Most Kwai Chung Limited
毛記葵涌有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

Stock Code 股份代號: 1716

2022
ANNUAL REPORT 年報

CONTENT

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Iu Kar Ho *(Chairman)*
Luk Ka Chun
Tsui Ka Ho *(resigned on 1 August 2021)*

Independent Non-Executive Directors

Leung Wai Man
Ho Kwong Yu
Leung Ting Yuk

REGISTERED OFFICE

PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 8, 16/F, Block B
Tung Chun Industrial Building
11–13 Tai Yuen Street
Kwai Chung, New Territories
Hong Kong

COMPANY WEBSITE

www.mostkwaichung.com

COMPANY SECRETARY

Lo Tai On

AUTHORISED REPRESENTATIVES

Iu Kar Ho
Luk Ka Chun

STOCK CODE

1716

LEGAL ADVISORS

P. C. Woo & Co.
Room 1225, 12/F
Prince's Building
No. 10 Chater Road
Central, Hong Kong

AUDIT COMMITTEE

Ho Kwong Yu *(chairman)*
Leung Ting Yuk
Leung Wai Man

REMUNERATION COMMITTEE

Leung Ting Yuk *(chairman)*
Ho Kwong Yu
Leung Wai Man

NOMINATION COMMITTEE

Leung Ting Yuk *(chairman)*
Ho Kwong Yu
Leung Wai Man

PRINCIPAL SHARE REGISTRAR OFFICE

Maples Fund Services (Cayman) Limited
PO Box 1093
Boundary Hall, Cricket Square
Grand Cayman
KY1-1102
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
2103B, 21/F, 148 Electric Road
North Point, Hong Kong

AUDITOR

Baker Tilly Hong Kong Limited
2nd Floor, Foyer, 625 King's Road
North Point, Hong Kong

PRINCIPAL BANKER

Bank of China (Hong Kong) Limited
Hang Seng Bank Limited

CHAIRMAN'S STATEMENT

On behalf of the board (the "Board") of directors (the "Directors") of Most Kwai Chung Limited (the "Company", and together with its subsidiaries, the "Group"), I am pleased to present the annual report of the Group for the year ended 31 March 2022 (the "Year").

The Group continues to provide integrated advertising and media services to customers which can be categorised into (i) digital media services; (ii) print media services; and (iii) other media services.

FINANCIAL PERFORMANCE

The Group's revenue for the Year was approximately HK$67.8 million, recording an increase of approximately 14.7% as compared with the revenue of approximately HK$59.1 million in the preceding financial year. The increase was mainly attributable to the increase in revenue from other media services segment and partly offset by the decrease in revenue from the digital media services segment.

The Group recorded a loss before income tax of approximately HK$18.4 million for the Year, as compared with the profit before income tax of approximately HK$9.9 million in the previous financial year. Such loss before income tax was mainly attributable to the combined effects of (i) the increase in staff cost mainly due to the cost incurred for the award of shares to selected employees in view of the undertakings given by Mr. Iu Kar Ho and Mr. Luk Ka Chun to Mr. Tsui Ka Ho ("Mr. Tsui") for the share in Blackpaper Limited sold by Mr. Tsui during the Year; (ii) the decrease in gross profit margin of the Group's digital media services and other media services segments; (iii) there being subsidy granted to the Group during the previous financial year under the HKSAR Government's Employment Support Scheme, whereas the Group did not obtain any such subsidy for the Year; (iv) the decrease in share of profit of associates; and (v) the increase in administrative expenses of e-commerce business.

During the Year, the performance of our digital media services, which contributed to approximately 62.2% of the total revenue, decreased when compared with that of the preceding financial year due to the economic downturn. For print media services, the segment revenue increased when compared with that of the preceding financial year. For other media services, the segment revenue increased when compared with that of the preceding financial year, which mainly resulted from a show held in 2021.

PROSPECTS

Under the current circumstances, the Group expects the advertising and media industry to remain challenging for the coming year.

The Group plans to extend the marketing channels to physical platform for the year ended 31 March 2023 to further promote brand awareness and strengthen the variety and content of the events.

USE OF PROCEEDS

We received net proceeds of approximately HK$53.50 million from the listing (the "Listing") of shares of the Company (the "Shares") on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). On 17 March 2021, the Board resolved to change the use and allocation of the unutilised Actual Net Proceeds ("Change in Allocation of Proceeds"). For further details of the Change in Allocation of Proceeds and the reasons and benefits of such change, please refer to the announcement of the Company dated 17 March 2021. Up to 31 March 2022, approximately HK$41.96 million of the proceeds have been used.

CHAIRMAN'S STATEMENT

NOTE OF APPRECIATION

On behalf of the Board, I would like to express my sincere gratitude to all of the business partners, customers, suppliers and the shareholders for their continuous support. I would also like to express my sincere appreciation to the Group's management and staff for their commitment and dedication.

Iu Kar Ho
Chairman and Executive Director
Hong Kong, 27 June 2022

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group provides integrated advertising and media services to customers which can be categorised into (i) digital media services under which the Group provides a one-stop advertising solution package to the customers, with different types of advertisements including video, online banner, newsfeed and advertorial, through various distribution channels including digital media platforms (which include (a) the respective fan pages of "100 Most" (100毛), "TVMost" (毛記電視) and the Group's contracted artistes on third party social media platforms and (b) "TVMost" website and mobile application operated by the Group) (the "Digital Media Platforms"), third parties' TV channels, the Internet, and physical advertising spaces; (ii) print media services which include sale of book publications; and (iii) other media services which include events organisation and artistes management. Under the current circumstances, the Group expects the prospects of the advertising and media industry to remain challenging for the coming year. The Group aims to further promote the brand awareness and strengthen the variety and content of the events organised by the Group in the future.

Digital Media Services

Digital media services represent the provision of media management services and one-stop advertising solution package under which the deliverables to the customers are distributed on the Digital Media Platforms managed by the Group and other platforms, such as third parties' TV channels, the internet and physical advertising spaces, subject to the needs of the customers.

Revenue from the digital media services decreased from approximately HK$46.9 million for the year ended 31 March 2021 to approximately HK$42.2 million for the Year, representing a decrease of approximately 10.0%. Segment profit before income tax was approximately HK$2.8 million for the year ended 31 March 2021 and segment loss before income tax was approximately HK$16.6 million for the Year. During the Year, the turn from segment profit before income tax to segment loss before income tax was mainly due to the (i) decrease in revenue from the digital media services; (ii) decrease in gross profit margin; and (iii) increase in staff costs including the cost for the share awards to selected employees. However, the Group has continued placing effort in the digital media services segment to capture business opportunities brought by the digitalisation in the market.

Print Media Services

Print media services segment comprises sales of books published by the Group.

Revenue from the print media services was approximately HK$1.1 million and HK$1.5 million for the years ended 31 March 2021 and 2022 respectively. Segment loss before income tax was approximately HK$1.8 million and HK$1.6 million for the years ended 31 March 2021 and 2022 respectively.

Other Media Services

Other media services represent events organisation and artistes management.

Revenue from the other media services was approximately HK$11.1 million and HK$24.1 million for the years ended 31 March 2021 and 2022 respectively. Segment profit before income tax was approximately HK$5.1 million for the year ended 31 March 2021 and segment loss before income tax was approximately HK$0.2 million for the Year.

During the Year, the turn from segment profit before income tax to segment loss before income tax was mainly due to (i) decrease in gross profit margin; and (ii) increase in administrative expenses of e-commerce business.

MANAGEMENT DISCUSSION AND ANALYSIS

Outlook

After the outbreak of Coronavirus Disease 2019 ("COVID-19 outbreak") in early 2020, a series of precautionary and control measures have been and continued to be implemented across Hong Kong. Based on the assessment performed by the management, the impact of the COVID-19 outbreak to the Group's businesses for the Year is not material. However, if the pandemic situation continues for an extended period, the Group's business operations and financial results may be affected for the year ending 31 March 2023, possibly due to expected decline in revenue brought about by the overall economic downturn whose impact would be partly offset by the expected reduction in revenue related costs. Management is yet to be able to estimate the overall impact to the financial performance and position of the Group. Nonetheless, the Group will pay close attention to the development of the COVID-19 outbreak and continuously manage relevant resources and adjust its purchase and production activities in a timely manner to mitigate the potential adverse impact.

FINANCIAL REVIEW

Revenue

Revenue of the Group increased by approximately HK$8.7 million or 14.7% from approximately HK$59.1 million for the year ended 31 March 2021 to approximately HK$67.8 million for the Year. The increase was mainly attributable to the increase in revenue from other media services segment and partly offset by the decrease in revenue from the digital media services segment.

Cost of Sales

The Group's cost of sales comprises direct cost incurred for the digital media services (mainly include staff costs and costs of production), print media services (mainly include staff costs, cost of inventories, inventories written off, royalties and other production costs) and other media services (mainly include staff costs and other costs incurred during organisation of events). The cost of sales increased to approximately HK$57.8 million for the Year from approximately HK$37.4 million for the year ended 31 March 2021, representing an increase of approximately HK$20.4 million or 54.5% during the Year. The increase was mainly due to (i) increase in costs for organization of event by approximately HK$12.3 million; and (ii) increase in staff costs by approximately HK$4.9 million.

Gross Profit and Gross Profit Margin

The gross profit of the Group decreased by approximately HK$11.8 million or 54.4% from approximately HK$21.7 million for the year ended 31 March 2021 to approximately HK$9.9 million for the Year. The decrease was mainly due to decrease in gross profit of digital media services segment.

The overall gross profit margin of the Group was approximately 36.7% and 14.6% for the years ended 31 March 2021 and 2022, respectively. The decrease in gross profit margin was mainly due to the decrease in gross profit margin of digital media services segment.

Selling and Distribution Expenses

Selling and distribution expenses mainly consist of staff costs, advertising and promotion expenses and others. Selling and distribution expenses of the Group was approximately HK$4.0 million and approximately HK$3.8 million for the years ended 31 March 2021 and 2022 respectively, representing a decrease by approximately HK$0.2 million or 5.0%.

Administrative Expenses

Administrative expenses of the Group increased from approximately HK$12.1 million for the year ended 31 March 2021 to approximately HK$24.4 million for the Year, representing an increase by approximately HK$12.3 million or 101.7%. The significant increase was mainly due to (i) increase in staff costs including the cost for the share awards to selected employees by approximately HK$9.0 million; and (ii) increase in administrative expenses of e-commerce business by approximately HK$4.1 million. The staff costs which increased significantly was mainly attributable to (a) there being approximately HK$5.3 million subsidy granted to the Group for the year ended 31 March 2021 under the HKSAR Government's Employment Support Scheme, among which approximately HK$1.3 million was allocated to administrative expenses, however, the Group did not obtain any such subsidy for the Year; and (b) there being approximately HK$7.0 million cost incurred for the award of shares to selected employees in view of the undertakings given by Mr. Iu Kar Ho ("Mr. Iu") and Mr. Luk Ka Chun ("Mr. Luk") to Mr. Tsui Ka Ho ("Mr. Tsui") for the share in Blackpaper Limited sold by Mr. Tsui during the Year, among which approximately HK$5.2 million was allocated to administrative expenses. For further details of the award of shares to selected employees, please refer to the announcement of the Company dated 25 January 2022.

Finance Income

Finance income mainly represented deposit bank interest income received. Approximately HK$0.3 million and HK$33,000 were received by the Group for the years ended 31 March 2021 and 2022 respectively. The decrease was mainly due to there being no bank interest income received from time deposit for the Year.

(Loss)/Profit before Income Tax

During the years ended 31 March 2021 and 2022, the profit before income tax was approximately HK$9.9 million and the loss before income tax was approximately HK$18.4 million, respectively. During the Year, the turn from profit before income tax to loss before income tax was mainly due to the combined effects of (i) there being approximately HK$7.0 million cost incurred for the award of shares to selected employees in view of the undertakings given by Mr. Iu and Mr. Luk to Mr. Tsui for the share in Blackpaper Limited sold by Mr. Tsui during the Year; (ii) there being approximately HK$5.3 million subsidy granted to the Group for the year ended 31 March 2021 under the HKSAR Government's Employment Support Scheme, however, the Group did not obtain any such subsidy for the Year; (iii) an increase in administrative expenses of e-commerce business by approximately HK$4.1 million; (iv) a decrease in share of profit of associates by approximately HK$2.5 million; and (v) a decrease in revenue of digital media services by approximately HK$4.7 million and a decrease in gross profit margin.

Income Tax Expense

The income tax expense was approximately HK$0.6 million and HK$0.1 million for the years ended 31 March 2021 and 2022 respectively.

LIQUIDITY AND FINANCIAL RESOURCES

During the Year, the Group's operation and capital requirements were financed principally through the operating activities. As at 31 March 2021 and 2022, the Group had net current assets of approximately HK$82.5 million and HK$65.9 million, respectively, including cash and cash equivalents of approximately HK$84.4 million and HK$64.3 million respectively. The Group's current ratio (current assets divided by current liabilities) decreased from approximately 8.2 as at 31 March 2021 to approximately 7.2 as at 31 March 2022. Such decrease was mainly due to the decrease in cash and cash equivalents for the Year. The Group's gearing ratio as at 31 March 2021 and 2022 was calculated based on the total debt divided by the total equity as at the respective dates and multiplied by 100%. As at 31 March 2022, the Group's gearing ratio was nil (2021: nil). Throughout the Year, there was no material or significant impact of COVID-19 on the Group's liquidity and financial resources with reference to the operations and capital commitments.

MANAGEMENT DISCUSSION AND ANALYSIS

TREASURY POLICIES

The Group adopts prudent treasury policies. The Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, management reviews regularly the recoverable amount of each individual trade receivable by taking into account the market conditions, customers' profiles and contractual terms to ensure that adequate provision of impairment is made for irrecoverable amounts. On top of these ongoing credit evaluations, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

CAPITAL STRUCTURE

As at 31 March 2022, the Company had 270,000,000 Shares in issue. There has been no change in the capital structure of the Group since the listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing"). The share capital of the Company only comprises ordinary shares.

MATERIAL ACQUISITIONS OR DISPOSAL OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES

The Group did not make any material acquisitions or disposal of subsidiaries, associates, or joint ventures during the Year.

SIGNIFICANT INVESTMENTS HELD

The Group did not hold any significant investment during the Year.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as those disclosed under the section headed "Business — Business Strategies" in the prospectus of the Company dated 16 March 2018 (the "Prospectus") and the section headed "Comparison of Business Strategies with Actual Business Progress" in this report, the Group currently has no other plan for material investments and capital assets.

