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Medialink[®]
羚邦

MEDIALINK GROUP LIMITED
羚邦集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2230)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2022

FINANCIAL HIGHLIGHTS			
Financial overview	Year ended 31 March/as at 31 March		
	2022	2021	Change
	<i>HK\$'000</i>	<i>HK\$'000</i>	
Revenue			
— Media Content Distribution Business	275,809	267,366	+3.2%
— Brand Licensing Business	122,067	67,818	+80.0%
Total	397,876	335,184	+18.7%
Gross profit margin	49.7%	49.1%	
Profit attributable to shareholders of the Company	42,426	38,567	+10.0%
Proposed final dividend per share ⁽¹⁾	HK 0.35 cents	HK 0.20 cents	
Liquidity ratio			
Current ratio ⁽²⁾	2.4	2.7	
Cash ratio ⁽³⁾	0.9	1.0	
Capital adequacy ratio			
Debt to equity ratio ⁽⁴⁾	N/A	N/A	
<i>(1) Proposed final dividend per share was calculated by dividing proposed final dividend by the number of Company's ordinary shares of 1,992,000,000 in issue as at the date of the announcement on 29 June 2022 and 28 June 2021, respectively.</i>			
<i>(2) Current ratio was calculated by dividing the total current assets by the total current liabilities as at the respective dates.</i>			
<i>(3) Cash ratio was calculated by dividing the cash and cash equivalents by the total current liabilities as at the respective dates.</i>			
<i>(4) The Group did not have any interest-bearing nor external borrowings. Thus the debt to equity ratio was not applicable.</i>			

ANNUAL RESULTS

The board of directors (the “**Board**”) of Medialink Group Limited (the “**Company**”) announces the consolidated annual results of the Company and its subsidiaries (collectively, “**Medialink Group**” or the “**Group**”) for the year ended 31 March 2022 (the “**Year**” or the “**Reporting Period**”) together with the comparative figures for the year ended 31 March 2021.

CHAIRMAN’S STATEMENT

Dear Shareholders,

「機遇在手 盡展所長」

I am pleased to report that despite the unprecedented challenges brought by COVID-19 pandemic for the world and Hong Kong over the past two years, the Group has been on track of its five-year strategic plan bringing steady double-digit growth, with 18.7% increase in revenue and 10.0% in net profit for the Reporting Period.

I also believe that there is no better time than now. With the “Outline of the 14th Five-Year Plan for National Economic and Social Development of the People’s Republic of China and the Long-Range Objectives Through the Year 2035” approved by the fourth session of the 13th National People’s Congress of China, both Hong Kong and the Group are well positioned to tap on the progressive development of the Guangdong-Hong Kong-Macao Greater Bay Area, in which the Group has been expanding business with setting up a new wholly owned subsidiary in Guangzhou. The Group will play an ever-more important role whilst Hong Kong develops into the regional intellectual property trading centre, as the Group has been engaged in managing intellectual property rights on media content and brand licensing for over 30 years.

According to the Asian Development Outlook 2022 released by the Asian Development Bank on 6 April 2022, the GDP of most of the developing Asian regions, where the Group operates, will expand by 5.2% in 2022 and 5.3% in 2023 with China forecasted to grow 5.0% in 2022 and 4.8% in 2023 and South Asian economies expand collectively by 7.0% in 2022 and 7.4% in 2023¹. With the continuous growth in Asia, the Asia-Pacific media and entertainment market is expected to register a compound annual growth rate (“**CAGR**”) of 7.2% during the forecast period (2021–2026)² showing a strong demand for knowledge, culture and entertainment. In addition, the global brand licensing market size will grow at a CAGR of 4.1% during the forecast period (2022–2027) with Asia Pacific region expected to be the fastest-growing segment³.

1 <https://www.adb.org/news/developing-asia-economies-set-grow-5-2-year-amid-global-uncertainty>

2 <https://www.businesswire.com/news/home/20210713005564/en/Asia-Pacific-Media-and-Entertainment-Market-Report-2021-Growth-Trends-COVID-19-Impact-and-Forecasts-to-2026---ResearchAndMarkets.com>

3 <https://www.globalmarketestimates.com/market-report/brand-licensing-market-3690>

As of 31 March 2022, the Group had 600 active titles of media contents and 189 brands available for Asia Pacific. The Group will continue to acquire good quality contents and brands and invest into its own content and brands. The Group is well suited to bring in an even stronger performance in the coming years. The time for the Group to show its colours is now.

The Group's long-term dividend policy is to share the fruits of our hard work with all Shareholders, while efficiently utilising the Group's resources to expand business and improve profitability, leading to value creation and sustainable growth. I am therefore pleased to report that a final dividend of HK 0.35 cents per share was proposed for the Reporting Period. Including the interim dividend of HK 0.50 cents per share distributed during the Reporting Period, the total dividends for the Reporting Period is HK 0.85 cents per share, representing a distribution of approximately 40% of the Group's profit attributable to Shareholders.

I take this opportunity to thank my colleagues for their dedication and commitment to the vision, values and mission of the Group. I also thank you on behalf of the Board and the Group for all the support of our long-term partners and for your support as our Shareholders sharing our strategic vision.

Chiu Siu Yin Lovinia

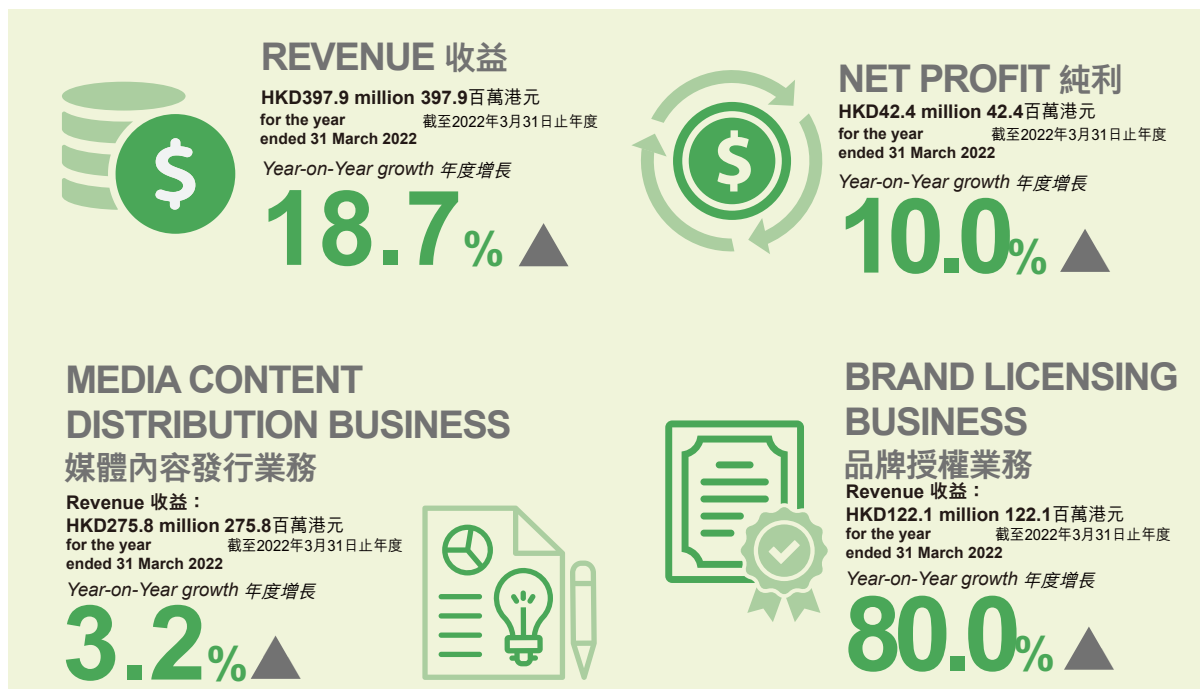
Chairman and Executive Director

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

Business Review

Steady Double Digit Growth with Impetus for Expansion



1 Expansion of content distribution network

Our distribution network has expanded to over 91 platforms across Asia including Mainland China and our distributed contents are available in 42 countries and territories. The expanded network brought the following results:

