impaired are assessed individually.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in note 32(b).

As at 31 March 2024, the carrying amount of trade receivables was HK$2,530,000 (2023: HK$2,386,000), net of allowance for credit losses of HK$7,000 (2023: HK$8,000).

6 REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the provision of OTT services in Hong Kong. Revenue represents the fair value of amounts received and receivable for the services provided and net of discount in the ordinary course of the Group's business from contracts with customers within the scope of HKFRS 15. Revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation. For the purpose of resources allocation and performance assessment, the chief operating decision maker (i.e. the executive directors of the Company) reviews the overall results and financial position of the Group as a whole prepared based on same accounting policies set out in note 4. Accordingly, the Group has only one single operating segment and no further analysis of this single segment is presented.

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its contracts for provision of OTT services such that the above information does not include revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for customers that had an original expected duration of one year or less.

Geographical information

No geographical information is presented as the Group's operations are based in Hong Kong and majority of the Group's revenue and non-current assets are derived from and located at Hong Kong respectively for both years.

Information about major customers

During the years ended 31 March 2024 and 2023, no customer with whom transactions exceeded 10% of the Group's revenue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

7 OTHER INCOME AND GAINS

	2024 HK$'000	2023 HK$'000
Bank interest income	**73**	6
Waiver of borrowings	**7,053**	1,836
Government grants	**–**	348
Reversal of over-provision of accrued salaries	**926**	–
Reversal of other payables	**377**	–
Others	**191**	264
	8,620	2,454

Government grants during the year ended 31 March 2023 related to the Employment Support Scheme provided by the Government of the HKSAR in respect of COVID-19 related subsidies.

8 FINANCE COSTS

	2024 HK$'000	2023 HK$'000
Interest on borrowings	**3,549**	3,341
Interest on bonds	**510**	546
Unwinding of discount effect for provisions of litigation	**899**	794
	4,958	4,681

9 LOSS BEFORE INCOME TAX

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

	2024 HK$'000	2023 HK$'000
Employee benefits expenses (excluding directors' emoluments):		
– Wages, salaries and other benefits	**4,885**	7,723
– Contributions to retirement benefits schemes	**204**	258
	5,089	7,981
Auditor's remuneration	**730**	690
Amortisation of intangible assets	**–**	1,723
Depreciation of property, plant and equipment	**135**	577
Expense relating to short-term leases	**–**	153
Impairment loss on goodwill	**2,264**	936
Reversal of impairment loss under expected credit loss model, net	**(1)**	(10)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

10 INCOME TAX CREDIT

	2024	2023
	HK$'000	*HK$'000*
Deferred tax	–	(285)

No provision of Hong Kong Profits Tax has been recognised in the consolidated financial statements for both years as the subsidiaries of the Group either sustained a loss for taxation purpose or their unused tax losses were sufficient to cover their estimated assessable profits.

The income tax credit for the year can be reconciled to the loss before income tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2024	2023
	HK$'000	*HK$'000*
Loss before income tax from continuing operations	**(5,928)**	(12,643)
Tax at the applicable tax rate of 16.5% (2023: 16.5%)	**(978)**	(2,086)
Tax effect of income not taxable for tax purpose	**(1,390)**	(1)
Tax effect of expenses not deductible for tax purpose	**2,152**	1,806
Tax effect of temporary differences not recognised	–	(2)
Tax effect of tax losses not recognised	**216**	12
Utilisation of tax losses previously not recognised	–	(14)
Income tax credit for the year	–	(285)

At the end of the reporting period, the Group has unused tax losses of HK$67,865,000 (2023: HK$66,559,000) and temporary difference of HK$7,000 (2023: HK$8,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. Unused tax losses may be carried forward indefinitely under current tax legislation.

11 LOSS FOR THE YEAR FROM DISCONTINUED OPERATION

On 30 March 2023, the Company entered into an instrument of transfer to dispose of the entire equity interest in Zero Effort Limited and its subsidiaries (together, "ZE Group"), which is principally engaged in the provision of the professional services, at cash consideration of HK$1. The disposal was completed on 30 March 2023, on which date control of ZE Group passed to the acquirer. Details of the assets and liabilities disposed of, and the calculation of the loss on disposal, are disclosed in note 29.

11 LOSS FOR THE YEAR FROM DISCONTINUED OPERATION (Continued)

The results and cash flows from the discontinued operation included in the loss for the year are set out below.