CONTINGENT LIABILITIES

The Group did not have material contingent liabilities as at 31 March 2022.

FOREIGN EXCHANGE EXPOSURE

The Group operates in Hong Kong and all of the Group's transactions and cash and cash equivalents are denominated in Hong Kong dollars. The Directors consider that the Group is not subject to foreign exchange risk. Currently, the Group does not have a foreign currency hedging policy, but the Group's management continuously monitors its foreign exchange exposure.

PLEDGE OF ASSETS

As at 31 March 2022, none of the Group's assets were pledged.

EMPLOYEES AND REMUNERATION POLICIES

The total number of employees of the Group were 99 and 79 as at 31 March 2021 and 2022, respectively. The Group's employee benefit expenses mainly included salaries, discretionary bonuses, commissions, medical insurance coverage, other staff benefits and contributions to retirement schemes. For the years ended 31 March 2021 and 2022, the Group's total employee benefit expenses (including Directors' emoluments) amounted to approximately HK$25.7 million and HK$38.7 million, respectively.

Remuneration is determined generally with reference to the qualification, experience and work performance of the relevant employee, whereas the payment of discretionary bonus is generally subject to work performance of the relevant employee, the financial performance of the Group in that particular year and general market conditions.

COMPARISON OF BUSINESS STRATEGIES WITH ACTUAL BUSINESS PROGRESS

The following sets out a comparison of the business strategies as stated in the Prospectus with the Group's actual business progress for the Year and up to the date of this report.

Business strategies as stated in the Prospectus	**Actual business progress up to the date of this report**
Pursue growth through mergers and acquisitions and/or strategic alliance	Identifying potential acquisition targets which are engaged in, among others, video productions, event marketing, digital advertising and media related services and/or technology development.
Expand the customer base and business operations through sales and marketing efforts	Hired additional sales executives to support the business growth in digital media services segment. Recruited marketing staff to assist in conducting pitching activities to build up and strengthen relationship with a broader customer base. The Company focused on events organisation during the Year. Although new sales executives and marketing staff were hired, it is expected that more sales executives and marketing staff will be hired for our growth of our digital media services.
Upgrade IT infrastructure and procure equipment with advanced technologies to facilitate production efficiency	Upgraded the internal IT system of the Group and procured new production equipment with advanced technologies. The upgrade of the TVMost website and mobile application will be fine-tuned from time to time due to rapid change of social media trends. As a result, services provider for upgrading the website and mobile application is under selection.
Strengthen the efforts in events organisation to further extend the Group's marketing channels	Held seven events in total in form of live performance since the Listing.

MANAGEMENT DISCUSSION AND ANALYSIS

USE OF PROCEEDS

The Shares have been successfully listed on the Main Board of the Stock Exchange on the 28 March 2018 (the "Listing Date"). The actual net proceeds from the Listing, after deducting commission and expenses in connection with the Listing, were approximately HK$53.5 million (the "Actual Net Proceeds"). On 17 March 2021, the Board resolved to change the use and allocation of the unutilised Actual Net Proceeds ("Change in Allocation of Proceeds"). For further details of the Change in Allocation of Proceeds and the reasons and benefits of such change, please refer to the announcement of the Company dated 17 March 2021. The table below sets out an adjusted allocation and the actual use of the Actual Net Proceeds up to 31 March 2022.

Business strategies as stated in the Prospectus	Original allocation of Actual Net Proceeds from the Listing	Change in Allocation of Proceeds on 17 March 2021	Revised allocation of Actual Net Proceeds after Change in Allocation of Proceeds as at 17 March 2021	Actual uses of the Actual Net Proceeds as at 31 March 2021	Unutilised proceeds as at 31 March 2021	Actual uses of the Actual Net Proceeds from 1 April 2021 to 31 March 2022	Unutilised proceeds as at 31 March 2022	Expected timeline for the application of the unutilised proceeds
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	
Pursue growth through mergers and acquisitions and/or strategic alliance	15.19	(9.84)	5.35	–	5.35	–	5.35	By 31 March 2023
Expand the customer base and business operations through sales and marketing efforts	11.72	(1.02)	10.70	7.96	2.74	2.74	–	N/A
Upgrade IT infrastructure and procure equipment with advanced technologies to facilitate production efficiency	11.13	(8.45)	2.68	1.53	1.15	0.41	0.74	By 31 March 2023
Strengthen the efforts in events organisation to further extend the Group's marketing channels	10.11	5.94	16.05	10.11	5.94	5.94	–	N/A
As working capital and for general corporate purposes	5.35	13.37	18.72	5.65	13.07	7.62	5.45	By 31 March 2023
Total	53.50	–	53.50	25.25	28.25	16.71	11.54	

As at 31 March 2022, all unutilised proceeds of approximately HK$11.54 million have been deposited into banks in Hong Kong. The Group intends to apply the unutilised proceeds as shown above and expects to fully utilise such amount by 31 March 2023.

As for the pursuit of growth through mergers and acquisitions and/or strategic alliance, during the period since the Listing Date and up to 31 March 2022, the Group entered into preliminary discussions with, among others, a company principally engaged in movie production and a digital advertising and media company in respect of the potential acquisition of shares of such companies. As of the date of this report, all of such discussions were terminated and no formal agreement was entered into in this regard. Subsequent to 31 March 2022 and up to the date of this report, the Group was still in the process of identifying potential acquisition targets which are engaged in, among others, video productions, event marketing, digital advertising and media related services and/or technology development.

As for the upgrade of IT infrastructure and procurement of equipment with advanced technologies to facilitate production efficiency, the Company was still in discussion with various service providers in upgrading the TVMost website and mobile application as at the date of this report due to the rapid change of social media trends.

FUTURE PROSPECTS

The Group faces competition from other multinational media service players and also a large number of small and medium sized companies in the online advertising industry in Hong Kong in terms of brand recognition, quality of services, effectiveness of sales and marketing efforts, creativity in design and content, price, strategic relationships with customers and suppliers and retention of staff. In view of this challenging market condition, the Group is committed to keep up with changing technologies in the execution of engagements in order to ensure sustainable competitiveness.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the Year (2021: HK3.4 cents per share).

BIOGRAPHICAL DETAILS OF DIRECTORS, SENIOR MANAGEMENT AND COMPANY SECRETARY

EXECUTIVE DIRECTORS

Mr. Iu Kar Ho (姚家豪) (also known as Bu (阿 Bu)), aged 39, was appointed as Director on 8 June 2017 and was redesignated as an executive Director and appointed as the chairman of the Board on 22 June 2017. He is one of the founders of the Group and one of the controlling shareholders (as defined in the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules")) of the Company (the "Controlling Shareholders"). Mr. Iu is primarily responsible for overall strategic management and the business operations. Mr. Iu is a director of Blackpaper Limited ("Blackpaper BVI"), a company which has an interest in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO").

Mr. Iu has over ten years of experience in the media and entertainment industry. He joined Commercial Radio Hong Kong which principally engages in radio broadcasting as a programme assistant since July 2006 and was mainly responsible for assisting in managing the operation of radio programmes. Mr. Iu was subsequently promoted to the position of disc jockey at Commercial Radio Hong Kong in April 2011 and hosted various radio programmes.

Mr. Iu left Commercial Radio Hong Kong in May 2013 and has been working in Blackpaper Limited ("Blackpaper HK") as one of its directors on a full time basis since June 2013.

Mr. Iu graduated from the College of International Education of the Hong Kong Baptist University with an associate degree of arts in September 2006.

Mr. Luk Ka Chun (陸家俊) (also known as Chan Keung (陳強)), aged 38, was appointed as Director on 8 June 2017 and was redesignated as an executive Director on 22 June 2017. He is one of the founders of the Group and one of the Controlling Shareholders. Mr. Luk is primarily responsible for overall strategic management and the financial operations. Mr. Luk is a director of Blackpaper BVI, a company which has an interest in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

Mr. Luk has over ten years of experience in the media and entertainment industry. He joined Commercial Radio Hong Kong in May 2005 as a programme assistant and was mainly responsible for assisting in managing the operation of radio programmes. He started hosting radio programmes since July 2005 and was promoted to the position of disc jockey at Commercial Radio Hong Kong in April 2011. Mr. Luk left Commercial Radio Hong Kong in July 2011 and has been working in Blackpaper HK as one of its directors on a full time basis since August 2011. Mr. Luk has also been a columnist for newspapers since May 2010.

Mr. Luk obtained a degree of Bachelor of Science (Honours) in Environmental Science and Management from the City University of Hong Kong in November 2005.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Leung Wai Man (梁偉文) (also known as Linxi (林夕)), aged 60, was appointed as independent non-executive Director on 2 March 2018. He is also a member of each of the Company's audit committee (the "Audit Committee"), remuneration committee (the "Remuneration Committee") and nomination committee (the "Nomination Committee").

Mr. Leung has over thirty years of experience in the media and entertainment industry and is an accomplished lyricist, writer and columnist. He has been writing lyrics for Cantonese and Mandarin pop songs.

Mr. Leung received the Best Lyricist Award at the Ultimate Song Chart Awards Presentation from 1995 to 2003 and from 2006 to 2009. He was awarded the Golden Needle Award at the Top Ten Chinese Gold Songs Award Concert in 2008.

Mr. Leung graduated from the University of Hong Kong with a Bachelor of Arts degree in November 1984.

Mr. Ho Kwong Yu (何光宇), aged 36, was appointed as independent non-executive Director on 2 March 2018. Mr. Ho is also the chairman of the Audit Committee and a member of each of the Remuneration Committee and Nomination Committee.

Mr. Ho has over ten years of audit, accounting and financial management experience. He worked at Deloitte Touche Tohmatsu as an associate from January 2008 to September 2009, as a senior from October 2009 to September 2012 and as a manager from October 2012 to February 2015. From February 2015 to May 2015, he worked as an internal audit manager in Cosco Shipping International (Hong Kong) Co., Ltd. (Stock Code: 517) (formerly known as Cosco International Holdings Limited). From May 2015 to April 2017, he was the chief financial officer and company secretary of Creative China Holdings Limited (Stock Code: 8368) where he was responsible for accounting, financial management and company secretarial matters. Since April 2017, he has joined Space Group Holdings Limited (Stock Code: 2448) as the company secretary and chief financial officer where he is mainly responsible for overall management of financial matters and company secretarial matters. In July 2020, Mr. Ho was appointed as an executive director of Space Group Holdings Limited. In November 2018, Mr. Ho was appointed as an independent non-executive director of Sino Golf Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 361).

Mr. Ho graduated from the Chinese University of Hong Kong with a Bachelor of Business Administration degree in professional accountancy in December 2008. He has been a member of the Hong Kong Institute of Certified Public Accountants since January 2011.

Mr. Leung Ting Yuk (梁廷育), aged 47, was appointed as independent non-executive Director on 2 March 2018. Mr. Leung is also the chairman of each of the Nomination Committee and Remuneration Committee and a member of the Audit Committee.

Mr. Leung has over twenty years of audit, accounting, financial management and corporate finance experience. Mr. Leung has been appointed as an independent non-executive director of Yanchang Petroleum International Limited (stock code: 346) since December 2009 and Xinyi Energy Holdings Limited (stock Code: 3868) since November 2018, both of them are listed on the main board of the Stock Exchange.

Mr. Leung graduated from the University of Wollongong, Australia with a bachelor of commerce degree in accounting in September 2000. He has been a member of the Hong Kong Institute of Certified Public Accountants since January 2008 and CPA Australia since November 2000.

SENIOR MANAGEMENT

Mr. Yuen Kam Shing (元金盛), aged 36, is the head of art and design of the Group, and is responsible for the overall supervision of the art work of the Group. He and the art managers jointly lead the design team which is mainly responsible for creating and producing the artworks in the creative productions across different business segments.

Mr. Yuen has over ten years of experience in the artistic industry. He worked at the Skyhigh Department of Commercial Radio Productions as the Project Executive from August 2007 to January 2012 and was responsible for graphic design. He then joined Blackpaper HK as the art director in February 2012 and has been responsible for the management of the art and design department.

Mr. Yuen was awarded a higher diploma in printing and computer imaging by the Hong Kong Vocational Training Council in July 2006. He completed a distant learning course and was awarded bachelor of arts with honours in visual communication (time-based media) by the Birmingham City University (formerly known as the University of Central England in Birmingham) in July 2007.

Ms. Leung Hoi Yui (梁海蕊), aged 39, is the general manager of the Group, and is responsible for overseeing of daily operation and corporate development of the Group.

Ms. Leung has over ten years of experience in the sales and event planning industry. She started working at Senasia Publication Group Limited ("Senasia") as a marketing executive in August 2006 and was mainly responsible for book marketing and events organisation. She was promoted to be an assistant marketing manager in Senasia in April 2008. Ms. Leung left Senasia in August 2008 and joined Wide Connection Limited ("Wide Connection") where she served as a senior marketing executive from August 2008 to May 2009 and as an advertising executive from June 2009 to February 2010. Her major responsibilities at Wide Connection included events organisation and media sales. From October 2010 to September 2012, she worked in OMNIMEDIA HK LIMITED as an assistant account manager and was further promoted to be the account manager in October 2011. She then worked in One Media Group Limited as a senior sales manager from October 2012 to March 2015. She has joined the Group since April 2015 as a senior sales manager and has been responsible for overall sales management. In November 2020, Ms. Leung was promoted to be the general manager of the Group.

Ms. Leung was awarded a bachelor of arts degree in journalism and mass communication from Hong Kong Shue Yan College (currently known as Hong Kong Shue Yan University) in July 2006.

Mr. Chui Cheung Lam (徐璋霖), aged 33, is the creative director of the Group, and is responsible for the overall supervision of the creative work of the Group. He, together with the creative manager, jointly lead the production team, which is mainly responsible for creating and producing advertisements and/or advertorial to be distributed on the Digital Media Platforms. In addition, he, together with the digital manager, assistant digital manager and publishing manager, jointly lead the editorial and publication team, which is mainly responsible for continuously updating creative content on the Digital Media Platforms (excluding the contracted artistes' fan pages on third party social media platforms), creating content for the TVMost online programmes and assisting in publishing work for the print media and digital media services. The production team meets regularly to conceptualise ideas for the creative content. In large- scale and/or key projects, the executive Directors will also participate in the discussions.