DISTRIBUTION OVERVIEW



240+ Deals Completed

Total over 240 Deals in 2021-22

For our own Ani-One® channel partnered with local OTT platforms, it has 8 territories adding new partners in Indonesia, the Philippines, Thailand and Taiwan.



Total **21** local Platforms

Among **8** Territories in Asia

Up to **7,000** episodes available for platforms

 **Hong Kong**
1 platform

 **Taiwan**
8 platforms

 **Singapore**
2 platforms

 **Vietnam**
3 platforms

 **Indonesia**
4 platforms

 **Cambodia**
1 platform

 **Thailand**
1 platform

 **Philippines**
1 platform

The subscriber number and viewership of our Ani-One® channel via YouTube (<https://bit.ly/2wPEwAA>) continue to rise. Up to 31 March 2022, we had over 2.37 million subscribers and 425.1 million views. We also introduced a new subscription membership channel called Ani-One ULTRA on YouTube on 1 July 2021 for subscribers to enjoy unique anime contents.

Other than distributed contents, Ani-One® also produces its own anime related creative videos and offers KOL broadcast sharing on the anime shown on Ani-One® on YouTube, music cover by local musicians, behind the scenes and interviews with dubbing artists, etc.



Ani-Music-One Digital Live Music Concert

Invite OP/ED Singer or bands to support our IP

2 Acquisition of new titles/rights

To support expanding our content distribution network, we continue to acquire top quality contents in various genres — anime, variety, and movies. The Group’s number of active content titles was increased by 12.6% to 600 as of 31 March 2022 (2021: 533).

Among the more than 430 strong anime series (and more than 8,600 episodes in total) that are active during the Reporting Period, the new and leading titles include: “To Your Eternity”, “My Hero Academia Season 5”, “I’m Standing on A Million Lives Season 2”, “Megalobox Season 2”, “Godzilla: Singular Point”, “Peach Boy Riverside”, “TSUKIMICHI-Moonlit Fantasy-”, “Scarlet Nexus”, “The Duke of Death and His Maid”, “Ranking of Kings”, “Platinum End”, “Orient Season 1”, “!!Takt op.Destiny”, “The Strongest Sage with the Weakest Crest”, “The Faraway Paladin”, “Sasaki to Miyano”, “Requiem of the Rose King”, “Re-Main”, “Remake our Life!”, “Life With an Ordinary Guy Who Reincarnated into a Fantasy Knockout”, “Yashahime: Princess Half-Demon Season 2”, and “How NOT to Summon a Demon Lord Ω”. Also, we have managed to acquire the strong library anime series such as “Kuroko’s Basketball” and “Tokyo Ghoul Season 1 & 2”.

One of the most viewed contents in Mainland China is “To Your Eternity”, having over 130 million views as of the end of the Reporting Period on one of the major VOD platforms. Its popularity transcended across Asia, having generated more than 10.8 million views as of the end of the said Reporting Period on Ani-One® Asia YouTube Channel. Also, other top performers on Ani-One® Asia YouTube Channel are “Takt opt.Destiny” (with over 8.3 million views), “The Strongest Sage with the Weakest Crest” (with over 9.7 million views), and “The Faraway Paladin” (with over 6.2 million views).

We also acquired and distributed titles such as “Robocar POLI Song Song Museum”, “Leo the Truck Season 2”, “English Tree TV”, “GILIGILIS”, “Kaasan Mom’s Life Season 2”, “Cardcaptor Sakura”, on our edutainment Ani-Kids® channel.

For movie distribution, we acquired and released 10 movies in various genres during the Reporting Period in Hong Kong. It included anime movies, Japanese live action movies and our very first distribution of Hollywood movie, “The Mauritanian”, starring Jodie Foster and Benedict Cumberbatch. We also arranged a popular boy group “ERROR” to do the Cantonese dubbing of the Japanese Anime Movie “The Crocodile that Lived for 100 Days”. We handled Asian distribution for anime movies “Gintama the Very Final”, “My Hero Academia: World Heroes’ Mission”, “Fate/kaleid liner PRISMA ILLYA Licht Nameless Girl” and “Jujutsu Kaisen: Zero”. For “My Hero Academia: World Heroes’ Mission”, it was distributed to over 16 territories in Asia. And “Jujutsu Kaisen: Zero” was recorded no. 1 all time box office of Japanese Anime in Malaysia, and no. 2 in Indonesia and Singapore.

3 Strategic content co-investment

For animation, the Group co-invested in the 2nd Season of “KIKI & NUNA (奇奇和努娜) (Season 2)”, its domestic and Chinese animated series after the success of Season 1. This new season will be focused on nursery rhyme and interactive learning. We target to broadcast Season 2 in China including TV, VOD platforms, OTT and IPTV in the second half of 2022.



For TV drama series, the Group co-invested in an all-new original TV drama series “Taiwan Crime Stories” (tentative title) (台灣犯罪故事). “Taiwan Crime Stories” is an international collaboration, co-produced with by CALFILMS from Taiwan, Sixty Percent Productions from Hong Kong, and Imagine Entertainment founded by award-winning Hollywood director Ron Howard and producer Brian Grazer. The drama series has completed all principal photography in April 2022. The Group is also handling the distribution of this TV drama series which will be exclusively aired on Disney+ globally.



4 Acquisition of licensing brands

As a result of the Group’s acquisition of Japanese anime titles, we also added a significant number of Japanese anime licensing brands (153 out of 189 brands were Japanese brands in 2022 while 68 out of 141 brands were Japanese brands in 2021), which contributed to a significant increase in the revenue of the brand licensing segment.

The Group added a strong and trusted pre-school brand Sesame Street and was appointed as the licensing agent for the Greater China region including Mainland China, Hong Kong, Taiwan, and Macau. Sesame Street reaches 150 million kids worldwide, with programming in over 150 countries/territories and 22.9 million YouTube subscribers.

The Group also renewed long-term brands such as Popeye, Betty Boop, Peppa Pig, PJ Mask, Ricky Zoom, Pinkfong baby shark/Pinkfong Word, Cuphead, Pacman and Taiko no Tatsujin Portable.

WhateverSmiles®, the Group’s artists platform, created its own characters The Little Greens Cactti and Dubie. The Group produced a 5-minute animation on The Little Greens Cactti, which is full of curiosity, everything in the city is new and interesting to him. For the character Dubie, it was created with the inspiration of Joey Thye’s baby name meaning “big belly”. Both characters were first launched in WhateverSmiles® pop up gallery at Times Square in Hong Kong in March 2022, and their WhatsApp stickers have very promising download rates.