	2023 ***HK$'000***
Loss of professional services operation for the period	**(71)**
Loss of disposal of professional services operation *(note 29)*	**(63)**
	(134)

The results of the professional services operation for the period from 1 April 2022 to 30 March 2023, which have been included in the consolidated statement of profit or loss and other comprehensive income, were as follows:

	Period from 1 April 2022 to 30 March 2023 ***HK$'000***
Revenue	**–**
Expenses	**(71)**
Loss for the period, net of nil tax	**(71)**
Cash flows from discontinued operation:	
Operating activities	**–**
Investing activities	**–**
Financing activities	**–**
Net cash outflow for the period	**–**

The carrying amounts of assets and liabilities of ZE Group at the date of disposal are disclosed in note 29.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

12 DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable GEM Listing Rules and the Hong Kong Companies Ordinance, is as follows:

		2024				
	Note	**Fees** *HK$'000*	**Salaries, allowance and other benefits in kind** *HK$'000*	**Bonuses** *HK$'000*	**Retirement benefits** *HK$'000*	**Total** *HK$'000*
Executive directors						
– Ms. Ho Chi Na (Chief executive)	*1*	–	1,200	100	18	1,318
– Ms. Wong Tsz Ki		–	360	–	18	378
– Mr. Chong Tung Yan Benedict		–	597	–	18	615
Independent non-executive directors						
– Mr. Chan Chi Ching		120	–	–	–	120
– Dr. Tsang Hing Bun		120	–	–	–	120
– Mr. Hung Cho Sing, *B.B.S.*		119	–	–	–	119
– Mr. Ko Chi Kiu Robert	*2*	69	–	–	–	69
		428	2,157	100	54	2,739

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

12 DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

		2023				
	Note	Fees *HK$'000*	Salaries, allowance and other benefits in kind *HK$'000*	Bonuses *HK$'000*	Retirement benefits *HK$'000*	Total *HK$'000*
Executive directors						
– Ms. Ho Chi Na (Chief executive)	*1*	–	1,200	100	18	1,318
– Ms. Wong Tsz Ki		–	360	–	18	378
– Mr. Chong Tung Yan Benedict		84	–	–	–	84
– Mr. Park Chun Min	*3*	–	–	–	–	–
Non-executive director						
– Mr. Lau Chung Yin	*4*	–	–	–	–	–
Independent non-executive directors						
– Mr. Chan Chi Ching		46	–	–	–	46
– Dr. Tsang Hing Bun		84	–	–	–	84
– Mr. Hung Cho Sing, *B.B.S.*		–	–	–	–	–
– Mr. Hau Chi Kit	*5*	–	–	–	–	–
		214	1,560	100	36	1,910

Notes:

(1) Ms. Ho Chi Na resigned on 19 June 2024.

(2) Mr. Ko Chi Kiu Robert was appointed on 4 September 2023.

(3) Mr. Park Chun Min resigned on 8 August 2022.

(4) Mr. Lau Chung Yin resigned on 11 May 2022.

(5) Mr. Hau Chi Kit resigned on 12 August 2022.

12 DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group.

The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

No emoluments were paid by the Group to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office for the years ended 31 March 2024 and 2023. There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration for both years.

13 FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included three (2023: two) directors, details of whose remunerations are set out in note 12. Details of the remuneration for the year of the remaining two (2023: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2024 ***HK$'000***	2023 *HK$'000*
Salaries, allowance and benefits in kind	**976**	1,874
Bonuses	**80**	49
Retirement benefits scheme contributions	**36**	45
	1,092	1,968

The number of the highest paid employees who are not the directors nor chief executive of the Company whose remuneration fell within the following bands is as follows:

	2024 ***Number of employees***	2023 *Number of employees*
Nil to HK$1,000,000	**2**	3

No emoluments were paid by the Group to the five highest paid employees (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office for the years ended 31 March 2024 and 2023. There was no arrangement under which any of the five highest paid employees waived or agreed to waive any remuneration for both years.

14 DIVIDENDS

No dividend was paid or proposed during the year (2023: nil), nor has any dividend been proposed since the end of the reporting period (2023: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

15 LOSS PER SHARE

The calculation of the basic loss per share from continuing operations attributable to owners of the Company is based on the following data:

	2024	2023
	HK$'000	*HK$'000*
Loss:		
Loss for the year attributable to owners of the Company	**(6,763)**	(12,331)
Less:		
Loss for the year from discontinued operation	**–**	(99)
Loss for the purpose of calculating basic loss per share from continuing operations (loss for the year)	**(6,763)**	(12,232)

	2024	2023
	Number of shares	*Number of shares*
	'000	*'000*
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	**117,305**	107,873

No diluted loss per share for both 2024 and 2023 were presented as there were no potential ordinary shares in issue for both 2024 and 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