Mr. Chui has nine years of experience in the creative media industry. He joined the Group in January 2013 as an editor and was mainly responsible for editing the 100 Most Magazine. He was promoted to be the assistant content manager in May 2014 and was mainly responsible for managing the editing of both 100 Most Magazine and Blackpaper Magazine. With the establishment of TVMost in May 2015, the focus of Mr. Chui's work shifted to online content and advertisement production. He was promoted to be the content manager in May 2015 and further promoted to be the assistant creative director in May 2017. In April 2018, Mr. Chui was promoted to be the creative director of the Group.

Mr. Chui obtained a degree of bachelor of business administration with honours, with his major programme in integrated business administration, from the Chinese University of Hong Kong in December 2011.

COMPANY SECRETARY

Mr. Lo Tai On (羅泰安), aged 67, was appointed as the company secretary of the Company (the "Company Secretary") on 10 July 2017. Mr. Lo is primarily responsible for overseeing the company secretarial matters of the Group.

Mr. Lo has over twenty nine years of experience in the field of company secretarial services. He is a director of Fair Wind Secretarial Services Limited, being a company that renders company secretarial services. He is also currently the company secretary of a number of companies listed on the Stock Exchange. Mr. Lo is a member of the Hong Kong Institute of Certified Public Accountants.

Mr. Lo is not an employee of the Group, and Mr. Luk, the executive Director and authorised representative of the Company, who act as the principal channel of communication between the Stock Exchange and the Company, is the person whom Mr. Lo contacts for the purpose of code provision C.6.1 (equivalent to previous code provision F.1.1) of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules.

CORPORATE GOVERNANCE REPORT

The Company's corporate governance code is based on the principles of the Corporate Governance Code (the "CG Code") that were in force as set out in Appendix 14 to the Listing Rules. The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders and to ensure a quality board with transparency with accountability to shareholders.

The Company has applied the principles and complied with all code provisions that were in force as set out in the CG Code during the Year.

On 1 January 2022, certain amendments to the CG Code came into effect and the new requirements under the revised CG Code will apply to all listed issuers for financial year commencing on or after 1 January 2022. The Board will continue to review and enhance the corporate governance practice of the Company to ensure the corporate governance reports for the upcoming financial years will comply with the revised CG Code and align with the latest developments.

The Board conducts at least four regular Board meetings a year and additional meetings will be held or resolutions in writing signed by all Directors in lieu of a meeting will be arranged as and when required. If a substantial shareholder of the Company or a Director has a conflict of interest in a transaction which the Board determines to be material, it is considered and dealt with by the Board at a duly convened Board meeting. Comprehensive information on matters to be discussed at the Board meeting will be supplied to the Directors in a timely manner to facilitate discussion and decision-making.

COMPOSITION OF THE BOARD

At the date of this report, the Board comprises two executive Directors and three independent non-executive Directors. During the year ended 31 March 2022, the names and office of each of the member of the Board and the Board committees of the Company are as follows:

Board members	**Office**
Iu Kar Ho	Chairman and executive Director
Luk Ka Chun	Executive Director
Tsui Ka Ho	Executive Director *(resigned on 1 August 2021)*
Leung Wai Man	Independent non-executive Director
Ho Kwong Yu	Independent non-executive Director
Leung Ting Yuk	Independent non-executive Director

Audit Committee members

Ho Kwong Yu *(chairman)*
Leung Ting Yuk
Leung Wai Man

Remuneration Committee members

Leung Ting Yuk *(chairman)*
Ho Kwong Yu
Leung Wai Man

Nomination Committee members

Leung Ting Yuk *(chairman)*
Ho Kwong Yu
Leung Wai Man

The biographies of the Directors are set out in "Biographical Details of Directors, Senior Management and Company Secretary" on pages 12 to 16 of this annual report.

Each of the executive Directors has signed a service contract with the Company for a term of three years, commencing on 28 March 2021 (subject to termination in certain circumstances as stipulated in the relevant service contract).

Each of the independent non-executive Directors has signed a letter of appointment with the Company for a term of three years, commencing on 28 March 2021 (subject to termination in certain circumstances as stipulated in the relevant letter of appointment).

All Directors are subject to retirement by rotation at least once every three years in accordance with the articles of association of the Company (the "Articles").

The Board composition is regularly reviewed to ensure that it has a balance of skills and experience appropriate for the requirement of the business of the Group. A balanced composition of executive Directors and independent non-executive Directors is maintained to ensure independence and effective management. The Company has satisfied the relevant provision of the Listing Rules in having at least one of the independent non-executive Directors with appropriate professional qualifications or accounting or related financial management expertise. There is no relationship among the members of the Board.

The appointment of Directors is to be recommended by the Remuneration Committee and the Nomination Committee and approved by the Board based on a formal written procedure and policy for the appointment of new Directors. When selecting potential candidates for the Directors, their skills, experience, expertise, devotion of time and absence of conflicts of interests are the key factors.

The daily operation and management of the business of the Group, among other matters, and the implementation of strategies are delegated to the executive Directors and senior management. They report periodically to the Board on their work and business decisions.

All Directors have been fully consulted about any matters proposed for inclusion in the agenda for regular meetings. The chairman of the Board has delegated the responsibility for drawing up the agenda for each Board meeting to the Company Secretary.

With the assistance of the Company Secretary, the chairman of the Board seeks to ensure that all Directors are properly briefed on issues arising at the Board meetings and have received adequate and reliable information in a timely manner.

Notices of at least 14 days are given to the Directors for regular meetings, while the Board papers are sent to the Directors at least three days before the intended date of a Board or Board committee meeting. With respect to other meetings, the Directors are given as much notice as is reasonable and practicable in the circumstances. The Directors can attend meetings in person or through other means of electronic communication in accordance with the Articles. The Company Secretary ensures that the procedures and all applicable rules and regulations are complied with. Minutes of the Board meetings and meetings of the Board committees are kept at the registered office and are available for inspection at any time on reasonable notice by any Director.

The Directors have full access to information of the Group and are able to obtain independent professional advice whenever they deem necessary. The Directors will be updated with legal and regulatory changes and matters of relevance to the Directors in the discharge of their duties from time to time. The Audit Committee, Nomination Committee and Remuneration Committee are provided with sufficient resources to perform their duties.

Minutes of Board meetings and of Board committee meetings would be recorded in sufficient detail and include the matters considered and decisions reached, including any concerns raised by Directors or dissenting views expressed. Draft minutes are normally circulated to Directors or members of the relevant Board committees for comment within a reasonable time after each meeting.

Any material transaction, which involves a conflict of interests between a substantial shareholder or a Director and the Company, will be considered and dealt with by the Board at a duly convened Board meeting with the presence of the independent non-executive Directors. Directors are abstained from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

The Company has received from each of the independent non-executive Directors an annual confirmation of their independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all of the independent non-executive Directors are independent.

Responsibilities

In the course of discharging their duties, the Directors act in good faith, with due diligence and care, and in the best interests of the Company and its shareholders. Their responsibilities include (i) convening regular board meetings which focus on business strategy, operational issues and financial performance; (ii) monitoring the quality, timeliness, relevance and reliability of internal and external reporting; (iii) monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in connected transaction; and (iv) ensuing processes are in place to maintain the overall integrity of the Company, including financial statements, relationships with suppliers, customers and other stakeholders, and compliance with all laws and ethics.

Director’s Responsibilities for the Consolidated Financial Statements

The Directors acknowledge their responsibilities for the preparation of the consolidated financial statements of the Group and ensure that the consolidated financial statements of the Group are prepared in accordance with statutory requirements and applicable accounting standards. The Directors also ensure the timely publication of the consolidated financial statements of the Group. In preparing the accounts for the Year, the Directors have, among other things:

- selected suitable accounting policies and applied them consistently;

- approved the adoption of all Hong Kong Financial Reporting Standards which are in conformity with the International Financial Reporting Standards;

- attended to the disclosure requirements under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong); and

- made judgments and estimates that are prudent and reasonable and have prepared the accounts on the going concern basis.

The Directors confirm that, to the best of their knowledge, information and belief, and having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group’s ability to continue as a going concern.

CORPORATE GOVERNANCE REPORT

Chairman and Chief Executive Officer

Code provision C.2.1 (equivalent to previous code provision A.2.1) of the CG Code provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established set out in writing. Mr. Iu Kar Ho is the chairman of the Board and the Company has not appointed any chief executive officer. The duties and responsibilities of the chief executive officer are carried out by Mr. Iu Kar Ho and Mr. Luk Ka Chun. The chairman of the Board provides leadership to the Board in terms of formulating policies and strategies, and discharges those duties set out in code provision C.2 (equivalent to previous code provision A.2) of the CG Code.

Board Diversity Policy

The Board has adopted a board diversity policy which sets out the approach to achieve a sustainable and balanced development of the Company and also to enhance the quality of performance of the Company.

The Company seeks to achieve 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 and length of service.

Selection of candidates for the Directors will be based on a range of diversity perspectives as stated in the above. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

As at the date of this annual report, the Board comprises five Directors. Three of the Directors are independent non-executive Directors and independent of management, thereby promoting critical review and control of the management process. The Board is also characterised by significant diversity in terms of professional background and skills.

Board Meetings and General Meetings

During the Year, seven meetings were held by the Board. The attendance record of each Director is set out below:

Name of Board members	**Number of attended meetings/Total number of meetings**
Executive Directors	
Iu Kar Ho *(Chairman)*	7/7
Luk Ka Chun	7/7
Tsui Ka Ho *(resigned on 1 August 2021)*	1/1
Independent non-executive Directors	
Leung Wai Man	7/7
Ho Kwong Yu	7/7
Leung Ting Yuk	6/7

Note: The attendance figure represents the actual attendance/the number of meetings a Director was required to attend.

The annual general meeting of the Company ("AGM") provides opportunities for the shareholders of the Company to meet and raise questions to our Directors, the management and the external auditors. The member of the Board and external auditors will attend the forthcoming AGM. The 2021 AGM was held on 19 August 2021 and the attendance record of each Director is set out below:

Name of Directors	**Number of attended AGM/Total number of AGM**
Executive Directors	
Iu Kar Ho *(Chairman)*	1/1
Luk Ka Chun	1/1
Tsui Ka Ho *(resigned on 1 August 2021)*	n/a
Independent non-executive Directors	
Leung Wai Man	0/1
Ho Kwong Yu	1/1
Leung Ting Yuk	0/1

Note: The attendance figure represents the actual attendance/the number of meetings a Director was required to attend.

Delegation by the Board

The Board has reserved for its decision and consideration of issues in relation to (i) formulating the strategic objectives of the Group; (ii) considering and deciding the Group's significant operational and financial matters, including but not limited to substantial mergers and acquisitions and disposals; (iii) overseeing the Group's corporate governance practices; (iv) ensuring a risk management control system in place; (v) directing and monitoring senior management in pursuit of the Group's strategic objectives; and (vi) determining the remuneration packages of all Directors and the Group's senior management, including benefits in kind, pension rights and compensation payments for loss or termination of their office or appointment. Implementation and execution of Board policies and strategies and the daily administrative matters are delegated to the respective Board committees and the management team of the Company.

The Board has established three committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee. Specific responsibilities of each committee are described below. All committees have defined terms of reference which are no less exacting than those set out in the CG Code.

Audit Committee

The Audit Committee was established on 2 March 2018 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and code provision D.3 (equivalent to previous code provision C.3) of the CG Code. The Audit Committee comprises three independent non-executive Directors, namely Mr. Ho Kwong Yu, Mr. Leung Wai Man and Mr. Leung Ting Yuk.

The chairman of the Audit Committee is Mr. Ho Kwong Yu, who holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The primary duties of the Audit Committee include, but are not limited to, the following: (i) making recommendations to the Board on the appointment and removal of the external auditor; (ii) reviewing the half-yearly and annual financial statements of the Group and monitoring the integrity of such financial statements; (iii) overseeing the financial reporting system and internal control procedures; and (iv) reviewing the risk management and internal control systems of the Company.

During the Year, four Audit Committee meetings were held to review, inter alias, the Company's interim and annual results, the internal control and risk management systems of the Group, and recommended to the Board to approve the appointment of the new independent auditor of the Group. There was no disagreement between the Board and the Audit Committee on the selection and appointment of external auditors. The attendance record of each member of the Audit Committee is set out below:

Name of Audit Committee members	Number of attended meetings/Total number of meetings
Leung Wai Man	4/4
Ho Kwong Yu	4/4
Leung Ting Yuk	4/4

Note: The attendance figure represents the actual attendance/the number of meetings a Director was required to attend.

The Company's financial statements for the Year have been reviewed by the Audit Committee. The Audit Committee considered that the relevant financial statements have been prepared in compliance with the applicable accounting principles and requirements of the Stock Exchange and disclosures have been fully made.

Remuneration Committee

The Remuneration Committee was established with written terms of reference in compliance with code provision E.1 (equivalent to previous code provision B.1) of the CG Code on 2 March 2018. The Remuneration Committee comprises three independent non-executive Directors, namely, Mr. Leung Ting Yuk, Mr. Ho Kwong Yu and Mr. Leung Wai Man. The chairman of the Remuneration Committee is Mr. Leung Ting Yuk.

The primary duties of the Remuneration Committee include, but are not limited to, the following: (i) assessing the performance of executive Directors and senior management and making recommendations to the Board on the policy and structure for the remuneration of all the Directors and senior management; (ii) making recommendations to the Board on the establishment of a formal and transparent procedure for developing remuneration policy; (iii) with delegated responsibility of determining the remuneration packages of individual executive Directors and senior management; and to make recommendations to the Board on the remuneration of the non-executive Directors and (iv) reviewing and approving the management's remuneration proposals with reference to the corporate goals and objectives from time to time.

During the Year, one Remuneration committee meeting was held to review the remuneration package of the Directors and the senior management. The attendance record of each member of the Remuneration Committee is set out below:

Name of Remuneration Committee members	**Number of attended meetings/Total number of meetings**
Leung Wai Man	1/1
Ho Kwong Yu	1/1
Leung Ting Yuk	1/1

Note: The attendance figure represents the actual attendance/the number of meetings a Director was required to attend.

Details of the directors' remuneration and five highest paid individuals for the Year as regarded to be disclosed pursuant to the CG Code are provided in notes 7(b) and 25(a) to the consolidated financial statements.