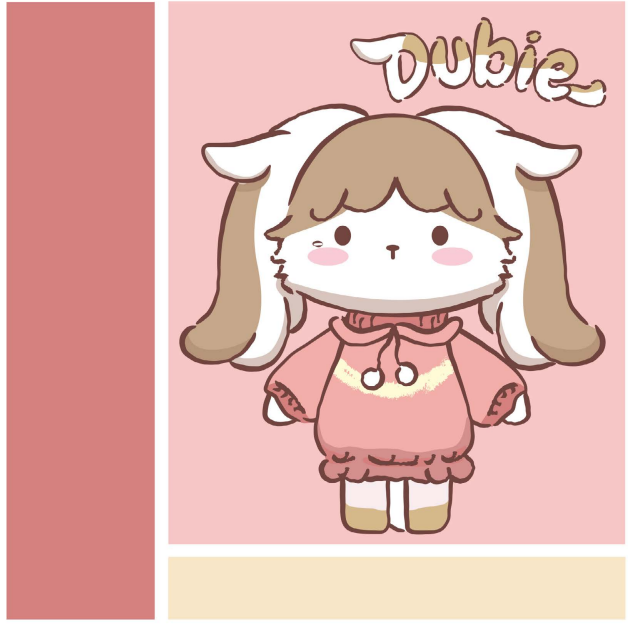
WhateverSmiles® is also the platform for management of numerous artists. Yip Yan is the first artist managed by WhateverSmiles®. Ip Yan started Plastic Thing in 2013 and often uses illustrations to illustrate her daily observations. WhateverSmiles® hosted the first ever art collaboration of Garfield and Plastic Thing “GARFATTY BELLY LAUGHS” at Gallery by the Harbour City in Hong Kong, with a series of limited-edition artworks and premiums launched.



“GARFATTY BELLY LAUGHS” at Gallery by the Harbour City



WhateverSmiles® pop up gallery at Times Square



The Little Greens Cacti and Dubie



The Little Greens Cacti

5 Expansion on licensing brands rights

The Group continues to expand its licensing brands rights. The Group’s licensing brands rights have increased 34% from 141 to 189. The Group collaborates with VeVe, one of the largest digital collectibles platforms, to launch worldwide NFT digital collectibles experience for The Little Prince fans around the globe. Through the VeVe app platform, individuals and fans will be able to purchase VeVe’s in-app currency to purchase a variety of official The Little Prince NFTs, or buy, sell, and trade The Little Prince collectibles with other collectors in the VeVe’s secondary marketplace.

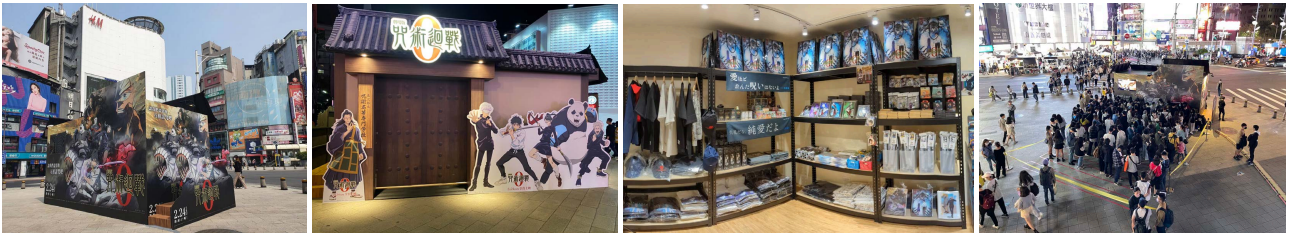
As to licensing to games, the Group licensed The Little Prince brand to the gaming arm of Chinese tech giant NetEase (9999.HK) and it launched a special seasonal version of a digital game called “Sky: Children of the Light” featuring The Little Prince. The game was first available in Mainland China and then globally to 156 countries and territories.



Various projects of Art Toys were launched by our licensees like Popmart (Garfield, Sesame Street), Linkgo (Garfield), Sima (Popeye) and Syncircle (Zu & Pi x Mr. and Mrs. Men).



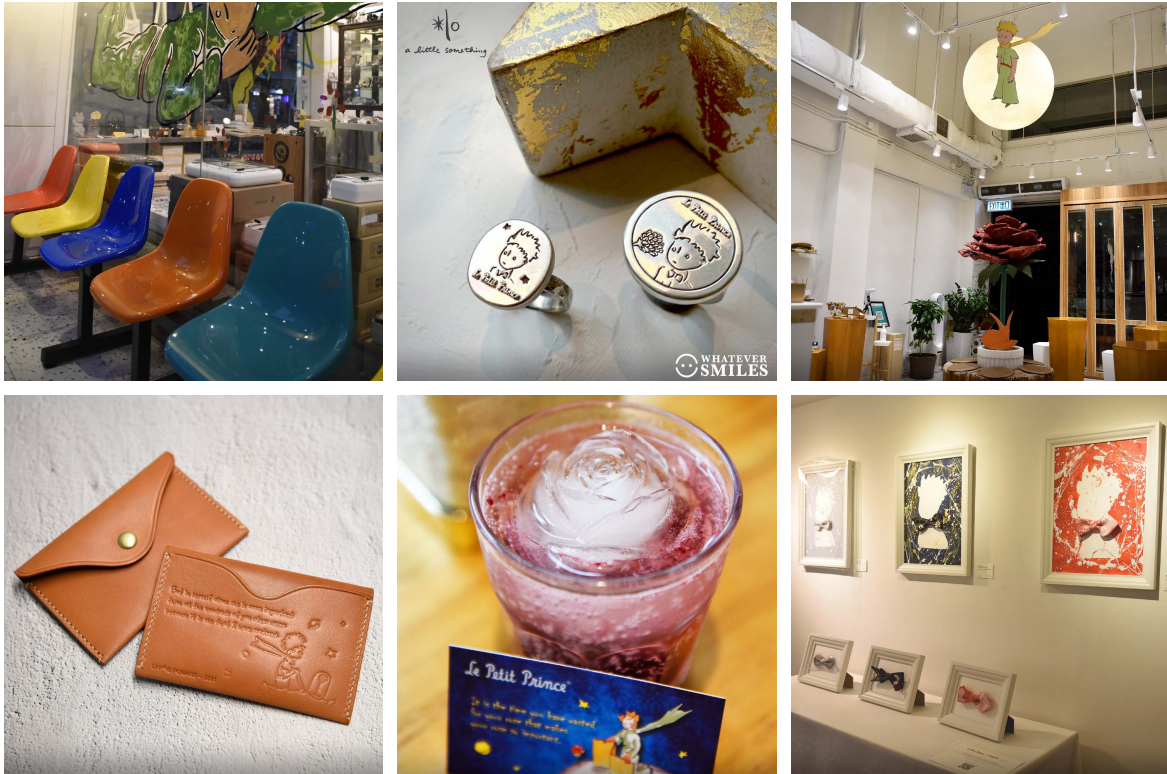
A number of pop up stores or sales booths were launched in Taiwan, following the release of “Jujutsu Kaisen: Zero” Movie with amazing sales numbers. After the Reporting Period, there are more pop up stores launched in other regions like Malaysia, the Philippines and Hong Kong.