16 PROPERTY, PLANT AND EQUIPMENT

	Furniture and fixtures *HK$'000*	Computer and office equipment *HK$'000*	Total *HK$'000*
Cost			
At 1 April 2022	43	2,735	2,778
Additions	–	158	158
At 31 March 2023 and 1 April 2023	43	2,893	2,936
Additions	–	25	25
At 31 March 2024	**43**	**2,918**	**2,961**
Accumulated depreciation			
At 1 April 2022	43	1,935	1,978
Provided for the year	–	577	577
At 31 March 2023 and 1 April 2023	43	2,512	2,555
Provided for the year	–	135	135
At 31 March 2024	**43**	**2,647**	**2,690**
Carrying values			
At 31 March 2024	**–**	**271**	**271**
At 31 March 2023	–	381	381

The above items of property, plant and equipment after taking into account the residual values, are depreciated on a straight-line basis at the following rates per annum:

Furniture and fixtures	20%
Computer and office equipment	20%

17 GOODWILL

Goodwill is allocated to the Group's cash-generating units identified according to operating segment and reconciliation of carrying amount is presented as follows:

	OTT services *HK$'000*	Professional services *HK$'000*	Total *HK$'000*
Cost			
At 1 April 2022	54,592	9,810	64,402
Disposal of subsidiaries	–	(9,810)	(9,810)
At 31 March 2023, 1 April 2023 and 31 March 2024	**54,592**	**–**	**54,592**
Impairment			
At 1 April 2022	45,122	9,810	54,932
Eliminated on disposal of subsidiaries	–	(9,810)	(9,810)
Impairment loss recognised in profit or loss	936	–	936
At 31 March 2023 and 1 April 2023	46,058	–	46,058
Impairment loss recognised in profit or loss	2,264	–	2,264
At 31 March 2024	**48,322**	**–**	**48,322**
Carrying values			
At 31 March 2024	**6,270**	**–**	**6,270**
At 31 March 2023	8,534	–	8,534

OTT services – Full Wealthy International Limited and its subsidiaries ("FWI Group")

The recoverable amount of this unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period (2023: 5-year), and pre-tax discount rate of 17% (2023: 17%). Cash flows beyond the 5-year period (2023: 5-year) are extrapolated using a 0% growth rate (2023: 2%). This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculation relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the unit's past performance and management's expectations for the market development.

During the year ended 31 March 2024, there was a decrease in revenue generated from the OTT services, resulting in a decrease in projected revenue in the cash flow projections. Consequently, further impairment of goodwill of HK$2,264,000 (2023: HK$936,000) was recognised in profit or loss for the year ended 31 March 2024.

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18 INTANGIBLE ASSETS

	OTT platform *HK$'000*	Non-competition arrangement *HK$'000*	Total *HK$'000*
Cost			
At 1 April 2022	34,437	4,434	38,871
Disposal of subsidiaries	–	(4,434)	(4,434)
At 31 March 2023, 1 April 2023 and 31 March 2024	**34,437**	**–**	**34,437**
Amortisation and impairments			
At 1 April 2022	32,714	4,434	37,148
Eliminated on disposal of subsidiaries	–	(4,434)	(4,434)
Charge for the year	1,723	–	1,723
At 31 March 2023, 1 April 2023 and 31 March 2024	**34,437**	**–**	**34,437**
Carrying values			
At 31 March 2024	**–**	**–**	**–**
At 31 March 2023	**–**	**–**	**–**

OTT platform

The OTT platform was acquired through acquisition of FWI Group during the year ended 31 March 2018 and was amortised on a straight-line basis over 5 years.

Non-competition arrangement

The non-competition arrangement was acquired through acquisition of Magnificent Power Limited and its subsidiaries during the year ended 31 March 2017 and was amortised on a straight-line basis over 5 years. It was fully impaired in prior years and derecognised through disposal of subsidiaries during the year ended 31 March 2023.

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19 TRADE AND OTHER RECEIVABLES

	2024 HK$'000	2023 HK$'000
Trade receivables	2,537	2,394
Less: Allowance for credit losses	(7)	(8)
	2,530	2,386
Other receivables	3	50
	2,533	2,436

Trade receivables are due for settlement in accordance with the terms of the underlying agreements with the customers. Trade receivables with balances that are more than 9 months' overdue are requested for settlement of all outstanding balances before any further credit is granted.

The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on invoice dates:

	2024 HK$'000	2023 HK$'000
0 to 30 days	2,162	1,097
31 to 90 days	368	1,149
Over 90 days	–	140
	2,530	2,386

Details of impairment assessment of trade and other receivables are set out in note 32(b).

20 PREPAYMENTS

	2024 HK$'000	2023 HK$'000
Prepayments	2,051	4,196

Included in the Group's prepayments were prepayments to suppliers in obtaining the right to distribute multi-media related services and content in the Greater China via different platform like cable TV. All of the prepayments are expected to be recovered or recognised as expense within one year.

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21 CASH AND CASH EQUIVALENTS

Cash at banks earns interest at floating rates based on daily bank deposit rates and are deposited with creditworthy banks with no recent history of default.