During the Year, the remuneration of the senior management (other than Directors) is listed below by band:

	Number of members of senior management
HK$0 to HK$1,000,000	–
HK$1,000,001 to HK$2,000,000	–
HK$2,000,001 to HK$3,000,000	3

Nomination Committee

The Nomination Committee was established with written terms of reference in compliance with code provision B.3 (equivalent to previous code provision A.5) of the CG Code on 2 March 2018. The Nomination Committee comprises three independent non-executive Directors, namely Mr. Leung Ting Yuk, Mr. Ho Kwong Yu and Mr. Leung Wai Man. The chairman of the Nomination Committee is Mr. Leung Ting Yuk.

The primary functions of the Nomination Committee include, but are not limited to, the following: (i) reviewing the structure, size and composition of the Board; (ii) assessing the independence of the independent non-executive Directors; and (iii) making recommendations to the Board on matters relating to the appointment or re-appointment of Directors and succession planning for Directors.

During the Year, one Nomination Committee meeting was held to (i) review and considered that the structure, size, diversity and composition of the Board; (ii) assess the independence of independent non-executive Directors; and (iii) recommend the re-appointment of Directors. The attendance record of each Committee member of the Nomination Committee is set out below:

Name of Nomination Committee members	Number of attended meetings/Total number of meetings
Independent non-executive Directors	
Leung Wai Man	1/1
Ho Kwong Yu	1/1
Leung Ting Yuk	1/1

Note: The attendance figure represents the actual attendance/the number of meetings a Director was required to attend.

The Nomination Committee will review the Board composition by considering the benefits of all aspects of diversity, including but not limited to those described under the heading of Board Diversity Policy in this annual report. The Board Diversity Policy shall be reviewed by the Nomination Committee, as appropriate, to ensure its effectiveness.

The Company has adopted a policy for the nomination of Directors, which sets out the procedures as well as the process and criteria for nomination and appointment of a new Director and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the needs of the Company's business.

The Nomination Committee should, upon receipt of the proposal on appointment of a new Director and his/her biographical information, evaluate such candidate based on the criteria as set out in the nomination policy to determine whether such candidate is qualified for directorship. If the process yields one or more desirable candidates, the Nomination Committee should rank them by order of preference based on the needs of the Company and reference check of each candidate. The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable. For any person that is nominated by a shareholder for election as a Director at the general meeting of the Company, the Nomination Committee should evaluate such candidate based on the criteria as set out in the nomination policy to determine whether such candidate is qualified for directorship. The shareholders may propose a person for election as a director, details of which are set out in the "Procedures for Shareholders to propose a person for election as a director of the Company" published on the Company's website.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance duties as set out in code provision A.2 (equivalent to previous code provision D.3) of the CG Code. As mentioned under the paragraph headed "Board Meetings and General Meetings" above, the Board has (i) reviewed the Company's practices on corporate governance during the Year, (ii) reviewed and monitored the training and continuous professional development of the Directors and senior management for the Year, (iii) reviewed and monitored the Company's practices on compliance with legal and regulatory requirements for the Year, (iv) reviewed and monitored the Company's corporate governance code and the code of conduct applicable to the Directors for the Year; and (v) reviewed the Company's corporate governance policies and the Company's compliance with the CG Code and disclosure in this report.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in the Model Code for Securities Transaction by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the "Model Code"). In response to the specific enquiry made by the Company, all Directors have confirmed that they had compiled with the Model Code during the Year.

CONTINUOUS PROFESSIONAL DEVELOPMENT FOR DIRECTORS

The Directors must keep abreast of their collective responsibilities. The Directors are continually updated with business and market changes, and legal and regulatory developments to facilitate the discharge of their responsibilities through various Board meetings, resolutions, memoranda, Board papers, and updates on corporate governance practices and director's responsibilities under the Listing Rules, applicable laws and other relevant statutory requirements.

Up to the date of this annual report, the Directors participated in the following training programs:

Name of Directors	**Training on corporate governance, regulatory development and other relevant topics**
Executive Directors	
Iu Kar Ho *(Chairman)*	✓
Luk Ka Chun	✓
Tsui Ka Ho *(resigned on 1 August 2021)*	✓
Independent non-executive Directors	
Leung Wai Man	✓
Ho Kwong Yu	✓
Leung Ting Yuk	✓

DIRECTORS AND OFFICERS INSURANCE

Appropriate insurance policies that cover 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 and, as at the date of this annual report, the Directors and officers of the Company are indemnified under a directors' and officers' liability insurance against any liability incurred by them in discharge of their duties while holding office as the Directors and officers of the Company. The Directors and officers of the Company shall not be indemnified where there is any fraud, breach of duty or breach of trust proven against them.

COMPANY SECRETARY

The Company has engaged and appointed Mr. Lo Tai On, a representative from an external secretarial services provider as the Company Secretary and his primary corporate contact person is Mr. Luk Ka Chun, an executive Director, for the purpose of code provision C.6.1 (equivalent to previous code provision F.1.1) of the CG Code. The Company Secretary functions to ensure a good information flow within the Board and between the Board and senior management of the Company, to provide advice to the Board in relation to the Directors' obligations under the Listing Rules and applicable laws and regulations and to assist the Board in implementing the corporate governance practices. Mr. Lo Tai On, the Company Secretary, has attended not less than 15 hours of training as required under Rule 3.29 of the Listing Rules during the Year.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges that it is responsible for monitoring the risk management and internal control systems of the Group on an ongoing basis and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss. There is currently no internal audit function within the Group as the Group had engaged external professional to perform a review of its internal control and risk management systems for the Year to identify, evaluate, manage and rectify significant risks of the Group. The Company will review annually to consider setting up its internal audit department to perform internal audits for the Group.

The Board, through the Audit Committee, conducted an annual review of the adequacy and the effectiveness of the design and implementation of the risk management and internal control systems of the Group for the Year, which covered all material controls including financial, operational and compliance controls. The annual review considered various matters, including but not limited to the Group's ability to cope with its business transformation and changing external environmental in terms of significant risks, the scope and quality of management's ongoing monitoring of risks and of the internal controls systems and results of internal audit work, the extent and frequency of communication of monitoring results to the Board in relation to the result of risk and internal control review, significant control failing or weakness identified and their related implications, and status of compliance with the Listing Rules. Such annual review was done with a view to ensure that resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions are adequate. In this respect, the Audit Committee would communicate any material issues to the Board.

Measures to enhance the risk management and internal control systems of the Group and to mitigate risks of the Group were adopted by the Board. Based on the findings and recommendations, as well as the comments of the Audit Committee, the Board considers the internal control and risk management systems effective and adequate for the Year.

The Group strictly follows the requirements of the SFO and the Listing Rules and ensures that inside information is disclosed to the public as soon as reasonably practicable. Before inside information is fully disclosed to the public, such information is kept strictly confidential.

The handling and dissemination of inside information of the Group is strictly controlled and remains confidential including but not limited by the following ways:

- Restrict access to inside information to a limited number of employees on a need-to-know basis;
- Remind employees who are in possession of inside information to be fully conversant with their obligations to preserve confidentiality;
- Ensure appropriate confidentiality agreements are in place when the Group enters into significant negotiations or dealings with third parties;
- Inside information is handled and communicated by designated persons to independent third party; and
- The board and the senior management review the safety measures regularly to ensure inside information is properly handled and disseminated.

The Board considered the procedures and measures in relation to the handling and dissemination of the inside information to be effective and adequate.

AUDITOR'S REMUNERATION AND RESPONSIBILITIES

PricewaterhouseCoopers ("PwC") resigned as auditor of the Company and the Company has appointed Baker Tilly Hong Kong Limited ("Baker Tilly") as the auditor of the Company, both with effect from 15 October 2021. Apart from the provision of annual audit services, Baker Tilly provided non-audit services. The reporting responsibilities of Baker Tilly are set out in the Independent Auditor's Report on pages 71 to 75 of this annual report. During the Year, remuneration paid and payable to the Group's current independent auditor in respect of the year ended 31 March 2022 are approximately HK$0.8 million for annual audit fee and approximately HK$0.4 million for non-audit fees (including HK$60,000, HK$150,000 and HK$0.2 million for internal control review, interim review and special review, respectively). There was no disagreement between the Board and the Audit Committee on the selection and appointment of the external auditor during the Year.

During the Year, no remuneration was paid to PwC, the former auditor of the Company, and its foreign member firm in respect of the Year as PwC did not provide any audit and non-audit services to the Group.

DIVIDEND POLICY

The Company has adopted a dividend policy (the "Dividend Policy") on payment of dividends. Under the Companies Law of Cayman Islands and the Articles, dividends may be paid out of the profits of the Company, or subject to solvency of the Company, out of sums standing to the credit of the share premium account of the Company. However, no dividend shall exceed the amount recommended by Directors.

Declaration and recommendation of payment of dividends of the Company is subject to the approval of the Directors of the Company, depending on results of operations, working capital, financial position, future prospects, and capital requirements, as well as any other factors which the Directors of the Company may consider relevant from time to time. Any future declaration, recommendation and payment of dividends of the Company may or may not reflect the historical declarations and payments of dividends and will be at the absolute discretion of the Directors. The Company does not have any predetermined dividend payout ratio.

No arrangement under which a shareholder has waived or agreed to waive any dividend was made by the Company.

CORPORATE GOVERNANCE REPORT

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with its shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make the best investment decisions.

The disclosure of the Group's information in a reasonable and timely manner by the Board is to facilitate the shareholders as well as the investors to have a better understanding of the business performance, operations and strategies of the Group. The Company's website at www.mostkwaichung.com allows the potential and existing investors as well as the public to get access to and acquire the Company's up-to-date corporate and financial information.

Shareholders are provided with contact details of the Company, such as email address and postal address, in order to enable them to make any queries that they may have with respect to the Company.

They can also send their enquiries to the Board through these means. The contact details of the Company are provided in this annual report, the "Corporate Information" section of this annual report and the Company's website.

The Board welcomes views of shareholders and encourages them to attend general meetings to raise any concerns that they may have with the Board or the management directly. Board members and appropriate senior officers of the Group are available at the meetings to answer any questions raised by shareholders.

PROCEDURES FOR SHAREHOLDERS TO CONVENE AN EXTRAORDINARY GENERAL MEETING

To safeguard shareholders' interests and rights, separate resolutions are proposed at general meetings on each substantial issue, including the election of individual Directors, for shareholders' consideration and voting. Besides, pursuant to article 12.3 of the Articles, the Directors may, whenever they think fit, convene a general meeting, and general meetings shall also be convened on such requisition, or in default, may be convened by such requisitionists. If any time there are not within Hong Kong sufficient Directors capable of acting to form a quorum, any Director or any two or more members of the Company representing at least 10% of the total voting rights of all members having a right to vote at general meetings, may convene a general meeting in the same manner as nearly as possible, as that in which meetings may be convened by the Directors.

Shareholders may send written enquiries to the Company or put forward any enquiries and proposals to the Board and put forward proposals at shareholders' meetings. The contact details are as follows:

Board of Directors
Most Kwai Chung Limited
Address: Unit 8, 16/F, Block B,
Tung Chun Industrial Building,
11–13 Tai Yuen Street, Kwai Chung,
New Territories,
Hong Kong
Email address: ir@mostkwaichung.com

To put forward proposals at an AGM or a general meeting, the shareholders shall submit a written notice of those proposals with detailed contact information to the Board at the Company's principal place of business in Hong Kong.

The request will be verified with the Company's branch share registrar in Hong Kong and upon its confirmation that the request is proper and in order, the Company Secretary will ask the Board to include the proposed resolution in the agenda for the general meeting.

Moreover, the notice period concerning the notice to be given to all the shareholders for consideration of the proposals submitted by the shareholders concerned varies as follows pursuant to article 12.3 of the Articles:

(a) for an AGM, it shall be called by notice in writing of at least twenty-one clear days (or such longer period as may be required by the Listing Rules); and

(b) for a general meeting other than an AGM, it shall be called by notice in writing of at least fourteen clear days (or such longer period as may be required by the Listing Rules),

shall be given in the manner mentioned in the articles of association to all members, to the Directors and to the auditors.

For the avoidance of doubt, shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the Company's principal place of business in Hong Kong and provide their full names, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

CONSTITUTIONAL DOCUMENTS

The Company adopted an amended and restated memorandum and articles of association (the "Amended and Restated M&A") on 2 March 2018 and the Amended and Restated M&A took effect on the date on which the Shares are listed on the Stock Exchange. Since the Listing Date and up to 31 March 2022, no amendment was made to the constitutional documents of the Company.

REPORT OF THE DIRECTORS

The Board is pleased to present their report together with the audited consolidated financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The major subsidiaries of the Company are providing integrated advertising and media services to customers.

RESULTS AND DIVIDEND

Details of the audited consolidated results of the Group for the Year are set out in the consolidated statement of profit or loss and other comprehensive income on page 76 of this annual report.

The Board does not recommend the payment of a final dividend for the Year (2021: HK$3.4 cents per Share).

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the annual general meeting of the Company ("AGM") to be held on Tuesday, 30 August 2022, the register of members of the Company will be closed from Thursday, 25 August 2022 to Tuesday, 30 August 2022, both dates inclusive, during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 24 August 2022.

BUSINESS REVIEW

A discussion and analysis of the Group's performance during the Year is set out in the section headed "Management Discussion and Analysis" of this annual report and the key factors affecting its results and financial position, and the information on the compliance with laws and regulations, environmental policy and relationships with stakeholders are set out in this report of the Directors. Furthermore, a fair review of, and an indication of likely future development in the Group's business, are set out in the sections headed "Chairman's Statement" of this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial condition, results of operation, business and prospects as a going concern may be affected by a number of risks and uncertainties. The followings are the key risks and uncertainties identified by the Group relating to its businesses:

— The Group has a complex integrated business model. The operating results depend on the interplay of the services and creative content offerings and the successful adaptation to the rapid changing customer preferences and technological development in the advertising and media industry.

— The Group heavily relies on social media platforms for publication of the creative content which are considered as the advertisement distribution platforms among the customers and any decline in usage of such social media platforms may materially affect our results of operations.

— The Group's business is highly sensitive to changing viewer preferences.

— If the Group fails to keep up with the rapidly changing technologies, the Group could lose the customers and the business and results of operations could be adversely affected.

— If the Group fails to attract, recruit or retain its key personnel including the executive Directors, senior management and other key employees, the ongoing operations and growth could be affected.