6 Be Hong Kong’s ambassador

The Group launched “The Little Prince and 7 planets” campaign by WhateverSmiles®, collaborated with 7 local stores in Sham Shui Po district and launched a local brands collaboration with theme Le Petit Prince. WhateverSmiles® created the first official Le Petit Prince graffiti in Hong Kong. The Group launched The Little Prince Day Campaign on its arts e-commerce platform WhateverSmiles®, supporting local handcrafters and launched a series of Le Petit Prince themed handcrafted accessories and workshops.





7 New investments and new business

The Group completed its first self-produced drama “49 Days with a Merman (我家浴缸的二三事)”. The Group has been handling the Asian distribution of the anime series “Merman in My Tub” since 2014. In 2016, the Group acquired the adaptation rights of the manga from its publisher. After more than three years of planning, script writing, engaging the crew and casting the actors, the production was completed in March 2021. The series has been broadcasted on EBC Drama Channel, Line TV, myVideo, Chunghwa Telecom MOD, Hami Video and KKTV in Taiwan since 6 February 2022. It has also been premiered on Netflix in Taiwan on 13 March 2022, marking the Group’s first self-produced drama series to launch on Netflix.

49 Days with a Merman on Taiwanese Platforms

Awards

The Group was awarded the “Directors Of The Year Awards 2021” in the “Listed Companies Categories” by The Hong Kong Institute of Directors, commending for our Board’s steadfast commitment to excellent corporate governance on leading the Group to turn the tide to work for its advantage and during the global pandemic.



The Group was also awarded the “Market Leadership in Brand Licensing” at The Market Leadership Award 2021 by Hong Kong Institute of Marketing Recognition of our outstanding achievements in brand licensing.



Further, Metro Finance had awarded the Group “社會可持續發展大獎 — 減少不平等” and “綠色可持續發展大獎 — 水下生物” of “灣區企業可持續發展大獎2021” to recognise the Group for having incorporated the Sustainable Development Goals into the Company’s operations.

BUSINESS OUTLOOK AND FUTURE PLANS

Double digit growth

The Group will continue its growth model with double digit growth year on year. It will build on the depth and breadth of our Media Content Distribution Business and Brand Licensing Business with the following focus areas:

- Expansion of our own content distribution platforms and e-commerce platforms
- Expansion of licensing to digital games and NFT
- Development of our branded ‘trendy toys’ (also known as ‘art toys’ or ‘designer toys’) in Asia. According to estimates by *Frost & Sullivan*⁴, the size of the global trending toy market rose from US\$8.7 billion in 2015 to US\$19.8 billion in 2019, registering a compound annual growth rate of over 22% and it is projected that this market size would further climb to US\$44.8 billion by 2024.
- Collaboration with luxury brands on regional or global scale

The Group will launch e-commerce platforms in different territories and will develop opportunities in strategic partnerships, alliances and acquisitions.

As the Group enters into the third anniversary of its listing, the Group will tap into opportunities to enter into joint ventures and invest in companies that would bring value to the business and our shareholders.

	As at 31 March 2022	As at 31 March 2021
Number of active titles of media contents available	600	533
Number of brands available	189	141

4 <https://research.hktdc.com/en/article/NzAzNDIwODM4>

FINANCIAL REVIEW

Revenue

For the year ended 31 March 2022, our Group's revenue reached HK\$397.9 million, representing an increase of HK\$62.7 million or 18.7% as compared to the year ended 31 March 2021, mainly due to a significant increase from Brand Licensing Business and a modest increase from Media Content Distribution Business.

The following table sets forth a breakdown of the revenue by business segment during the years indicated, both in absolute amount and as a percentage of total revenue:

	For the year ended 31 March 2022		For the year ended 31 March 2021		Change
	Revenue <i>HK\$'000</i>	Percentage %	Revenue <i>HK\$'000</i>	Percentage %	
Media Content					
Distribution Business	275,809	69.3	267,366	79.8	3.2%
Brand Licensing					
Business	122,067	30.7	67,818	20.2	80.0%
	<u>397,876</u>	<u>100.0</u>	<u>335,184</u>	<u>100.0</u>	<u>18.7%</u>

Revenue derived from Media Content Distribution Business remained the largest source of revenue for the Group, contributing 69.3% (2021: 79.8%). The growth in revenue was attributable to the strengthening of the content distribution network by continuously expanding our customer base in new and existing geographical locations, resulting in more sales with new and scalable global platforms outside the Greater China. The Group will continue our strategy of diversifying customer base to sustain the growth in revenue.

Revenue derived from Brand Licensing Business increased by 80.0% from HK\$67.8 million for the year ended 31 March 2021 to HK\$122.1 million during the Year. The increase was mainly due to its continued growth in Mainland China, Japan, Taiwan and oversea market in respect of popularity of several international characters brands, including Japanese brands, which generated more royalties from licensees.

Cost of Sales

Cost of sales was primarily royalty payments to the media content licensors and brand licensors at the mutually agreed royalty rates. Our Group's cost of sales increased by HK\$29.5 million or 17.3% from HK\$170.8 million for the year ended 31 March 2021 to HK\$200.3 million for the Year. The increase was in line with the increase in revenue.

Gross Profit and Gross Profit Margin

Gross profit for the Year amounted to HK\$197.6 million, representing an increase of HK\$33.2 million or 20.2% as compared to HK\$164.4 million for the year ended 31 March 2021, mainly due to an increase in revenue. Meanwhile, gross profit margin was 49.7% for the Year, which was roughly the same for the previous year (2021: 49.1%).

Other Income and Gains, net

Other income and gains decreased by HK\$5.1 million or 83.2% to HK\$1.0 million for the Year, mainly attributable to decreased bank interest income, foreign exchange gain and government subsidies under the Employment Support Scheme.

Selling and Distribution Expenses

Selling and distribution expenses for the Year amounted to HK\$54.7 million, representing an increase of approximately 22.1% as compared to HK\$44.8 million in last year. Such increase was primarily attributable to the increase in (i) the number of employees and respective staff costs for sales, marketing and support personnel in line with revenue growth and business expansion; and (ii) advertising, marketing and promotional expenses incurred substantially for use in movie distribution and the Group's first production of drama series — "49 Days with a Merman (我家浴缸的二三事)".

General and Administrative Expenses

General and administrative expenses of the Group for the Year amounted to HK\$53.3 million, representing a slight decrease of approximately 3.8% as compared to HK\$55.4 million in last year, which was mainly due to cost saving measures implemented by the Group.

Other Expenses, Net

Other expenses, net for the Year amounted to HK\$45.5 million, representing an increase of HK\$15.2 million, owing to impairment loss and write-off of various assets during the year. These included (i) a write-down of HK\$42.0 million of licensed rights to net realisable value, an increase of HK\$21.3 million compared with last year, after taking into account the current market conditions and estimated future recoverable amounts in respect of the licensed rights; (ii) impairment and write-off of trade receivables amounting to HK\$1.3 million (2021: HK\$8.0 million) after taking into account the aged trade receivable balances and customers that were in financial difficulties; (iii) impairment on intangible assets of HK\$0.2 million (2021: HK\$1.7 million) in view of the unlikelihood of recovery of the amount invested; and (iv) foreign exchange loss of HK\$3.3 million (2021: foreign exchange gain of HK\$1.9 million which was included in other income and gains, net) resulting mainly from depreciation of Japanese Yen.