Details of the impairment assessment of bank balances are set in note 32(b).

22 TRADE AND OTHER PAYABLES

	2024 HK$'000	2023 HK$'000
Trade payables	**4,130**	7,397
Accruals and other payables *(note)*	**31,813**	30,066
Contract liabilities	**928**	739
	36,871	38,202
Analysed as:		
– Current	**28,999**	30,330
– Non-current *(note)*	**7,872**	7,872
	36,871	38,202

Note:

At 31 March 2024 and 2023, included in non-current portion of accruals and other payables was the amount due to a non-controlling shareholder of a subsidiary of HK$7,872,000. The balance was unsecured, interest free and repayable over 1 year.

The following is an aged analysis of trade payables presented based on the invoice date:

	2024 HK$'000	2023 HK$'000
0 to 30 days	**294**	20
31 to 90 days	**665**	600
Over 90 days	**3,171**	6,777
	4,130	7,397

The credit period of trade payables granted by suppliers ranged from 30 to 90 days (2023: 30 to 90 days) upon the issue of invoices. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

Contract liabilities represent deposits received in advance for subscription fee income from OTT services.

During the year ended 31 March 2024, an amount of HK$739,000 relating to brought-forward contract liabilities (2023: HK$1,138,000) was recognised as revenue.

As at 1 April 2022, contract liabilities amounted to HK$1,138,000.

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23 BORROWINGS

	2024 HK$'000	2023 HK$'000
Carrying amount repayable, based on scheduled repayment:		
– Within 1 year	**13,343**	495
– After 1 year but within 2 years	**3,822**	33,583
– After 2 years but within 5 years	**14,000**	6,403
	31,165	40,481
Less: Amounts included under current liabilities (including borrowings with repayable on demand clause)	**(13,343)**	(495)
	17,822	39,986

As at 31 March 2024, except one of the borrowings is interest-free, the borrowings carry interest at a fixed rate of 5% to 24% (2023: 3% to 24%) per annum. The average effective interest rates (which are also equal to contracted interest rates) range from 5% to 24% (2023: 3% to 24%) per annum.

24 PROVISIONS

	2024 HK$'000	2023 HK$'000
At beginning of year	**10,820**	9,828
Provisions recognised during the year	**80**	198
Unwinding of discount effect for provisions litigation	**899**	794
At end of year	**11,799**	10,820

As at 31 March 2024 and 2023, the Group had provisions classified as non-current liabilities in respect of a legal proceeding in Hong Kong.

This provision was recognised based on management's best estimate after consultation with the legal counsel on the possible outcome and liability of the Group. In cases where the actual future outcomes differ from the estimation, further provision may be required.

On 10 August 2020, the Company and Ms. Yu Yining ("Ms. Yu"), a bondholder, entered into the deed of settlement (the "Deed of Settlement") pursuant to which the Company has allotted 5,521,126 shares (the "Subject Shares") of the Company to Ms. Yu to settle an outstanding amount due to Ms. Yu of HK$3,920,000.

On 21 January 2021, Ms. Yu was allotted the Subject Shares and issued with the share certificate (the "Share Certificate").

On 23 July 2021, Ms. Yu sought to enforce her rights and interest in the Subject Shares and alleged that the Company instructed Union Registrars Limited (the "Registrar") not to register her Share Certificate and deposit her Subject Shares into Central Clearing and Settlement System of Hong Kong Exchanges and Clearing Limited ("CCASS") for trading, and therefore acted in breach of the Deed of Settlement and denied her rights as shareholder. The Company had received a report over the loss of the Share Certificate and the Registrar had been informed of the same, and the Company endeavoured to provide further information on the loss once available.

24 PROVISIONS (Continued)

On 6 September 2021, the Company received a writ of summons from Ms. Yu (the "Writ 1"). Under the Writ 1, Ms. Yu alleges, among other matters, that the Deed of Settlement was not enforced by the Company as a result of the wilful default of the Company and claims against the Company (i) a declaration that Ms. Yu hold 5,521,126 shares in the Company; (ii) an order that the Company do facilitate the registration of the Share Certificate to CCASS; or (iii) alternatively, damages to Ms. Yu being the difference of the share price of the Subject Shares at the date of judgement and on 23 July 2021.

A Defence, an Answer to Request for Further and Better Particulars and an Amended Defence were filed by the Company's lawyers on 14 December 2021, 17 January 2022 and 28 March 2023 respectively. As of the date of approval of these consolidated financial statements, the legal proceeding was still at a relatively early stage as neither party have given discovery or provided witness statements.