— The Group's business depends on the strong brand names and any unfavourable customer feedback or negative publicity could adversely affect the brands.

— The Group's business model is generally project-based and the Group generally does not enter into long term agreements with most of the customers. If the Group fails to retain existing customers or attract new customers, the results of operations could be materially affected.

— Decrease in demand for the print media services may cause the revenue to decline and the business and results of operations may be materially and adversely affected.

— Successful implementation of the business strategies and future plans are subject to uncertainties.

— The Group's business solely operates in a single geographical market and any adverse economic, social and/or political development affecting the market may have a material adverse impact on the operations.

— The Group is exposed to credit risk under the business operations, and any material payment delays or defaults by the customers may negatively affect the business, financial position and results of operations.

— Most of the agreements with the Group's contracted artistes will expire in 2023 and 2024, any failure to renew their contracts will materially affect the performance and operations.

— Any unauthorised use of the brand names or any other intellectual property rights by the competitors or third parties, and the expenses incurred in protecting such intellectual property rights, may adversely affect the business reputation and financial performance.

— The organisation of events involves risks that may result in accidents, which in turn may have a material adverse effect on the financial conditions and results of operations.

— The Group relies on analysing system from social media platforms to analyse the performance and to plan for the advertising strategies, any failure or malfunction of the system will affect the performance and operations.

— The Group may experience breakdowns in the IT systems that could damage the customer relations and expose the Group to liability.

— If the Group experiences information and technological system failures, the business operations could be significantly disrupted.

For other risks and uncertainties that the Group faces, please refer to the section headed "Risk Factors" in the Prospectus.

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial years is set out on page 128 of this annual report. This summary does not form part of the consolidated financial statements.

SUBSIDIARIES

Details (including the principal activities) of the Company's principal subsidiaries as at 31 March 2022 are set out in note 13 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the Year are set out in note 11 to the consolidated financial statements.

DONATIONS

No donation was made by the Group during the Year. (2021: Nil).

DISTRIBUTABLE RESERVES OF THE COMPANY

As at 31 March 2022, the Company's distributable reserves available for distribution to shareholders in accordance with statutory provision applicable in the Cayman Islands is approximately HK$57.5 million (2021: HK$67.2 million).

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders unless otherwise required by the Stock Exchange.

SHARE CAPITAL AND EQUITY-LINKED AGREEMENT

Details of the movements in share capital of the Company during the Year are set out in note 19 to the consolidated financial statements. Please also refer to "Capital Structure" in the "Management Discussion and Analysis" of this annual report.

The Company did not enter into any equity-linked agreement during the Year.

REPORT OF THE DIRECTORS

DIRECTORS

During the Year and thereafter up to the date of this annual report, the Directors are named as follows:

Executive Directors

Iu Kar Ho *(Chairman)*
Luk Ka Chun
Tsui Ka Ho *(resigned on 1 August 2021)*

Independent non-executive Directors

Leung Wai Man
Ho Kwong Yu
Leung Ting Yuk

Pursuant to article 16.18 of the Articles, at every annual general meeting of the Company 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 less 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.

Accordingly, Mr. Iu Kar Ho and Mr. Ho Kwong Yu will retire by rotation pursuant to article 16.18 of the Articles, and being eligible, will offer themselves for re-election as Directors at the forthcoming AGM.

During the year and up to the date of this report, Mr. Iu Kar Ho, Mr. Luk Ka Chun and Mr. Tsui Ka Ho (resigned on 1 August 2021 in order to devote more time for his personal commitments) are also directors in the subsidiaries of the Company incorporated in Hong Kong.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive Directors, an annual written confirmation of independence pursuant to Rule 3.13 of the Listing Rules as at the date of this annual report and considered all the independent non-executive Directors to be independent.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Group are set out on pages 12 to 16 of this annual report.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has signed a service contract with the Company for a term of three years, commencing from 28 March 2021 (subject to termination in certain circumstances as stipulated in the relevant service contact).

Each of the independent non-executive Directors has signed a letter of appointment with the Company for a term of three years, commencing from 28 March 2021 (subject to termination in certain circumstances as stipulated in the relevant letter of appointment).

None of the Directors who are proposed for re-election at the forthcoming AGM has a service contract or letter of appointment with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 23(b) to the financial statements, no transactions, arrangements and contracts of significance in relation to the business of the Group to which the Company, or its holding company, or any of its subsidiaries was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year, nor was there any transaction, arrangement or 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 for the Year. There was also no contract of significance between the Company or one of the subsidiaries and the Controlling Shareholders or any of their subsidiaries.

MANAGEMENT CONTRACT

No contract concerning the management and administration of the whole or any substantial part of the business of the Company or its subsidiaries was entered into or existed during the Year with any person who is not a Director or any person engaged in the full-time employment of the Company.

DIRECTORS' EMOLUMENTS

Details of the remuneration of the Directors on a named basis during the Year are set out in note 25(a) to the consolidated financial statements. During the Year, no emoluments were paid by the Group to any Director as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors has waived any emoluments during the Year.

EMOLUMENT POLICY

Under the emolument policy of the Company, the Remuneration Committee will consider factors such as salaries paid by comparable companies, time commitment, responsibilities and performance of the Directors and senior management, as the case may be, in assessing the amount of remuneration payable to the Directors and members of the senior management. The Remuneration Committee will periodically review the compensation levels of the key executives. Based on the performance and the executives' respective contribution to the Group, the Remuneration Committee may, within the aggregate remuneration amount having been approved in a shareholders' meeting, make recommendations to the Board as to salary increases or payment of discretionary bonuses.

The Company provides a comprehensive benefit package for all employees as well as career development opportunities. This includes retirement schemes, medical insurance, other insurances, in-house training, on-the job training, external seminars and programs organised by professional bodies and educational institutions.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles, the Directors shall be indemnified out of the assets of the Company against any liability, loss or expenditure incurred by him in defending any proceedings, whether civil or criminal, which relate to anything done or omitted to be done or alleged to have been done or omitted to be done by him as a Director.

During the Year, appropriate insurance policies that covered directors' and officers' liabilities were in force to protect the Directors and officers of the Group from their risk exposure arising from the business of the Group.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATIONS

As at 31 March 2022, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) (i) 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 were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code contained in Appendix 10 of the Listing Rules, were as follows:

Name of Directors	Nature of interest	Number of Shares held *(Note 1)*	Percentage of shareholding in the Company's issued share capital
Mr. Iu Kar Ho ("Mr. Iu")	Interest in a controlled corporation	175,500,000 (L) *(Note 2)*	65.0%
	A concert party to an agreement to buy shares described in S.317(1)(a)	6,750,000 (L) *(Note 3)*	2.5%
Mr. Luk Ka Chun ("Mr. Luk")	Interest in a controlled corporation	175,500,000 (L) *(Note 2)*	65.0%
	A concert party to an agreement to buy shares described in S.317(1)(a)	6,750,000 (L) *(Note 3)*	2.5%

Notes:

(1) The letter "L" denotes a long position in the Shares.

(2) These shares are held by Blackpaper Limited ("Blackpaper BVI"). Blackpaper BVI is legally and beneficially owned as to 50% and 50% by Mr. Iu and Mr. Luk, respectively. Hence, each of Mr. Iu and Mr. Luk is deemed to be interested in the 175,500,000 Shares held by Blackpaper BVI under the SFO.

(3) On 25 January 2022, Blackpaper BVI transferred 6,750,000 shares in total ("the said Shares") to Ms. Leung Hoi Yui, Mr. Chui Cheung Lam, Mr. Yuen Kam Shing and Mr. Wong Kar Wai (collectively, the "Staff"). Pursuant to the deed of concert parties dated 25 January 2022 entered into among Blackpaper BVI, Mr. Iu, Mr. Luk and the Staff, each of the Staff has undertaken to act in concert with Blackpaper BVI, Mr. Iu and Mr. Luk as one party in casting votes on all matters of the Company so long as he/she remains interested in all or any of the said Shares.

Save as disclosed above, as at 31 March 2022, none of the Directors nor chief executive of the Company has registered any interest and short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) 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 and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHT TO ACQUIRE SHARES

Save as disclosed under the paragraphs headed "Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or any specified undertaking of the Company or any other associated corporations" above, at no time during the Year were any rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or the chief executive of the Company or any of their respective spouses or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

INTERESTS AND SHORT POSITIONS OF THE SUBSTANTIAL SHAREHOLDERS OF THE COMPANY AND OTHER PERSONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATIONS

So far as the Directors are aware, as at 31 March 2022, the following persons (not being Directors or chief executive of the Company) have or are deemed or taken to have an interest or short position in the Shares or the 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 which would be recorded in the register required to be kept under Section 336 of the SFO:

Name of shareholders	Nature of interests	Number of Shares held *(Note 1)*	Percentage of shareholding in the Company's issued share capital
Blackpaper BVI	Beneficial owner	175,500,000 (L)	65.0%
	A concert party to an agreement to buy shares described in S.317(1)(a)	6,750,000 (L) *(Note 4)*	2.5%
Ms. Chan Mavis Pak Ling	Interest of spouse	182,250,000 (L) *(Note 3)*	67.5%
Mr. Chui Cheung Lam	Beneficial owner	1,687,500 (L)	0.6%
	A concert party to an agreement to buy shares described in S.317(1)(a)	180,562,500 (L) *(Note 4)*	66.9%
Ms. Leung Hoi Yui	Beneficial owner	1,687,500 (L)	0.6%
	A concert party to an agreement to buy shares described in S.317(1)(a)	180,562,500 (L) *(Note 4)*	66.9%
Mr. Wong Kai Wai	Beneficial owner	1,687,500 (L)	0.6%
	A concert party to an agreement to buy shares described in S.317(1)(a)	180,562,500 (L) *(Note 4)*	66.9%
Mr. Yuen Kam Shing	Beneficial owner	1,687,500 (L)	0.6%
	A concert party to an agreement to buy shares described in S.317(1)(a)	180,562,500 (L) *(Note 4)*	66.9%

Notes:

(1) The letter "L" denotes a long position in the Shares.

(2) Blackpaper BVI is legally and beneficially owned as to 50% and 50% by Mr. Iu and Mr. Luk, respectively. Hence, each of Mr. Iu and Mr. Luk is deemed to be interested in the 175,500,000 Shares held by Blackpaper BVI under the SFO.

(3) Ms. Chan Mavis Pak Ling is the spouse of Mr. Iu and is therefore deemed to be interested in the same number of Shares in which Mr. Iu is interested under the SFO.

(4) On 25 January 2022, Blackpaper BVI transferred 6,750,000 shares in total ("the said Shares") to Ms. Leung Hoi Yui, Mr. Chui Cheung Lam, Mr. Yuen Kam Shing and Mr. Wong Kar Wai (collectively, the "Staff"). Pursuant to the deed of concert parties dated 25 January 2022 entered into among Blackpaper BVI, Mr. Iu, Mr. Luk and the Staff, each of the Staff has undertaken to act in concert with Blackpaper BVI, Mr. Iu and Mr. Luk as one party in casting votes on all matters of the Company so long as he/she remains interested in all or any of the said Shares.

Save as disclosed above, as at 31 March 2022, the Directors were not aware of any other persons who had any interests or short positions 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 which would be recorded in the register required to be kept under Section 336 of the SFO, and/or who are directly or indirectly 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.

SHAREHOLDERS' INTERESTS IN SECURITIES OF SIGNIFICANCE

Other than the interests disclosed above in respect of the substantial shareholders, as at 31 March 2022, no other person is individually or collectively entitled to exercise or control the exercise of 5% or more of the voting power at the general meetings of the Company and are able, as a practicable manner, to direct or influence the management of the Company.

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of sales for the Year generated from the Group's major customers is as follows:

— The largest customer	4%
— Five largest customers	13%

The total sales of the Group from five largest customers for the Year did not exceed 30%.

The percentage of cost of sales for the Year attributable to the Group's major suppliers is as follows:

— The largest supplier	31%
— Five largest suppliers	40%

The total cost of sales of the Group from the five largest suppliers did not exceed 30%.

None of the Directors, their close associates (as defined in the Listing Rules) or any shareholder (which to the knowledge of the Directors, owns more than 5% of the Company's issued share capital) had any beneficial interest in any of the Group's five largest customers or its five largest suppliers for the Year.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

COMPETING INTERESTS

During the Year and up to the date of this annual report, none of the Directors or the Controlling Shareholders or substantial shareholders (as defined in the Listing Rules) of the Company or their respective close associates (as defined in the Listing Rules) were considered to have any interests in a business which competed or was likely to compete, either directly or indirectly, with the business of the Group and/or caused, or was likely to cause any other conflicts of interest with the Group.

NON-COMPETITION UNDERTAKING

The Company confirms that the deed of non-competition (the "Deed") of each of Blackpaper BVI, Mr. Iu and Mr. Luk, details of which were set out in the Prospectus, has been fully complied with and enforced since the Listing Date and up to 31 March 2022. The Company has obtained (i) an annual written confirmation from each of the Controlling Shareholders in relation to their compliance with the terms of the Deed during the Year; and (ii) the consent (from each of the Controlling Shareholders) to refer to the said confirmation. The independent non-executive Directors have reviewed the undertakings under the Deed and evaluated the effective implementation of the Deed during the year. The Board also confirms that there are no other matters in relation to the aforesaid undertaking which should be brought to the attention of the shareholders and the potential investors of the Group.

REPORT OF THE DIRECTORS

SHARE OPTION SCHEME

The following is a summary of the principal terms of the share option scheme conditionally approved and adopted in compliance with Chapter 17 of the Listing Rules by the written resolutions of all the then shareholders of the Company passed on 2 March 2018 (the "Share Option Scheme"). The following summary does not form, nor is intended to be, part of the Share Option Scheme, nor should it be taken as affecting the interpretation of the rules of the Share Option Scheme.

As at 31 March 2022, no share option was granted, exercised, lapsed or cancelled under the Share Option Scheme of the Company.

(a) Purpose

The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group. The Directors believe the Share Option Scheme will enable the Group to reward the employees, the Directors and other selected participants for their contributions to the Group. Given that the Directors are entitled to determine the performance targets to be achieved as well as the minimum period that an option must be held before an option can be exercised on a case by case basis, and that the exercise price of an option cannot in any event fall below the price stipulated in the Listing Rules or such higher price as may be fixed by the Directors, it is expected that grantees of an option will make an effort to contribute to the development of the Group so as to bring about an increased market price of the Shares in order to capitalise on the benefits of the options granted.