Income Tax Expense

Income tax expense for the Year amounted to HK\$2.3 million (2021: HK\$1.4 million), representing an effective tax rate (income tax expense divided by profit before tax) of 5.1% for the Year (2021: 3.5%). The increase in effective tax rate for the Year was mainly due to a change in the geographical mix of the Group's profit and the absence of a non-taxable subsidy granted under Employment Support Scheme from the Government of the Hong Kong Special Administrative Region.

Profit for the year

As a result of the foregoing, profit for the Year increased by HK\$3.9 million or 10.0% to HK\$42.4 million. Net profit margin of 10.7% was similar to the previous year.

Profit For The Year Attributable to Shareholders of the Company

Profit for the Year attributable to shareholders of the Company amounted to HK\$42.4 million, representing an increase of HK\$3.9 million or 10.0%.

Intangible assets

Intangible assets comprise media content commercial rights, computer software and brand licensing contracts.

The movements of the intangible assets during the Year are set out below:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
At the beginning of the year, net	15,832	11,831
Additions	14,398	11,402
Amortisations	(13,110)	(6,051)
Impairment	(169)	(1,668)
Derecognition upon a change in contract terms	(4,253)	—
Exchange realignment	165	318
	<hr/>	<hr/>
At the end of the year, net	<u>12,863</u>	<u>15,832</u>

The decrease in balance by 18.8% was mainly due to (i) amortisation for the year; and (ii) derecognition of some media content commercial rights as intangible assets due to a change in contract terms, partially offset by the acquisition of intangible assets during the Year.

Licensed Assets

The licensed assets increased by HK\$83.6 million or 36.8% to HK\$310.9 million as at 31 March 2022, of which HK\$103.4 million (31 March 2021: HK\$38.7 million) related to prepayments for licensed assets with licence periods which have yet to begin. The increase was mainly due to the acquisition of media content distribution rights, partially offset by the write-down of licensed rights to net realisable value during the Year.

Trade receivables

Trade receivables decreased by 8.3% which is attributable to more receipts from collection of trade receivable during the Year.

Investments in media contents

The Group has invested in certain media content production projects of which the Group is guaranteed by the respective media content producers for a fixed rate of return or minimum amount of return after the release of the media contents within the specified periods. In addition, the Group is also entitled to certain distribution rights of related media contents as stipulated in the respective agreements.

The movements of the investments in media contents during the Year are set out below:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
At the beginning of the year, net	36,661	25,083
Additions	13,747	10,725
Return of investments	(13,373)	—
Change in fair value	2,683	565
Exchange realignment	24	288
	<hr/>	<hr/>
At the end of the year, net	<u>39,742</u>	<u>36,661</u>

As at 31 March 2022, the Group's investments in media contents amounted to HK\$39.7 million, which mainly related to drama and movies production. The increase in balance by HK\$3.1 million (or 8.4%) was mainly due to additions of new investments in media contents and change in fair value of the investments, partly offset by the return of investments.

Trade payables

The increase in trade payables by 36.0% was mainly due to the increase in acquisition of media content distribution rights and brand sub-licensing rights granted by licensors to the Group over definitive licence periods.

NET CURRENT ASSETS

In line with the business expansion, the net current assets increased by 5.9% to HK\$446.6 million as at 31 March 2022, compared to HK\$421.8 million as at 31 March 2021. The current assets were HK\$774.7 million as at 31 March 2022, an year on year increase of HK\$103.1 million, primarily due to the increase in licensed assets and cash and cash equivalents, partly offset by the decrease in trade receivables. The current liabilities were HK\$328.1 million as at 31 March 2022, an increase of HK\$78.4 million, primarily due to the increases in trade payables, contract liabilities and lease liabilities.

NET ASSETS

The net assets increased by 5.8% to HK\$542.1 million as at 31 March 2022, compared to HK\$512.3 million as at 31 March 2021. The increase was mainly due to (i) the increase of HK\$24.7 million in net current assets; (ii) the increase of HK\$18.6 million in non-current assets, primarily due to the increase in property, plant and equipment, resulting from the addition of right-of-use assets during the Year; and (iii) the increase of HK\$13.5 million in non-current liabilities mainly resulting from the increase of lease liabilities in relation to the Hong Kong office.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

As at 31 March 2022, our Group had cash and bank balances of HK\$283.3 million (2021: HK\$246.1 million), most of which were denominated in US dollars and HK dollars.

As at 31 March 2022, our Group had a current ratio¹ of 2.4 compared to 2.7 and a cash ratio² of 0.9 compared to 1.0 as at 31 March 2021. The decrease in liquidity ratio was mainly due to the increase of trade payables and contract liabilities resulting from business expansion.

Notes:

- 1 Current ratio was calculated by dividing the total current assets by the total current liabilities as at the respective dates.
- 2 Cash ratio was calculated by dividing the cash and cash equivalents by the total current liabilities as at the respective dates.

As at 31 March 2021 and 2022, our Group did not have any interest-bearing nor external borrowings. Thus, neither the gearing ratio nor the debt to equity ratio was applicable to our Group.

Following the Listing, our Group's operations were mainly financed by internal resources including but not limited to existing cash and cash equivalents, anticipated cash flow from its operating activities and the net proceeds generated from the Listing. With strong liquidity position, our Group is able to expand in accordance with its business strategy.

Our Group did not have any significant contingent liabilities as at 31 March 2022.

There was no material impact to our Group arising from the fluctuation in the exchange rates of the major currencies in US dollars and Renminbi during the Year.

USE OF PROCEEDS FROM LISTING

After deduction of the underwriting fees and commissions and expenses payable by the Company in connection with the Listing, the net proceeds from issuance of the shares of the Company in connection with the Listing were HK\$185.9 million.

During the period from the 21 May 2019 (the “**Listing**”) to 31 March 2022, the net proceeds had been applied as follows:

Intended use of Net Proceeds as stated in the Prospectus	Planned use of proceeds ^(Note 1) HK\$'000	Actual use of proceeds up to 31 March 2022 HK\$'000	Unutilised amount as at 31 March 2022 ^(Note 2) HK\$'000
Strengthen media contents portfolio	101,781	(48,166)	53,615
Expand our Brand Licensing Business	32,572	(12,394)	20,178
Relocation and renovation of Hong Kong office and upgrade information technology equipment	12,857	(3,841)	9,016
Use for co-investment in the production of media contents	17,694	(10,725)	6,969
Expand media content team, brand licensing team and expand workforce and enhance back office support	8,691	(4,070)	4,621
Use for our general working capital	12,283	(12,283)	—
	<u>185,878</u>	<u>(91,479)</u>	<u>94,399</u>

Note 1: The planned amount of use of net proceeds has been adjusted in the same proportion and same manner as stated in the Prospectus due to the difference between the estimated net proceeds and the actual net proceeds.

Note 2: The unutilised amount as at 31 March 2022 is expected to be utilised in the year of 2023.