The legal counsel is of the view that the High Court of Hong Kong (the "Court") will find a breach of the Deed of Settlement and that the Company has denied Ms. Yu's right as the shareholder of the Subject Shares. If the Company pursues a declaration of ownership of the Subject Shares and/or an order to deposit the same to CCASS, it is likely that the Court will grant them. Alternatively, the Company will be exposed to damages in the sum of HK$12,787,000 (2023: HK$12,707,000). The sum shall be settled upon the end of the legal proceeding which is expected to be in 2025 and an additional provision of HK$979,000 (2023: HK$992,000) was recognised during the year ended 31 March 2024 after taking into account the present value of the potential damages.

On 21 June 2022, the Company received another writ of summons (the "Writ 2"). Under the Writ 2, Ms. Yu claims against the Company for tort for the same affairs as described in the Writ 1. On 12 December 2022, the case of the Writ 2 has been dismissed that there will be no liability arising therefrom.

25 SHARE CAPITAL

	Number of shares *'000*	**Amount** *HK$'000*
Authorised:		
At 1 April 2022, 31 March 2023, 1 April 2023 and 31 March 2024	20,000,000	200,000
Issued and fully paid:		
At 1 April 2023	107,873	1,079
Issue of new shares *(note)*	21,575	215
At 31 March 2024	**129,448**	**1,294**

Note:

On 24 October 2023, the Company issued 21,574,649 ordinary shares at HK$0.01 each pursuant to the placing agreement at the price of HK$1.08 per ordinary share, resulting in net proceeds of approximately HK$23,007,000.

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26 RESERVES

Share premium

Under the Companies Law, Chapter 22 of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the distribution or dividend is proposed to be paid, the Company will be able to pay its debts as they fall in the ordinary course of business.

Capital reserve

The capital reserve represents waiver of amount due to a shareholder of the Company during the year ended 31 March 2003. As the waived amount was in substance equivalent to a capital contribution to the Company, it was accounted for as capital reserve.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations outside Hong Kong which are dealt with in accordance with the accounting policies as set out in note 4(e).

27 EQUITY-SETTLED SHARE OPTION SCHEME OF THE COMPANY

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 12 November 2014 for the primary purpose of providing incentives to directors and eligible employees, and will expire on 11 November 2024. Under the Scheme, the directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

The maximum number of shares of the Company ("Shares") which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme must not exceed 30% in nominal amount of the issued share capital of the Company from time to time. The maximum number of Shares issued and to be issued upon exercise of the options granted and to be granted to each eligible participant in any 12-month period must not exceed 1% in nominal amount of the issued capital of the Company from time to time. Any grant or further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting of the Company.

Each grant of share options to any director, chief executive or substantial shareholder of the Company, or to any of their associates, is subject to approval in advance by the independent non-executive directors. In addition, any grant of share options to a substantial shareholder of the Company or an independent non-executive director, or to any of their associates, resulting in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in a 12-month period up to and including the date of such grant in excess of 0.1% of the Shares in issue and with an aggregate value (based on the closing price of the Shares at the date of the grant) in excess of HK$5 million, is subject to shareholders' approval in advance in a general meeting of the Company.

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27 EQUITY-SETTLED SHARE OPTION SCHEME OF THE COMPANY (Continued)

The period during which an option may be exercised is determined by the board of directors of the Company in its absolute discretion, save that such period shall not be longer than 10 years from the date of grant. The minimum period for which an option must be held before it can be exercised is determined by the board of directors upon the grant of an option.

An option shall be deemed to have been granted and accepted by the grantee and to have taken effect when the duplicate offer document constituting acceptance of the option is duly signed by the grantee, together with a remittance in favour of the Company of HK$1.00 as consideration for the grant of the option, is received by the Company within 28 days after the date of offer.

The exercise price of share options is determined by the directors of the Company, but shall not be less than the highest of (i) the nominal value of the Shares; (ii) the closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the date of grant of the share options; and (iii) the average closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the date of grant.

No options were granted by the Company, exercised, cancelled or lapsed under the Scheme and no equity-settled employees' benefit (including directors' emoluments) was recognised during the years ended 31 March 2024 and 2023. There was no share option outstanding under the Scheme as at 1 April 2023, during the year ended 31 March 2024 and as at 31 March 2024.

28 RETIREMENT BENEFIT PLAN

The Group operates a MPF Scheme for all qualifying employees in Hong Kong under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at a rate of 5% specified in the rules, but subject to a cap. The only obligation of the Group with respect of MPF Scheme is to make the required contributions under the scheme. Contribution to the plan vest immediately, there is no forfeited contribution that may be used by the Group to reduce the existing level of contribution.

The total expenses recognised in profit or loss of HK$258,000 (2023: HK$294,000) represents contributions paid and payable to these plans by the Group at rates specified in the rules of the plan.