(b) Who may join

The Directors (which expression shall, for the purpose of this paragraph, include a duly authorised committee thereof) may, at their absolute discretion, invite any person belonging to any of the following classes of participants, who the Board considers, in its sole discretion, have contributed or will contribute to the Group, to take up options to subscribe for Shares (collectively the "Eligible Participants"):

(i) any directors (including executive Directors, non-executive Directors and independent non-executive Directors) and employees of any member of the Group; and

(ii) any advisers, consultants, distributors, contractors, customers, suppliers, agents, business partners, joint venture business partners, service providers of any member of the Group.

For the purposes of the Share Option Scheme, the options may be granted to any company wholly owned by one or more persons belonging to any of the above classes of participants. For the avoidance of doubt, the grant of any options by the Company for the subscription of Shares or other securities of the Group to any person who falls within any of the above classes of participants shall not, by itself, unless the Directors otherwise so determine, be construed as a grant of option under the Share Option Scheme.

The eligibility of any of the above class of participants to the grant of any option shall be determined by the Directors from time to time on the basis of the Directors' opinion as to the participant's contribution to the development and growth of the Group.

(c) Maximum number of Shares

(i) The maximum number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme of the Group shall not in aggregate exceed 30% of the issued share capital of the Company from time to time.

(ii) The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Group shall not in aggregate exceed 10% of the aggregate of the Shares in issue on the day on which trading of the Shares commences on the Stock Exchange, and such 10% limit represents 27,000,000 Shares (the "General Scheme Limit").

(iii) Subject to paragraph (i) above and without prejudice to paragraph (iv) below, the Company may issue a circular to its shareholders and seek approval of its shareholders in a general meeting to extend the General Scheme Limit provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share options scheme of the Group shall not exceed 10% of the Shares in issue as of the date of approval of the limit and, for the purpose of calculating the limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other share option scheme of the Group) previously granted under the Share Option Scheme and any other share option scheme of the Group will not be counted. The circular sent by the Company to its shareholders shall contain, among other information, the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.

(iv) Subject to paragraph (i) above and without prejudice to paragraph (iii) above, the Company may seek separate shareholders' approval in a general meeting to grant options beyond the General Scheme Limit or, if applicable, the extended limit referred to in paragraph (iii) above to participants specifically identified by the Company before such approval is sought. In such event, the Company must send a circular to its shareholders containing a general description of the identified participants, the number and terms of options to be granted, the purpose of granting options to the identified participants with an explanation as to how the terms of the options serve such purpose and all other information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.

The total number of shares available for issue under the Share Option Scheme was 27,000,000, representing 10% of the issued share capital of the Company as at the date of this annual report.

(d) Maximum entitlement of each participant

The total number of Shares issued and to be issued upon exercise of the options granted and to be granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being (the "Individual Limit"). Any further grant of options to a participant in aggregate in excess of the Individual Limit in any 12-month period up to and including the date of such further grant shall be subject to the issue of a circular to the shareholders and the shareholders' approval in general meeting of the Company with such participant and his close associates abstaining from voting. The number and terms (including the exercise price) of options to be granted to such participant must be fixed before shareholders' approval and the date of board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under Note (1) to Rule 17.03(9) of the Listing Rules.

(e) Grant of options to connected persons

(i) Any grant of options under the Share Option Scheme to any Director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of the options).

(ii) Where any grant of options to a substantial shareholder of the Company or an independent non-executive Director or any of their respective associates would result 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 the 12-month period up to and including the date of such grant:

(1) representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the Shares in issue; and

(2) having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of each grant, in excess of HK$5 million (or such other higher amount as may from time to time be specified by the Stock Exchange);

such further grant of options must be approved by the shareholders in a general meeting. The Company must send a circular to its shareholders no later than the date on which the Company gives notice of the general meeting to approve the Share Option Scheme. The grantees, their associates and all core connected persons of the Company must abstain from voting at such general meeting, except that they may vote against the relevant resolution at the general meeting provided that any of their intention to do so has been stated in the circular to be sent to the shareholders in connection therewith. Any vote taken at the general meeting to approve the grant of such options must be taken on a poll. Any change in the terms of options granted to a substantial shareholder or an independent non-executive Director or any of their respective associates must be approved by the shareholders in a general meeting.

(f) Time of acceptance and exercise of option

An option may be accepted by a participant to whom the offer is made within 5 business days from the date on which the letter containing the offer is delivered to that participant. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than ten years from the date of grant of the option subject to the provisions for early termination under the Share Option Scheme. Unless otherwise determined by the Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

(g) Subscription price for Shares and consideration for the option

The subscription price per Share under the Share Option Scheme will be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the offer of grant (provided that in the event that any option is proposed to be granted within a period of less than five business days after the trading of the Shares first commences on the Stock Exchange, the new issue price of the Shares for the Share Offer shall be used as the closing price for any business day falling within the period before listing of the Shares on the Stock Exchange); and (iii) the nominal value of a Share on the date of grant. A nominal consideration of HK$1 is payable upon acceptance of the grant of an option.

(h) Period of the Share Option Scheme

The Share Option Scheme will remain in force for a period of ten years commencing on the date on which the Share Option Scheme is adopted. No share options were granted since the adoption of the Share Option Scheme and there are no outstanding share options at the end of the Year.

AUDIT COMMITTEE REVIEW

The audited consolidated financial statements of the Group for the Year have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards, the Listing Rules and legal requirements, and adequate disclosures have been made.

CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS

During the Year, the Group had entered into certain related party transactions as set out in note 23 to the consolidated financial statements. While the Group also has entered into certain continuing connected transactions, such transactions are fully exempted and not subject to the reporting, annual review, announcement and independent shareholders' approval under Chapter 14A of the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

From the information publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital is held by the public at all times during the Year and up to the date of this annual report.

TAX RELIEF

The Company is not aware of any relief from taxation to which the shareholders are entitled by reason of their holding of the Shares.

REPORT OF THE DIRECTORS

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to implementing good corporate governance practices. Information on the principal corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 17 to 29 of this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group recognises the importance of compliance with regulatory requirements and that the risks of non-compliance with such requirements. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Group has complied with all relevant laws and regulations in Hong Kong in all material respects during the Year.

The Group also complies with the requirements under the Listing Rules and the SFO for the disclosure of information and corporate governance.

ENVIRONMENTAL POLICY

Due to the business nature of the Group, no pollutant is produced, emitted or discharged during the course of provision of print, digital and other media services. The Group recognises its responsibility to protect the environment. As such, the Group has taken measures to facilitate the environmental-friendliness of our workplace by encouraging a recycling culture within the Group. For further details on the Group's environmental measures and performance, please refer to the Group's ESG report on pages 44 to 70.

RELATIONSHIPS WITH STAKEHOLDERS

The Group recognises employees as one of the valuable assets of the Group and the Group strictly complies with the labour laws and regulations in Hong Kong and regularly reviews the existing staff benefits for improvement. The Group provides good quality services to the customers and maintains a good relationship with them. The Group is able to establish trusting and long-standing business relationships with the major customers. The Group also maintains effective communication and develops long-term and stable relationships with its suppliers. During the Year, there was no material dispute or disagreement between the Group and its customers or suppliers.

THE FORTHCOMING ANNUAL GENERAL MEETING

The forthcoming AGM of the Company will be held at Hotel Ease, Meeting Room, 2/F, 15–19 Chun Pin Street, Kwai Chung, Kowloon, Hong Kong on Tuesday, 30 August 2022 at 3:00 p.m. and the notice convening such meeting will be published and despatched to the shareholders in the manner as required by the Listing Rules in due course.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There was no significant events affecting the Group after the Year and up to the date of this report.

INDEPENDENT AUDITOR

PwC has resigned as the auditor of the Company with effect from 15 October 2021. The Board with the recommendation of the audit committee of the Company appointed Baker Tilly as the auditor of the Company with effect from 15 October 2021 to fill the casual vacancy following the resignation of PwC and to hold office until the conclusion of the next AGM of the Company.

The consolidated financial statements for the Year have been audited by Baker Tilly, who will retire and, being eligible, offer itself for re-appointment at the forthcoming AGM of the Company.

Save as disclosed above, there has been no change in the auditor of the Company during the past three years.

On behalf of the Board

Iu Kar Ho
Chairman and executive Director
Hong Kong, 27 June 2022

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

INTRODUCTION

Most Kwai Chung Limited (the "Company", together with its subsidiaries, the "Group") is one of the Hong Kong's leading advertising and media service providers. The Group provides integrated advertising and media services to customers which can be categorised into (i) digital media services under which the Group provides a one-stop advertising solution package to the customers, with different types of advertisements including video, online banner, newsfeed and advertorial, through various distribution channels including digital media platforms (which include (a) the respective fan pages of "100 Most" (100 毛), "TVMost" (毛記電視) and the Group's contracted artistes on third party social media platforms and (b) "TVMost" website and mobile application operated by the Group) (the "Digital Media Platforms"), third parties' TV channels, the Internet, and physical advertising spaces; (ii) print media services which include sale of book publications; and (iii) other media services which include events organisation and artistes management.

This Environmental, Social and Governance Report ("ESG Report") summarises the environmental, social and governance ("ESG") initiatives, plans and performances of the Group and demonstrates its commitment to sustainable development.

The Group believes sustainability is the key to achieving continuing success and has integrated this key concept into its business strategy. In order to pursue a successful and sustainable business model, the Group recognises the importance of integrating ESG aspects into its risk management system and has taken corresponding measures in its daily operations and governance perspective.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

CHAIRMAN'S STATEMENT

Dear valued stakeholders,

On behalf of the board (the "Board") of directors (the "Directors") of the Company, I am pleased to present the ESG Report of the Group for the year ended 31 March 2022 (the "Reporting Period" or "2022").

The Board strongly believes that a sound governance structure is critical to the effective management and implementation of ESG related issues. The Board shoulders the principal responsibilities for overseeing the Group's corporate governance as well as the ESG issues. The Board has a supervisory role in the data collection, drafting and review of the ESG Report. Information about the Group's governance structure is stated in the section headed "SUSTAINABILITY GOVERNANCE".

To prioritise the material ESG-related issues, the Board assesses the significance of multiple ESG topics and the risks they post to the Group's business operations with reference to different stakeholders' opinions by constantly communicating with the Group's stakeholders and regularly inviting them to participate in a materiality assessment. Information about the stakeholder communication channels and materiality assessment conducted by the Group is stated in the sections headed "STAKEHOLDER ENGAGEMENT" and "MATERIALITY ASSESSMENT" respectively. In order to gain a deeper understanding of stakeholders' expectations of the Group's sustainable development, the Group will further strengthen its communication with stakeholders and formulate relevant sustainable development policies and measures with reference to their opinions to enhance the Group's ESG performance.

The Group is committed to minimising its environmental impact to ensure sustainable business growth. As a socially responsible enterprise, the Group has been taking measures in different areas to reduce its environmental impact and regularly reviewing the effectiveness of such measures. In addition, the Group recognises the importance of setting targets for its ESG performance. Therefore, the Group has set targets for ESG issues that are material to the Group. The Board and the Environmental, Social and Governance Working Group (the "ESG Working Group") use the data collected to compare the Group's performance in different years to track the progress of ESG targets. To achieve these goals, the Group implements different environmental protection measures and raises employees' awareness of ESG. These objectives and environmental protection measures can help raise the environmental awareness of employees and enhance the Group's ESG performance to meet the expectations of the Group's stakeholders.

The ESG Working Group periodically reports to the Board, assists in identifying and assessing the Group's ESG risks and the effectiveness of the internal control mechanisms. The ESG Working Group also examines and evaluates the Group's performances in different aspects, such as environmental protection, labour practices, and other ESG aspects. The Board sets the general direction for the Group's ESG strategies, ensuring the effectiveness of risk management and internal control mechanisms.

Last but not least, I would like to express my gratitude to my fellow Directors, the management team, all employees and stakeholders for their contributions to the Group's sustainable development. Though the year ahead is full of challenges, I hereby undertake that we will do our best to live up to everyone's expectations.

Iu Kar Ho
Chairman and Executive Director

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SUSTAINABILITY GOVERNANCE

The Group has established the ESG Working Group to raise employees' awareness of ESG issues. The ESG Working Group is comprised of senior management and general staff with adequate knowledge on ESG. Its members span across different business departments. They are responsible for executing the Group's ESG measures, collecting and analysing ESG data, giving suggestions to the Board on ESG issues and reviewing ESG-related matters across the Group's different departments.

With the assistance of the ESG Working Group, the Board continuously evaluates and monitors the Group's ESG performance, risk, opportunities and targets. The members of the ESG Working Group regularly meet each other to discuss the effectiveness of the Group's policies and procedures and seek opportunities to improve the Group's ESG performance. The ESG Working Group reports its findings to the Board where appropriate so that the Board can find solutions to manage the Group's ESG risks and opportunities.

The Group has established a quantitative ESG performance management mechanism that includes important ESG key performance indicators ("KPIs") to review the Group's progress on the relevant ESG targets. The ESG Working Group is responsible for assisting in the implementation of the relevant measures to strive to achieve the expected progress.

SCOPE OF REPORTING

The reporting scope of the ESG Report is consistent with that in the year ended 31 March 2021 ("2021") and is determined based on the materiality and revenue contribution of the business segments under the Group's direct operational control throughout the Reporting Period. The ESG Report covers the Group's business activities in Hong Kong, where the Group's principal businesses are located. In addition, the Group's business activities in Hong Kong represent the Group's major sources of revenue. The Group will extend the scope of disclosures when and where applicable.

REPORTING FRAMEWORK

The ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide ("ESG Reporting Guide") as set out in Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Stock Exchange").

The ESG Report has been prepared based on four key reporting principles stated in the ESG Reporting Guide, including "materiality", "quantitative", "balance" and "consistency":

"Materiality": In defining the material ESG issues that are relevant to the Group's business and stakeholders, the Group maintains communication with internal and external parties to understand their expectations and suggestions. The Group continue to engage closely with its stakeholders who are affected by or have an impact on its operations including, but not limited to, shareholders and investors, customers and business partners, employees, suppliers, regulatory bodies and government authorities, as well as media, non-governmental organisations ("NGOs") and the public. Please refer to the sections headed "STAKEHOLDER ENGAGEMENT" and "MATERIALITY ASSESSMENT" for further details.