The unutilised net proceeds have been placed as bank balances/time deposits with licensed banks in Hong Kong as at the date of this announcement. During the Reporting Period, there was no change in the use of proceeds as previously disclosed in the Prospectus. The continuing US-China trade tension and the prolonged COVID-19 pandemic have brought negative impacts to economies around the globe. As at the date of this announcement, the Company is considering to re-allocate the unutilised proceeds from the Listing to other areas which aims to strengthen the core business and enrich the animated content portfolio in the Media Content Business of the Group. The aforesaid proposed re-allocation of the unutilised proceeds, which may diverge from the original intended use as previously disclosed in the Prospectus, will be subject to the vetting by the Stock Exchange in due course. The Company will make further announcement in accordance with the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and applicable laws and regulations as and when appropriate.

Capital Structure

There has been no change in the capital structure of our Group during the Reporting Period and the share capital of our Company only comprises ordinary shares. As at the date of this announcement, our Company has 1,992,000,000 ordinary shares in issue.

Material Acquisitions and Disposals of Subsidiary

There was no material acquisition or disposal of subsidiary during the Reporting Period.

Pledge of Assets

As at 31 March 2022, none of the assets of our Group was pledged.

Capital Commitments

As at 31 March 2022, our Group had no capital commitment that was not provided for in the consolidated financial statements.

Purchase, Sale or Redemption of Listed Shares

During the Year, neither our Company nor any of our subsidiaries purchased, sold or redeemed any of our Company's listed shares, except that the trustee of the share award scheme of the Company acquired a total of 16,665,000 shares of the Company on the market for the purpose of the share award scheme and the grant of the award shares.

Significant Events after the Reporting Period

There is no significant event of the Group which requires disclosure since the end of the Reporting Period.

AUDIT COMMITTEE

The Company's audit committee has reviewed the accounting policies and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the draft consolidated financial statements for the year ended 31 March 2022.

REVIEW OF RESULTS ANNOUNCEMENT BY INDEPENDENT AUDITORS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income, and the related notes thereto for the year ended 31 March 2022 as set out in this announcement have been agreed by the Company's auditors, Ernst & Young ("EY"), to

the amounts set out in the Group's draft consolidated financial statements for the Year. The work performed by EY in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by EY on this announcement.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operations of the Company and its subsidiaries during the year ended 31 March 2022.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company maintained the public float of its issued shares as required under the Listing Rules during the Year.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as the Group's code of conduct regarding Directors' securities transactions.

Specific enquiry has been made to all the Directors and all the Directors have confirmed that they have complied with the Model Code for the year ended 31 March 2022 and up to the date of this announcement.

The Company has also established written guidelines no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Board and the management of our Company are committed to the maintenance of good corporate governance practices and procedures.

The Board believes that good corporate governance standards are essential in providing a framework for our Group to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the “**CG Code**”) as contained in Appendix 14 to the Listing Rules as its own code of corporate governance. For the year ended 31 March 2022 and up to the date of this announcement, the Company has complied with the code provisions as set out in the CG Code, save and except for code provision C.2.1 as set out below:

Chairman and Chief Executive

Ms. Chiu Siu Yin Lovinia currently holds both positions as chairman and chief executive officer. Throughout the business history, Ms. Chiu Siu Yin Lovinia has been the key leadership figure of the Group and has been primarily involved in the formulation of business strategies and determination of the business plans. The Directors (including the independent non-executive Directors) consider Ms. Chiu Siu Yin Lovinia the best candidate for both positions and that the present arrangements are beneficial for and in the interests of the Company and the Shareholders as a whole.

ANNUAL GENERAL MEETING

The annual general meeting of the Company is scheduled to be held on Wednesday, 21 September 2022. The notice of the annual general meeting will be published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.medialink.com.hk) in due course.

FINAL DIVIDEND

The Board has recommended the payment of a final dividend of HK 0.35 cents per share for the year ended 31 March 2022 (2021: HK 0.20 cents per share), amounting to HK\$6,972,000 (2021: HK\$3,984,000), to the Shareholders whose names appear on the register of members of our Company on Friday, 30 September 2022. The proposed final dividend will be paid on Tuesday, 25 October 2022, subject to approval by the Shareholders at the annual general meeting.

CLOSURE OF THE REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the annual general meeting, the register of members will be closed from Friday, 16 September 2022 to Wednesday, 21 September 2022, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the annual general meeting, all completed transfer forms, accompanied by the relevant share certificates, must be lodged for registration with our Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East,

Hong Kong (if the transfer will be lodged before 15 August 2022) or 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (if the transfer will be lodged on or after 15 August 2022) by no later than 4:30 p.m. on Thursday, 15 September 2022.

To ascertain entitlement to the proposed final dividend, the register of members will be closed from Tuesday, 27 September 2022 to Friday, 30 September 2022, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, which is subject to approval of Shareholders at the annual general meeting, all completed transfer forms, accompanied by the relevant share certificates, must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (if the transfer will be lodged before 15 August 2022) or 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (if the transfer will be lodged on or after 15 August 2022) by no later than 4:30 p.m. on Monday, 26 September 2022.

CHANGE OF ADDRESS OF BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

The Board hereby announces that with effect from 15 August 2022, the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, will change its address from Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong to:

17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

All telephone and facsimile numbers of the branch share registrar will remain unchanged.

PUBLICATION OF INFORMATION ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.medialink.com.hk). The annual report for the year ended 31 March 2022 containing all information required by the Listing Rules will be despatched to the Shareholders and published on the aforesaid websites on or before 31 July 2022.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2022

	Note	2022 HK\$'000	2021 HK\$'000
Revenue	4	397,876	335,184
Cost of sales		<u>(200,320)</u>	<u>(170,762)</u>
Gross profit		197,556	164,422
Other income and gains, net	5	1,030	6,115
Selling and distribution expenses		(54,710)	(44,801)
General and administrative expenses		(53,347)	(55,390)
Other expenses, net		(45,538)	(30,291)
Finance cost		<u>(291)</u>	<u>(109)</u>
Profit Before Tax	6	44,700	39,946
Income tax expense	7	<u>(2,274)</u>	<u>(1,379)</u>
Profit For The Year Attributable to Shareholders of the Company		<u>42,426</u>	<u>38,567</u>
Earnings Per Share Attributable to Shareholders of the Company			
Basic and diluted	9	<u>HK 2.2 cents</u>	<u>HK 2.0 cents</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2022

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Profit For The Year	42,426	38,567
Other Comprehensive Income/(Loss)		
Item that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>827</u>	<u>(12)</u>
Total Comprehensive Income For The Year Attributable to Shareholders of the Company	<u>43,253</u>	<u>38,555</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

	<i>Note</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Non-Current Assets			
Goodwill		29,709	29,709
Property, plant and equipment		25,707	7,599
Intangible assets		12,863	15,832
Investments in media contents		39,742	36,661
Prepayments and deposits		1,399	1,058
		109,420	90,859
Current Assets			
Licensed assets	10	310,944	227,339
Inventories		2,919	391
Trade receivables	11	164,738	179,572
Prepayments, deposits and other receivables		6,835	9,679
Tax recoverable		5,977	8,448
Cash and cash equivalents		283,281	246,129
		774,694	671,558
Current Liabilities			
Trade payables	12	194,717	143,226
Accruals and other payables		70,186	66,233
Contract liabilities		56,355	37,734
Lease liabilities		5,551	848
Tax payable		1,324	1,679
		328,133	249,720
Net Current Assets		446,561	421,838
Total Assets Less Current Liabilities		555,981	512,697
Non-Current Liabilities			
Lease liabilities		12,576	358
Provision for reinstatement costs		1,311	—
Deferred tax liabilities		—	4
		13,887	362
Net Assets		542,094	512,335
Equity			
Share capital	13	19,920	19,920
Reserves		522,174	492,415
Total Equity		542,094	512,335