29 DISPOSAL OF SUBSIDIARIES

As disclosed in note 11, during the year ended 31 March 2023, the Group has disposed of its entire equity interest in ZE Group at cash consideration of HK$1. Upon completion of the disposal, the companies ceased to be subsidiaries of the Group.

The net liabilities disposed of are as follows:

	HK$'000
Analysis of assets and liabilities over which control was lost	
Other receivables	58
Cash and cash equivalents	173
Borrowings	(1,146)
Trade and other payables	(2,335)
Amounts due to the Group	(3,847)
Net liabilities disposed of	(7,097)
Loss on disposal of subsidiaries	
Consideration	–*
Net liabilities disposed of	(7,097)
Assignment of amounts from the Group to the Purchaser	3,847
Non-controlling interests	3,313
Loss on disposal	63
Net cash outflow arising on disposal	
Cash consideration	–*
Cash and cash equivalents disposed of	(173)
Net cash outflow arising on disposal	(173)

* *HK$1*

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30 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to the shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 23, and deficit attributable to owners of the Company, comprising issued share capital and deficit.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends and new share issues as well as the issue of new debt or the redemption of existing debt.

31 FINANCIAL INSTRUMENTS

Categories of financial instruments

	2024 ***HK$'000***	2023 *HK$'000*
Financial assets at amortised cost		
Trade and other receivables	**2,533**	2,436
Cash and cash equivalents	**13,860**	2,392
	16,393	4,828
Financial liabilities at amortised cost		
Trade and other payables	**(35,943)**	(37,463)
Borrowings	**(31,165)**	(40,481)
	(67,108)	(77,944)

32 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Group's major financial instruments are set out in note 31. Details of the financial instruments are disclosed in respective notes.

The risks associated with these financial instruments include market risk (interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) Market risk

Interest rate risk

Bank balances bearing interests at variable rates expose the Group to cash flow interest rate risk. Borrowings bearing interest at fixed rates expose the Group to fair value interest rate risk.

The directors consider that interest rate risk of bank balances is insignificant and accordingly no sensitivity analysis is presented.

(b) Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade and other receivables and bank balances. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

As at 31 March 2024 and 2023, the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position best represents the Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations at the end of the reporting period.

In order to minimise the credit risk, the management has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

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32 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (Continued)

(b) Credit risk and impairment assessment (Continued)

Bank balances

As at 31 March 2024, the Group performed impairment assessment on bank balances and concluded that the probability of defaults of the counterparty banks, with good reputation, are insignificant and accordingly, no allowance for credit losses is provided (2023: nil).

Other receivables

In determining the ECL for other receivables, the directors have made individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also forward-looking information, as appropriate. The Group has considered the consistently low historical default rate in connection with repayments, and concluded that credit risk inherent in the Group's other receivables are insignificant.

Trade receivables

The Group has concentration of credit risk as 77% (2023: 72%) of the total gross trade receivables was due from the Group's trade debtors which are over 10% (2023: 10%) of the total gross trade receivables, and 77% (2023: 86%) of the total gross trade receivables was due from the five largest debtors.

32 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (Continued)

(b) Credit risk and impairment assessment (Continued)

Trade receivables (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets
Group A	The counterparty has low risk of default and does not have any past-due amounts	Lifetime ECL – not credit impaired	12-month ECL – not credit impaired
Group B	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit impaired	12-month ECL – not credit impaired
Group C	There have been significant increases in credit risk since initial recognition through information developed internally or external sources	Lifetime ECL – not credit impaired	Lifetime ECL – not credit impaired
Group D	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit impaired	Lifetime ECL – credit impaired
Group E	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

The table below details the credit risk exposures of the Group's financial assets which are subject to ECL assessment:

Financial assets at amortised cost	*Note*	External credit rating	Internal credit rating	12-month or lifetime ECL
Trade receivables	*19*	N/A	*(Note 1)*	Lifetime ECL – not credit-impaired (collective basis)
Other receivables	*19*	N/A	*(Note 2)*	12-month ECL
Bank balances	*21*	A – A+	N/A	12-month ECL

Note 1: For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items individually or on a collective basis, using internal credit rating as groupings of various debtors that have similar loss patterns. The collective assessment is based on the Group's historical default rates taking into consideration default rates by external credit agency and forward-looking information.