"Quantitative": The Group has established internal guidelines and procedures with reference to industry practices, guidelines of exchanges or relevant government departments, as well as laws and regulations, to collect environmental and social performance data from various business departments, and to keep relevant monitoring instruments records or supporting documents. Please refer to the relevant sections in the ESG Report for the standards, methodologies and assumptions (where applicable) for the calculation of performance data.

"Consistency": The disclosure, statistical and conversion methods in the ESG Report are consistent with those of the previous year. Relevant historical data has been disclosed in the ESG Report to enable stakeholders to better understand and compare the Group's sustainability performance.

"Balance": This ESG Report provides an unbiased picture of the Group's ESG performance.

STAKEHOLDER ENGAGEMENT

The Group values its stakeholders and their feedback regarding its businesses and ESG aspects. In order to understand and address their key concerns, the Group has maintained close communication with its key stakeholders as mentioned above.

In formulating operational strategies and ESG measures, the Group takes into account the stakeholders' expectations and strives to improve its performance through cooperation with the stakeholders, resulting in creating greater value for the community by utilising diversified key communication channels, which are shown below:

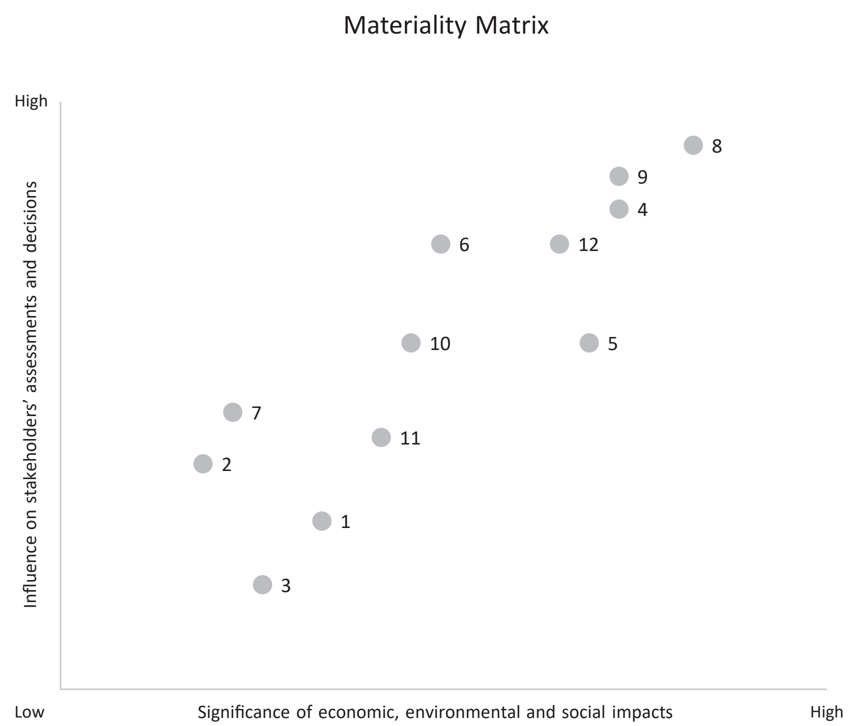
Stakeholders	Key Communication Channels	Expectations and Concerns
Shareholders and investors	• General meetings and other shareholder meetings • Financial reports • Announcements and circulars • Website	• Shareholders' rights and interest • Financial performance • Corporate governance • Accurate, complete and timely information disclosure
Customers and business partners	• Customer satisfaction surveys • Customer service team • Website • Social media platforms	• User satisfaction • Privacy protection • Compliant operation
Employees	• Employee opinion surveys • Channels for employees feedback (form, suggestion box, etc.) • Regular performance reviews • Staff seminars	• Remuneration • Career development • Fair working environment
Suppliers	• Supplier management meetings and events	• Fair and open procurement • Stable relationship
Regulatory bodies and government authorities	• On-site inspections	• Regulatory compliance • Corporate governance • Contribution to society
Media, NGOs and the public	• Media and website • ESG reports • Community investment program	• Contribution to society • Accurate, complete and timely information disclosure • Compliant operation

The Group aims to collaborate with its stakeholders to improve its ESG performance and create greater value for the wider community on a continuous basis.

MATERIALITY ASSESSMENT

The management and employees who are responsible for the key functions of the Group have participated in preparing the ESG Report, assisted the Group to review its operations, identified key ESG issues and assessed the importance of these issues to its businesses and stakeholders. The Group has compiled a questionnaire in reference to the identified material ESG aspects to collect the information from the relevant departments and business units of the Group regularly.

The following materiality matrix summarises the Group's material ESG issues as set out in the ESG Report:



Number	ESG issues	Number	ESG issues
1	Emissions	7	Supply chain management
2	Use of resources	8	Service quality
3	Responding actions to climate risks	9	Stability of technology platform
4	Employment practices and labour standards	10	Anti-corruption
5	Occupational health and safety	11	Active community participation
6	Continuous training and development	12	Regulatory compliance

The Group confirmed that it has established appropriate and effective management policies and internal control systems for ESG issues, and confirmed that the disclosed contents are in compliance with the requirements of the ESG Reporting Guide.

CONTACT US

The Group values feedback from its stakeholders. If you have any questions or suggestions regarding the ESG Report or the Group's performance in sustainable development, please feel free to contact the Group by emailing to ir@mostkwaichung.com.

A. ENVIRONMENTAL

Emissions

The Group strives to protect the environment through the implementation of control activities and monitoring measures in its business activities and workplace. The Group is committed to promoting a green environment by introducing environmentally friendly business practices, educating its employees to enhance their awareness of environmental protection and complying with the relevant environmental laws and regulations.

As a corporation providing advertising and media services, the Group's daily operations have limited impact on the environment. Its emissions are limited to greenhouse gas ("GHG") emissions and non-hazardous waste, which are mainly derived from the use of resources in its offices and warehouse in Hong Kong. With the aim to reduce GHG emissions and non-hazardous waste generation, the Group focuses on nurturing and strengthening employees' awareness of environmental protection in their daily work process, and actively implementing the Group's environmental protection measures.

In order to mitigate the environmental impact caused by the Group's operations, it has adopted and implemented the ESG Policy to regulate the GHG emissions generated from its operations, and implemented various emission reduction measures to ensure that the emissions meet the national emission standards and fulfil its continuous commitment to environmental protection. The Group applies the waste management principle of "Reduce, Reuse, Recycle and Replace" as well as the emission mitigation principle, with objectives of minimising adverse environmental impacts and ensuring the waste disposal or emissions being generated are handled in an environmentally responsible manner.

Within the Group's policy framework, it continually looks for different opportunities to pursue environmentally friendly initiatives and enhances its environmental performance by reducing the use of energy and other resources.

During 2022, the Group was not aware of any material non-compliance with the relevant environmental laws and regulations in Hong Kong in relation to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. The relevant laws and regulations include, but are not limited to, the Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong).

Air Emissions

In view of the Group's business nature, it considers the air emissions generated were not significant during the Reporting Period.

GHG Emissions

The principal GHG emissions of the Group were generated from electricity consumption. The Group actively adopts electricity conservation and energy-saving measures as well as other initiatives to reduce GHG emissions, including:

- Encouraging staff to utilise teleconferences and video conferences to reduce GHG emissions related to transportation needed for meetings;
- Actively adopting energy conservation measures. Relevant measures are described in the section headed "Energy Consumption" in Aspect A2; and
- Actively adopting paper-saving measures in the offices. Relevant measures are described in the section headed "Waste Management" in this aspect.

Through the above GHG emissions mitigation measures, the employees' awareness of reducing GHG emissions has been enhanced.

Since the Group neither owns any vehicles nor has any activities that result in direct GHG emissions (Scope 1) during its operations, energy indirect GHG emissions (Scope 2) due to purchased electricity was the major GHG emissions source of the Group. During the Reporting Period, the Group's total GHG emissions was approximately 36.11 tonnes of carbon dioxide equivalent ("tCO_2e") (2021: 38.62 tCO_2e). During the Reporting Period, the Group's total GHG emissions intensity was approximately 0.46 tCO_2e per employee (2021: 0.39 tCO_2e per employee), representing an increase of approximately 18%. The increase in the total GHG emissions intensity was mainly due to the decrease in the number of employees.

Summary of GHG emissions performance of the Group is as follows:

Indicator[1]	Unit	2022	2021
Direct GHG emissions (Scope 1)	tCO_2e	**–**	–
Energy indirect GHG emissions (Scope 2)			
— Purchased electricity	tCO_2e	**36.11**	38.62
Total GHG emissions	tCO_2e	**36.11**	38.62
Intensity[2]	tCO_2e/employee	**0.46**	0.39

Notes:

1. GHG emissions data are presented in terms of carbon dioxide equivalent and are based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, "How to prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, the "Global Warming Potential Values" from the IPCC Fifth Assessment Report, 2014 (AR5) and the "2021 Sustainability Report" published by the CLP Holdings Limited.

2. As at 31 March 2022, the total number of employees of the Group was 79 (31 March 2021: 99). These numbers would also be used for calculating other intensity data.

The Group's GHG emissions mainly come from the electricity consumption in offices. The Group has set an emissions target of maintaining or reducing the total GHG emission intensity in the next reporting year, using approximately 0.46 tCO_2e per employee in 2022 as the baseline. In order to achieve this emission target, the Group has implemented a number of energy-saving measures. For measures on energy conservation and emission reduction, please refer to the section headed "Use of Resources".

Waste Management

Hazardous waste handling method

Although the Group did not generate any hazardous waste during 2022, the Group has established guidelines in governing the management and disposal of hazardous waste. In case there is any hazardous waste produced, the Group must engage a qualified hazardous waste collector to handle such waste, which complies with the relevant environmental laws and regulations.

Non-hazardous waste handling method

The Group emphasises the importance of carbon reduction and waste reduction with the principle of "Reduce, Reuse, Recycle and Replace" to promote better utilisation of environmental resources.

With the aim of minimising the environmental impact of non-hazardous waste generated from its business operations, the Group has implemented relevant measures to handle such waste and launched different reduction initiatives.

During 2022, the Group's total non-hazardous waste disposed of was mainly office paper. In 2022, the Group's total non-hazardous waste disposal was approximately 0.41 tonnes (2021: 0.45 tonnes). The Group's total non-hazardous waste intensity remained at approximately 0.005 tonnes per employee in both 2021 and 2022.

Summary of non-hazardous waste discharge performance of the Group is as follows:

Type of non-hazardous waste	**Unit**	**2022**	2021
Office paper	tonnes	**0.41**	0.45
Total non-hazardous waste	tonnes	**0.41**	0.45
Intensity	tonnes/employee	**0.005**	0.005

The Group has set a waste generation target of maintaining or reducing the total non-hazardous waste intensity in the next reporting year, using approximately 0.005 tonnes per employee in 2022 as the baseline. In order to achieve this waste generation target, the Group has adopted green office practices. The Group's staff and assigned administrative staff in the workplace take the responsibility collectively for waste management in the offices with reference to the established environmental policies including, but not limited to, the following:

- Utilising electronic communication where applicable such as e-cards for festival greetings and e-brochures for distribution to customers;
- Promoting the use of recycled paper and toner or environmentally friendly materials;
- Using high performance and quality of all-in-one "multi-function printers" that incorporate printer, scanner and copier functions into a single device, which can be shared among different departments in order to reduce the total number of different kinds of devices so as to minimise power consumption, carbon footprint and the need for maintenance;

- Redeploying office furniture within the Group where possible to reduce the amount of waste sent to landfills;
- Sorting recycled waste into appropriate recycling bins, educating employees on sorting methods if needed; and
- Placing appropriate signage on walls and bins, stating what type of waste or recyclable should be placed in the recycling bins.

Wastewater Discharge

The Group does not consume significant amounts of water in its business operations, and therefore its business activities did not discharge a material amount of pollutants into water or land during 2022. Since the Group discharges wastewater into the municipal sewage pipeline network for processing, the amount of water consumption of the Group represents the wastewater discharge volume. The data of wastewater discharge volume will be described in the section "Water Consumption" in Aspect A2. The majority of the water supply and discharge facilities are provided and managed by the property management company.

Use of Resources

The Group has formulated the ESG Policy, which stipulates that the Group should continue to take initiatives to implement resource efficiency and eco-friendly measures, and is committed to optimising the use of resources in all of its business operations. During the operations, electricity and water are frequently consumed, and the Group has established procedures related to governing the efficient use of resources in reference to the objectives of achieving higher energy efficiency and reducing the unnecessary use of materials.

Energy Consumption

All employees must implement the adopted measures including the purchase of energy-efficient products and services, and assume responsibility for the Group's overall energy efficiency. By establishing an energy management system, the Group develops and regularly reviews its energy objectives and targets to continuously enhance the Group's energy performance. Unexpectedly high consumption of electricity will be investigated to find out the root cause and preventive measures will be taken.

In 2022, electricity was the major type of energy consumed by the Group. During the Reporting Period, the Group's total energy consumption was approximately 92,601.00 kWh (2021: 104,375.00 kWh). During the Reporting Period, the Group's total energy consumption intensity was approximately 1,172.16 kWh per employee (2021: 1,054.29 kWh per employee), representing an increase of approximately 11%. The increase in the total energy consumption intensity was mainly due to the decrease in the number of employees.

Summary of energy consumption performance of the Group is as follows:

Type of energy	Unit	2022	2021
Direct energy consumption	kWh	–	–
Indirect energy consumption			
— Purchased electricity	kWh	92,601.00	104,375.00
Total energy consumption	kWh	92,601.00	104,375.00
Intensity	kWh/employee	1,172.16	1,054.29

The Group has set an energy use efficiency target of maintaining or reducing the total energy consumption intensity in the next reporting year, using approximately 1,172.16 kWh per employee in 2022 as the baseline. In order to achieve this energy use efficiency target, the Group has performed the following measures to reduce energy consumption:

- Using energy-efficient LED lighting to replace energy-inefficient light bulbs in phases;
- Adopting higher energy-efficiency office equipment in the workplace;
- Posting green messages on the information portal and message board to remind colleagues to save energy; and
- Encouraging staff to participate in campaigns or activities relating to the promotion of a green environment.

Through these energy conservation measures, the employees' awareness of energy conservation has been enhanced.