NOTES

1. Corporate and Group Information

Medialink Group Limited is a limited liability company incorporated in the Cayman Islands. On 13 December 2021, the registered office of the Company was changed from Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman, KY1-9008, Cayman Islands to Second Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands. On 25 October 2021, the principal place of business of the Company was changed from Suite 1001, 10/F., Tower 1, South Seas Centre, 75 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong to Suites 1801–6, 18/F., Tower 2, The Gateway, Harbour City, 25 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong. In the opinion of the directors of the Company (the “**Directors**”), the immediate holding company and ultimate holding company of the Company is RLA Company Limited, which is incorporated in the British Virgin Islands (“**BVI**”). The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 21 May 2019 (the “**Listing**”).

The Company is an investment holding company. During the Year, the Company’s subsidiaries were involved in the following principal activities:

- media content distribution and investments in media content production (“**Media Content Distribution Business**”)
- brand licensing (“**Brand Licensing Business**”)

2.1 Basis of Preparation

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Companies Ordinance.

The financial statements have been prepared on a going concern basis and under the historical cost convention except for investments in media contents which have been measured at fair value. They are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand (HK\$’000) except when otherwise indicated.

2.2 Changes in Accounting Policies and Disclosures

The Group has adopted the following amendments to HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	<i>Interest Rate Benchmark Reform — Phase 2</i>
Amendment to HKFRS 16	<i>Covid-19-Related Rent Concessions beyond 30 June 2021</i>

The nature and the impact of the amendments are described below:

- (a) Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate (“RFR”). The amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of HKFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. The amendments did not have any significant impact on the financial position and performance of the Group.

- (b) Amendment to HKFRS 16 issued in April 2021 extends the availability of the practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic by 12 months. Accordingly, the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. Earlier application is permitted.

The Group has adopted the amendment on 1 April 2021 and applied the practical expedient during the year ended 31 March 2022 to all rent concessions granted by the lessors that affected only payments originally due on or before 30 June 2022 as a direct consequence of the covid-19 pandemic.

3. Operating Segment Information

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

- (a) the media content distribution segment comprises distributions and investments in media contents including animation series, variety shows, drama series, animated and live-action feature films and other video contents; and
- (b) the brand licensing segment comprises (i) obtaining various rights to use third-party owned brands, which include certain merchandising rights, location-based entertainment rights and promotion rights, and sub-licensing the use of these brands to customers; and (ii) acting as an agent for the brand licensors.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit before tax except that interest income and unallocated gains, depreciation and other corporate and unallocated expenses are excluded from such measurement.

Segment assets exclude property, plant and equipment, cash and cash equivalents, tax recoverable and corporate and other unallocated assets as these assets are managed on a group basis.

Segment liabilities exclude tax payable, lease liabilities, corporate and other unallocated liabilities as these liabilities are managed on a group basis.

Year ended 31 March 2022

	Media content distribution HK\$'000	Brand licensing HK\$'000	Total HK\$'000
Segment revenue:			
Sales to external customers	273,126	122,067	395,193
Fair value gains on investments in media contents, net	2,683	—	2,683
	<u>275,809</u>	<u>122,067</u>	<u>397,876</u>
Total			
Segment results	31,437	31,135	62,572
<i>Reconciliation:</i>			
Interest income and unallocated gains			616
Depreciation			(5,795)
Other corporate and unallocated expenses			(12,693)
			<u>44,700</u>
Profit before tax			
Segment assets	490,955	73,332	564,287
<i>Reconciliation:</i>			
Corporate and other unallocated assets			319,827
			<u>884,114</u>
Total assets			
Segment liabilities	242,557	67,231	309,788
<i>Reconciliation:</i>			
Corporate and other unallocated liabilities			32,232
			<u>342,020</u>
Total liabilities			

Year ended 31 March 2021

	Media content distribution <i>HK\$'000</i>	Brand licensing <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue:			
Sales to external customers	266,801	67,818	334,619
Fair value gains on investments in media contents, net	<u>565</u>	<u>—</u>	<u>565</u>
Total	<u><u>267,366</u></u>	<u><u>67,818</u></u>	<u><u>335,184</u></u>
Segment results	41,940	17,182	59,122
<i>Reconciliation:</i>			
Interest income and unallocated gains			5,926
Depreciation			(4,544)
Other corporate and unallocated expenses			<u>(20,558)</u>
Profit before tax			<u><u>39,946</u></u>
Segment assets	417,470	78,063	495,533
<i>Reconciliation:</i>			
Corporate and other unallocated assets			<u>266,884</u>
Total assets			<u><u>762,417</u></u>
Segment liabilities	167,725	58,692	226,417
<i>Reconciliation:</i>			
Corporate and other unallocated liabilities			<u>23,665</u>
Total liabilities			<u><u>250,082</u></u>

4. Revenue

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Major product or service lines		
<i>Media Content Distribution Business</i>		
Distribution of licensed media contents	254,494	248,811
Distribution of feature films	18,632	17,990
	273,126	266,801
Fair value gains on investments in media contents, net	2,683	565
	275,809	267,366
<i>Brand Licensing Business</i>		
Sub-licensing of brands	76,174	35,264
Provision of licensing agency services	36,948	28,109
Sales of merchandise	8,945	4,445
	122,067	67,818
	397,876	335,184

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Geographical locations		
<i>Media Content Distribution Business</i>		
Hong Kong	126,810	116,895
Mainland China	46,927	90,830
United States of America	34,262	21,007
Taiwan	22,937	13,630
Singapore	21,770	9,618
Thailand	8,355	4,269
Philippines	1,966	6,988
Indonesia	2,788	240
Others*	7,311	3,324
	<u>273,126</u>	<u>266,801</u>
<i>Brand Licensing Business</i>		
Japan	33,918	10,227
Mainland China	21,741	11,783
France	16,297	12,598
Taiwan	13,733	5,482
United States of America	12,539	11,624
Hong Kong	12,092	8,164
Italy	3,360	—
Others#	8,387	7,940
	<u>122,067</u>	<u>67,818</u>
	<u><u>395,193</u></u> [^]	<u><u>334,619</u></u> [^]

* Others mainly include geographical locations of Korea, Mongolia, the United Kingdom and Vietnam.

Others mainly include geographical locations of Korea, Thailand and the United Kingdom.

[^] Exclude fair value changes in investments in media contents, net

5. Other Income and Gains, Net

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Bank interest income	596	1,284
Foreign exchange differences, net	—	1,870
Government subsidies (<i>note</i>)	20	2,769
Others	414	192
	<u>1,030</u>	<u>6,115</u>

Note: The subsidies were mainly granted under Employment Support Scheme from the Government of the Hong Kong Special Administrative Region. There were no unfulfilled conditions relating to these subsidies.