Note 2: For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

32 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (Continued)

(b) Credit risk and impairment assessment (Continued)

Trade receivables (Continued)

As part of the Group's credit risk management, the Group applies internal credit rating for its customers in relation to its operation. The following table provides information about the exposure to credit risk for trade receivables which are assessed collectively within lifetime ECL:

	2024			
	Average loss rate	**Gross carrying amount** *HK$'000*	**Loss allowance** *HK$'000*	**Net carrying amount** *HK$'000*
Internal credit rating				
Group A	**0.3%**	**2,522**	**(6)**	**2,516**
Group B	**3.5%**	**15**	**(1)**	**14**
		2,537	**(7)**	**2,530**

	2023			
	Average loss rate	Gross carrying amount *HK$'000*	Loss allowance *HK$'000*	Net carrying amount *HK$'000*
Internal credit rating				
Group A	0.3%	2,371	(7)	2,364
Group B	3.5%	23	(1)	22
		2,394	(8)	2,386

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

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32 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (Continued)

(b) Credit risk and impairment assessment (Continued)

Trade receivables (Continued)

The following table shows the movement of lifetime ECL that has been recognised for trade receivables under the simplified approach:

	HK$'000
At 1 April 2022	18
Reversal of impairment loss under expected credit loss model, net	(10)
At 31 March 2023 and 1 April 2023	8
Reversal of impairment loss under expected credit loss model, net	(1)
At 31 March 2024	**7**

(c) Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management of the Group monitors the utilisation of borrowings and ensures compliance with loan covenants.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, borrowings with a repayment on demand clause are included in the earliest time band regardless of the probability of the counterparties choosing to exercise their rights. The maturity dates for the financial liabilities are based on the agreed repayment dates.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

32 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (Continued)

(c) Liquidity risk (Continued)

	2024					
	Weighted average interest rate	**On demand or within 1 year** *HK$'000*	**After 1 year but within 2 years** *HK$'000*	**After 2 years but within 5 years** *HK$'000*	**Total undiscounted cash flows** *HK$'000*	**Carrying amount** *HK$'000*
Trade and other payables	**–**	**28,071**	**–**	**7,872**	**35,943**	**35,943**
Borrowings	**7.10%**	**14,363**	**3,887**	**14,000**	**32,250**	**31,165**
		42,434	**3,887**	**21,872**	**68,193**	**67,108**

	2023					
	Weighted average interest rate	On demand or within 1 year *HK$'000*	After 1 year but within 2 years *HK$'000*	After 2 years but within 5 years *HK$'000*	Total undiscounted cash flows *HK$'000*	Carrying amount *HK$'000*
Trade and other payables	–	29,591	–	7,872	37,463	37,463
Borrowings	10.65%	2,342	37,831	6,787	46,960	40,481
		31,933	37,831	14,659	84,423	77,944

The amounts included above for variable interest rate instruments are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

As at 31 March 2024, the Group had net current liabilities of approximately HK$23,898,000 and net liabilities of approximately HK$54,850,000 (2023: approximately HK$22,178,000 and HK$71,941,000) respectively. The directors of the Company have taken certain measures to improve the Group's liquidity position and mitigate its liquidity risk as disclosed in note 2.

(d) Fair value measurements of financial instruments

The fair values of financial assets and financial liabilities are determined based on discounted cash flow analysis.

The directors of the Company consider that the carrying amount of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

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33 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Borrowings (Note 23) *HK$'000*
At 1 April 2022	33,060
Interest expenses	3,412
New borrowings raised	39,365
Repayment of borrowings	(31,008)
Interest paid	(1,366)
Disposal of subsidiaries *(note 29)*	(1,146)
Waiver of borrowings *(note 7)*	(1,836)
At 31 March 2023 and 1 April 2023	40,481
Interest expenses	3,549
New borrowings raised	10,025
Repayment of borrowings	(13,807)
Interest paid	(2,030)
Waiver of borrowings *(note 7)*	(7,053)
At 31 March 2024	31,165

34 MAJOR NON-CASH TRANSACTIONS

During the year ended 31 March 2023, bonds with carrying amount of HK$10,948,000 were overdue and reclassified as other payables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35 RELATED PARTY DISCLOSURES

(a) Compensation of key management personnel

Remuneration for key management personnel of the Group, including amounts paid to the directors of the Company and certain of the highest paid employees as disclosed in notes 12 and 13, is as follows:

	2024	2023
	HK$'000	*HK$'000*
Short-term benefits	**3,934**	3,797
Post-employment benefits	**109**	81
	4,043	3,878

(b) Other related party transactions

During the years ended 31 March 2024 and 2023, a related company has provided the rights to use of an office premise as the Company's principal place of business without any charge.

Save as disclosed above and elsewhere in these consolidated financial statements, the Group did not have any material related party transactions during the years ended 31 March 2024 and 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

36 PRINCIPAL SUBSIDIARIES

The table below lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

Name of subsidiary	Place of incorporation/ operations	Class of shares held	Paid up issued capital	Proportion of nominal value of issued capital/ registered capital held by the Company Indirectly		Proportion of voting power held		Principal activities
				2024	2023	**2024**	2023	
				%	%	**%**	%	
Anyplex Hong Kong Limited	Hong Kong/ Hong Kong	Ordinary shares	HK$17,000,000	**85**	85	**85**	85	Providing multi-media related services and content

Note:

None of the subsidiaries had issued any debt securities at the end of the year.