6. Profit Before Tax

The Group's profit before tax is arrived at after charging/(crediting):

	2022	2021
	HK\$'000	HK\$'000
Cost of goods sold and other services rendered	187,273	164,777
Depreciation:		
Right-of-use assets	4,105	3,367
Other items of property, plant and equipment	1,690	1,177
	5,795	4,544
Amortisation of intangible assets [#]	13,110	6,051
Lease payments not included in the measurement of lease liabilities	1,711	184
Employee benefit expense (including directors' remuneration):		
Salaries, wages, allowances and bonuses	61,955	61,620
Pension scheme contributions (defined contribution schemes)	3,947	2,620
Share-based payment expense	2,914	435
	68,816	64,675
Foreign exchange differences, net	3,340	(1,870)
Impairment of intangible assets*	169	1,668
Impairment of trade receivables*	2,526	5,655
Reversal of impairment of trade receivables*	(1,259)	(78)
Write-off of trade receivables*	—	2,397
Write-back of trade payables*	(1,228)	—
Write-down of licensed rights to net realisable value, net*	41,990	20,649
Financial cost — interest on lease liabilities	291	109

[#] Included HK\$13,026,000 (2021: HK\$5,580,000) and HK\$21,000 (2021: HK\$405,000) in respect of amortisation of media content commercial rights and brand licensing contracts, respectively, which are included in "Cost of sales" on the face of the consolidated statement of profit or loss.

* These amounts are included in "Other expenses, net" on the face of the consolidated statement of profit or loss.

7. Income Tax

Hong Kong profits tax has been provided at the rate of 16.5% (2021: 16.5%) on the estimated assessable profits arising in Hong Kong during the Year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime effective from the year of assessment 2019/2020. The first HK\$2,000,000 (2021: HK\$2,000,000) of assessable profits of that subsidiary is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current — Hong Kong		
Charge for the year	2,487	1,379
Overprovision in prior years	(378)	(76)
Current — Elsewhere		
Charge for the year	169	142
Deferred	(4)	(66)
	<hr/>	<hr/>
Total tax charge for the year	<u>2,274</u>	<u>1,379</u>

8. Dividends

The dividends paid by the Company are as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Dividends declared and recognised as distribution during the Reporting Period:		
Interim dividend for the year — HK 0.50 cents (2021: HK 0.28 cents) per ordinary share	9,960	5,578
Less: Dividend for shares held under the share award scheme	<u>(340)</u>	<u>(175)</u>
	<u>9,620</u>	<u>5,403</u>
Final dividend for the year ended 31 March 2021 — HK 0.20 cents (year ended 31 March 2020: HK 0.21 cents) per ordinary share	3,984	4,183
Less: Dividend for shares held under the share award scheme	<u>(132)</u>	<u>—</u>
	<u>3,852</u>	<u>4,183</u>
	<u>13,472</u>	<u>9,586</u>
Dividend proposed after the end of the Reporting Period:		
Proposed final dividend for the year — HK 0.35 cents (year ended 31 March 2021: HK 0.20 cents) per ordinary share	<u>6,972</u>	<u>3,984</u>

The proposed final dividend for the year ended 31 March 2022 is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

9. Earnings Per Share Attributable to Shareholders of the Company

The calculation of basic earnings per share for the year ended 31 March 2022 is based on the consolidated profit for the year attributable to shareholders of the Company of HK\$42,426,000 (31 March 2021: HK\$38,567,000), and the weighted average number of our Company's ordinary shares of 1,925,914,332 (31 March 2021: 1,961,841,507) in issue during the Year as adjusted to exclude the shares held under share award scheme of the Company.

No adjustment has been made to the basic earnings per share presented for the years ended 31 March 2022 and 2021 as the Group has no potentially dilutive ordinary shares in issue during those periods.

10. Licensed Assets

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Licensed rights	207,575	188,684
Prepayments for licensed rights	103,369	38,655
	<u>310,944</u>	<u>227,339</u>

Licensed assets represent payments to licensors in connection with cost to obtain media content distribution rights and brand licensing rights over a definitive licensing period. These licensed assets are held to generate revenue in the ordinary course of the Group's businesses.

11. Trade Receivables

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Billed	171,873	146,909
Unbilled	8,938	48,866
	180,811	195,775
Less: Allowance for impairment	(16,073)	(16,203)
	<u>164,738</u>	<u>179,572</u>

The Group's trading terms with its customers are mainly on credit. For the Media Content Distribution Business, the payment terms with customers are generally of two to four payments with the first payments usually due upon the submission of the letters of authorisation relating to the media contents to the respective customers. The credit periods generally range from 30 to 45 working days after the payment milestone as specified in the underlying contracts. For the Brand Licensing Business, the payment terms are generally of one to two payments with the first payments usually due upon the execution of the contracts. The credit period is generally 30 days after the payment milestone as specified in the underlying contracts.

The Group seeks to maintain strict control over its outstanding receivables as overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the billed trade receivables as at the end of the Reporting Period, based on the invoice date, is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 30 days	58,755	7,807
31 to 60 days	3,743	8,904
61 to 90 days	3,182	7,847
91 to 180 days	33,541	51,300
181 to 360 days	41,810	21,958
Over 360 days	30,842	49,093
	171,873	146,909

12. Trade Payables

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Billed	102,094	78,337
Unbilled	92,623	64,889
	194,717	143,226

An ageing analysis of the billed trade payables as at the end of the Reporting Period, based on the invoice date, is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 30 days	13,948	44,015
31 to 90 days	7,168	2,106
Over 90 days	80,978	32,216
	102,094	78,337

The trade payables are unsecured and non-interest-bearing. For the minimum guarantee payments to the licensors, the payment terms and the due dates are specified in the relevant contracts and are usually settled by instalments at the early stage of the relevant licensing periods. For royalty payable which exceed the minimum guarantee, the amounts are due when the Group submits the royalty reports to the licensors which are subsequent to the collection of the corresponding trade receivables from the licensees.

The unbilled trade payables relate to royalty amounts that are payable to but not yet invoiced by licensors and are calculated based on the royalty rates as stipulated in the respective licensing contracts.

13. Share Capital

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Authorised:		
5,000,000,000 ordinary shares of HK\$0.01 each	<u>50,000</u>	<u>50,000</u>
Issued and fully paid:		
1,992,000,000 ordinary shares of HK\$0.01 each	<u>19,920</u>	<u>19,920</u>

On behalf of the Board
MEDIALINK GROUP LIMITED
Chiu Siu Yin Lovinia
Chairman and Executive Director

Hong Kong, 29 June 2022

As at the date of this announcement, the executive Directors are Ms. Chiu Siu Yin Lovinia, Ms. Chiu Siu Fung Noletta and Mr. Ma Ching Fung, the non-executive Director is Ms. Wong Hang Yee, JP, and the independent non-executive Directors are Mr. Fung Ying Wai Wilson, MH, Ms. Leung Chan Che Ming Miranda and Mr. Wong Kam Pui, BBS, JP.

Please also refer to the published version of this announcement on the Company's website at www.medialink.com.hk.

Note: If there is any inconsistency between the English and Chinese versions of this document, the English version shall prevail.