Details of the Group's non-wholly owned subsidiary that have material non-controlling interests

The table below shows details of non-wholly owned subsidiary of the Group that have material non-controlling interests:

Name of subsidiary	Place of incorporation/ operations	Proportion of ownership interests and voting rights held by non-controlling interests		Total comprehensive expense to non-controlling interests		Accumulated non-controlling interests	
		2024	2023	**2024**	2023	**2024**	2023
		%	%	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
FWI Group	BVI/Hong Kong	**15**	15	**835**	(128)	**(3,994)**	(4,829)

36 PRINCIPAL SUBSIDIARIES (Continued)

Details of the Group's non-wholly owned subsidiary that have material non-controlling interests (Continued)

Summarised financial information in respect of each Group's subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	FWI Group	
	2024	2023
	HK$'000	*HK$'000*
Financial position		
Current assets	**7,709**	9,319
Non-current assets	**271**	381
Current liabilities	**(37,166)**	(38,542)
Non-current liabilities	**(21,904)**	(27,830)
Net liabilities	**(51,090)**	(56,672)
Financial performance		
Revenue	**29,251**	23,993
Expenses	**(23,685)**	(24,836)
Profit/(loss) for the year, net of net tax	**5,566**	(843)
Profit/(loss) for the year attributable to:		
– owners of the Company	**4,731**	(717)
– non-controlling interests	**835**	(126)
	5,566	(843)
Total comprehensive income/(expense) for the year attributable to:		
– owners of the Company	**4,747**	(727)
– non-controlling interests	**835**	(128)
	5,582	(855)
Cash flows		
Net cash (outflow)/inflow from:		
– operating activities	**(23)**	290
– investing activities	**–**	(158)
– financing activities	**–**	(1,154)
	(23)	(1,022)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

37 STATEMENT OF FINANCIAL POSITION AND EQUITY OF THE COMPANY

	2024 HK$'000	2023 HK$'000
Non-current assets		
Investments in subsidiaries	–	–
Current assets		
Cash and cash equivalents	**13,227**	1,736
Current liabilities		
Other payables	**14,390**	13,899
Borrowings	**13,343**	494
	27,733	14,393
Net current liabilities	**(14,506)**	(12,657)
Total assets less current liabilities	**(14,506)**	(12,657)
Non-current liabilities		
Borrowings	**3,821**	20,053
Provisions	**11,799**	10,820
	15,620	30,873
Net liabilities	**(30,126)**	(43,530)
Capital and reserves		
Share capital	**1,294**	1,078
Reserves *(note)*	**(31,420)**	(44,608)
Total deficit	**(30,126)**	(43,530)

Note:

	Share premium HK$'000	Capital reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2022	614,487	1,200	(651,408)	(35,721)
Loss and total comprehensive expense for the year	–	–	(8,887)	(8,887)
At 31 March 2023	614,487	1,200	(660,295)	(44,608)
At 1 April 2023	614,487	1,200	(660,295)	(44,608)
Loss and total comprehensive expense for the year	–	–	(9,604)	(9,604)
Issue of shares *(note 25)*	22,792	–	–	22,792
At 31 March 2024	**637,279**	**1,200**	**(669,899)**	**(31,420)**

38 COMPARATIVE FIGURES

Certain comparative figures have been adjusted to conform to current year's presentation.

FIVE YEAR SUMMARY

FIVE YEAR SUMMARY

	Continued and discontinued operation For the year ended 31 March				
	2024	2023	2022	2021	2020
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	**22,110**	23,993	36,184	32,837	36,345
Loss before tax	**(5,928)**	(12,777)	(29,003)	(8,267)	(32,554)
Loss for the year	**(5,928)**	(12,492)	(27,867)	(7,137)	(40,712)
Attributable to:					
Owners of the Company	**(6,763)**	(12,331)	(28,144)	(8,599)	(39,134)
Non-controlling interests	**835**	(161)	277	1,462	(1,578)
	(5,928)	(12,492)	(27,867)	(7,137)	(40,712)

	As at 31 March				
	2024	2023	2022	2021	2020
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Total assets	**24,985**	17,939	24,789	34,617	39,879
Total liabilities	**(79,835)**	(89,880)	(87,539)	(101,774)	(172,283)
	(54,850)	(71,941)	(62,750)	(67,157)	(132,404)
Deficit attributable to owners of the Company	**(50,856)**	(67,112)	(54,771)	(58,904)	(122,715)
Non-controlling interests	**(3,994)**	(4,829)	(7,979)	(8,253)	(9,689)
	(54,850)	(71,941)	(62,750)	(67,157)	(132,404)