Water Consumption

The water consumption of the Group is limited to basic cleaning and sanitation in the offices and warehouse. The Group has set a water efficiency target of maintaining or reducing the total water consumption intensity in the next reporting year, using approximately 1.21 m^3 per employee in 2022 as the baseline. The Group encourages all employees and customers to develop the habit of conserving water consciously. The Group has been strengthening its water-saving promotion, posting water-saving slogans, and guiding employees to use water reasonably.

During the Reporting Period, the Group's total water consumption was approximately 95.36 m^3 (2021: 86.25 m^3). During the Reporting Period, the Group's total water consumption intensity was approximately 1.21 m^3 per employee (2021: 0.87 m^3 per employee), representing an increase of approximately 39%. The increase in the total water consumption intensity was mainly due to the more frequent cleaning work during the coronavirus disease 2019 ("COVID-19") pandemic.

Summary of water consumption performance of the Group is as follows:

Indicator	**Unit**	**2022**	2021
Total water consumption	m^3	**95.36**	86.25
Intensity	m^3/employee	**1.21**	0.87

As the Group's operations are mainly based in Hong Kong, the Group does not have any issue in sourcing water that is fit for purpose.

Packaging Materials

The Group did not consume significant amounts of packaging materials as it does not have any industrial production or manufacturing facilities.

The Environment and Natural Resources

Although the core business of the Group has limited impact on the environment and natural resources, as an ongoing commitment to good corporate social responsibility, the Group recognises the responsibility in minimising the negative environmental impacts of its operations in achieving sustainable development to generate long-term values to its stakeholders and the community.

The Group has established guidelines for mitigating environmental impacts and adopting industry best practices targeted at reducing natural resources consumption and emissions. The Group regularly assesses its businesses' environmental risks and adopts preventive measures in reducing those risks while ensuring compliance with relevant laws and regulations.

Indoor Air Quality

Good indoor air quality is important as employees spend most of their time working in the offices. Indoor air quality in the workplace is regularly monitored and measured. Air pollutants, contaminants and dust particles are filtered by air purifying equipment in the workplace, and regular cleaning of the air conditioning system is conducted to ensure satisfactory indoor air quality.

Climate Change

Identification and Mitigation

The Group recognises that climate change has been affecting its stakeholders, business operations and communities in different aspects. The Group has formulated the Climate Change Policy to enhance its ability to respond to climate impacts and mitigate the risks and impacts of climate change on the Group, thereby helping the Group to adapt to and resist climate change. In 2022, the Group has been paying close attention to the impact of climate change as described below.

Physical Risks

Extreme weather caused by climate change such as typhoons and rainstorms may disrupt business operations in the short term. In order to minimise disruptions to its business operations, the Group has put in place a set of contingency measures for adverse weather conditions as well as appropriate back-up of important information to minimise the negative impact on its business.

In addition to the above, the Group is also fully aware that extreme weather conditions may endanger the health and safety of employees. Therefore, the Group has formulated comprehensive typhoon and rainstorm arrangements to protect the health and safety of employees in extreme weather conditions. The Group also takes into account the different situations faced by individual employees under extreme weather conditions as far as possible, such as their place of residence, nearby roads and traffic conditions, and adopts flexible treatment methods depending on the actual difficulties and needs of employees.

Transition Risks

There are more stringent climate-related legislations and regulations to support the global vision of decarbonisation. For instance, the Stock Exchange has required listed companies to enhance climate-related disclosures in their ESG reports. Stricter environmental laws and regulations may expose enterprises to higher risks of claims and lawsuits. Corporate reputation may also decline due to failure to meet the compliance requirements for climate change. The Group's related capital investment and compliance costs may increase. In response to the policy and legal risks as well as the reputation risks, the Group regularly monitors existing and emerging trends, climate-related policies and regulations and is prepared to alert the top management to avoid cost increments, non-compliance fines or reputation risks due to delayed response. The Group will continue to assess the effectiveness of the Group's actions on climate change and enhance its resilience against climate-related issues.

B. SOCIAL

Employment

Human resources are the foundation for the development of the Group. Hence, the Group has established the Human Resources and Payroll Policy to fulfil its vision on people-oriented management and realising the full potential of employees. Pursuant to the Human Resources and Payroll Policy, the Group upholds a high standard of business ethics and personal conduct of its employees. Relevant employment practices stated on the Human Resources and Payroll Policy cover compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

During 2022, the Group was not aware of any material non-compliance with employment-related laws and regulations that would have a significant impact on the Group. The relevant laws and regulations include, but are not limited to, the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) and the Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong).

Workforce

As at 31 March 2022, the Group had a total of 79 employees, all of whom were working in Hong Kong. The workforce categorised by gender, employment type and age group is depicted as below:

Indicators	Unit	As at 31 March 2022	As at 31 March 2021
Number of employees	person(s)	**79**	99
By gender			
Female	person(s)	**41**	48
Male	person(s)	**38**	51
By employment type			
Full-time	person(s)	**77**	99
Part-time	person(s)	**2**	–
By age group			
30 or below	person(s)	**46**	52
31–50	person(s)	**33**	47

Recruitment, Promotion and Remuneration

The Group maintains proper systems to ensure internal equity and external competitiveness of staff remuneration and recognition. The Group applies robust and transparent recruitment processes based on merit selection against the job criteria, and recruits individuals based on their suitability for the position and potential to fulfil the Group's current and future needs.

The basis for remuneration and promotion are job-related skills, qualifications and performances, which ensures employees and applicants are treated and evaluated fairly. Employee's compensations consist of basic salary and variable pay, the mix of fixed and variable components is dependent upon the industry and local labour markets that the Group operates. Remuneration packages include holidays, annual leave, medical scheme, dental scheme, group insurance, mandatory provident fund and discretionary bonus.

The promotion of the Group's employees is subject to review regularly. The Group has established objective performance indicators for annual performance evaluation. Based on the evaluation results, the Group offers rewards to employees to encourage their continuous improvement.

The Group regularly reviews its remuneration and promotion to retain talents. During 2022, the Group recorded a turnover rate of approximately 65.8%. The breakdown of turnover rate by gender, age group is depicted as below:

Indicators	Unit	2022	2021
Total employee turnover rate[1]	%	**65.8%**	35.4%
By gender			
Female	%	**82.9%**	14.6%
Male	%	**47.4%**	54.9%
By age group			
30 or below	%	**73.9%**	53.8%
31–50	%	**54.5%**	14.9%
By geographical region			
Hong Kong	%	**65.8%**	35.4%

Note:

1. The calculation method of turnover rate: (the total number of departures in the year ÷ total number of employees at the end of the year) × 100%.

Diversity, Equal opportunity and Anti-discrimination

The Group strictly adheres to non-discriminatory employment practices and procedures compliant to the ESG Policy. The Group is committed to creating and maintaining an inclusive and collaborative workplace culture in which all can thrive.

The Group is dedicated to providing equal opportunity in all aspects of employment and maintaining a workplace that is free from discrimination against any individual on the basis of race, religion, colour, gender, physical or mental disability, age, place of origin, marital status and sexual orientation.

With the aim of maintaining a fair and equal working environment for all employees, the Group has zero tolerance for sexual harassment or abuse in the workplace in any form.

Unreasonable dismissal under any circumstances is forbidden in the Group. A dismissal process will only be proceeded with on a reasonable basis and concerns about the problems must be clearly communicated to the responsible employee prior to the official dismissal.

Working Hours and Rest Periods

The Group promotes the work-life balance of its employees. Based on employees' job requirements, the Group sets reasonable working hours for them. Employees are allowed to apply for flexible working hours to meet their needs when they are engaging in creative media production. In addition, the Group provides employees with annual leave, sick leave, marital leave and maternity/paternity leave other than the statutory holidays.

Health and Safety

The Group is committed to providing and maintaining a safe and healthy environment for all employees. The Group has established relevant measures which are incorporated in the Group's Human Resources and Payroll Policy on the prevention and remediation of workplace accidents, and detection of potential safety hazards in the workplace so as to maintain a safe working environment.

During 2022, the Group was not aware of any material non-compliance with health and safety-related laws and regulations that would have a significant impact on the Group. The relevant laws and regulations include, but are not limited to, the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong) and the Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong). During the Reporting Period, the number of working days lost by the Group due to work-related injuries was zero. No work-related fatalities occurred between 1 April 2019 and 31 March 2022.

Health and Safety Measures

The Group follows the occupational health and safety guidelines recommended by the Labour Department and the Occupational Safety and Health Council.

The Human Resources and Administration Department ("HRA") takes responsibility for the offices' occupational health and safety and relevant promotions and monitoring. It is responsible for monitoring and reviewing the safety and security management system periodically, and performing regular checks in the offices to ensure the safety of employees.

Moreover, first aid boxes are available at easily accessible locations in both the offices and warehouse. The HRA is responsible for ensuring the supplies inside the first aid boxes are not expired and sufficient in amount.

The Group also offers comprehensive health care coverage including, but not limited to, health benefits to all employees. Health and safety communications are provided to employees to raise their awareness of occupational health and safety issues.

Other Health and Safety Measures

With regard to the COVID-19 pandemic, the Group is highly conscious of the potential health and safety impacts brought to its employees. Apart from strengthening the sanitation in its operations to ensure a healthy and safe working environment, precautionary measures are also implemented. During the Reporting Period, disinfection was performed in the Group's offices regularly and employees were required to wear surgical face masks and undergo temperature checks when entering the workplace. In addition, the Group provided sufficient disinfection supplies such as surgical face masks and hand sanitisers for the employees. When the COVID-19 pandemic was particularly serious, the Group implemented work-from-home arrangement to reduce transmission risks in offices.

Development and Training

As stated in the ESG Policy, the Group believes in the benefits of providing a positive work environment where people can grow. The Group regards its staff as the most important asset and resource. It recognises the valuable contribution of its talents to the continued success of the Group. The Group is committed to inspiring its employees to deliver excellence. This is achieved through the development of a training strategy that focuses on creating value and serving the needs of customers, talents and society. In light of this, the Group provides regular training, development programmes and training sponsorship for employees.

To ensure the effectiveness of the training programmes and to uphold a high standard of professional and ethical standards, the Group has developed the Human Resources and Payroll Policy regarding training-related procedures. A training plan is developed by the management based on the requirements from various departments and employees. Training contents are regularly updated to ensure contents are relevant to stakeholders' changing needs such as laws and regulations, market trends and customer behaviour changes. The Group encourages and supports employees to participate in personal and professional training to fulfil the needs of the Group's development. The Group also encourages the culture of sharing knowledge and experience. On the other hand, the Group provides on-the-job training to the new employees.

In 2022, the Group's major training programs included induction training for new employees, on-the-job training, skills training, environmental, safety and hygiene knowledge training. During the Reporting Period, the average hours of training per employee[1] of female employees, male employees, management and general staff were approximately 0.17 hours, 0.34 hours, 1.60 hours and 0.16 hours respectively. During the Reporting Period, the percentage of employees who received training[2] of male employees, female employees, management and general employees were approximately 65%, 35%, 40% and 60% respectively.

Notes:

1. Calculation method of average hours of training per employee by category: training hours of employees in the category ÷ number of employees in the category.

2. Calculation method of percentage of employees trained by category: (number of employees trained in the category ÷ number of employees trained) × 100%.

Labour Standards

Prevention of Child Labour and Forced Labour

Child and forced labour are strictly prohibited during the recruitment process as defined by the Group's Human Resources and Payroll Policy as well as laws and regulations. The Group strictly complies with local laws and conducts recruitment based on the Employment Ordinance (Chapter 57 of the Laws of Hong Kong). Copies of personal identification documents are collected during the process to assist the selection of suitable candidates, verify candidates' personal data and avoid child labour.

Furthermore, employees of the Group only work overtime if necessary and on a voluntary basis. The Group also prohibits any punishments, management methods and behaviours involving verbal abuse, physical punishment, physical abuse, oppression, sexual harassment, etc. against its employees for any reason.

The Group has a well-established recruitment process to check the background of candidates and the HRA also ensures identity documents are carefully checked. In addition, the Group requires all new employees to provide true and accurate personal information when they join the Group. If child labour or forced labour is found to be employed as a result of a breach of the recruitment process, the Group will immediately stop the work of the child labour or forced labour and conduct an investigation.

During 2022, the Group was not aware of any material non-compliance with child and forced labour-related laws and regulations that would have a significant impact on the Group. The relevant laws and regulations include, but are not limited to, the Employment Ordinance (Chapter 57 of the Laws of Hong Kong).

Supply Chain Management

Suppliers of the Group's integrated advertising and media services are primarily artists, social media platforms, third party production houses and photographers, whereas suppliers of its print media services mainly comprise printers, photographers and book writers in Hong Kong. The Group has maintained long term and stable relationships with its suppliers. All suppliers are evaluated carefully and are subject to regular monitoring and assessment.

It is believed that local procurement can help support local economic development and create job opportunities for the local community. Also, sourcing locally is beneficial to the environment, as it reduces emissions and energy usage caused by shipping and storage. Therefore, the Group takes an approach to purchase goods and services from suppliers within the region close to its operation. During 2022, the Group had 382 suppliers in total, all of them were located in Hong Kong.

Environmental and Social Risks of Supply Chain

To ensure that all of its suppliers are environmentally and socially responsible, the Group has formulated the Supplier Code of Conduct, which outlines the sustainability standards and practices that the Group expects its business partners and suppliers to comply with. The Supplier Code of Conduct also ensures that the potential suppliers could compete in a transparent and fair way. The Group does not differentiate or discriminate against certain suppliers. The procedures include measures to prevent all kinds of business bribery and conflict of interest of employees and suppliers. The effectiveness of the Supplier Code of Conduct is subject to regular review.

In view of the increasing concerns for corporate social responsibility in society, the Group is aware of the importance of managing environmental and social risks of its supply chain. The Group has embedded environmental and social considerations in the procurement process and supplier communication. In the process of selecting and evaluating suppliers, the Group has included environmental and social performance as evaluation criteria to identify environmental and social risks in the supply chain. For example, the Group reviews the compliance of candidate suppliers with environmental laws and laws governing minimum wage compensation. The Group regularly inspects the compliance operation of its suppliers. If the Group identifies a supplier that fails to properly control its environmental and social risks, it may not be retained on the Group's list of approved suppliers. During the Reporting Period, all the 382 suppliers were qualified suppliers that met the standards in the Group's assessments.

The Group continuously monitors the policies implemented by the local government in the locations where it operates. If the information on environmentally friendly products or services are found published by official organisations, the Group will seriously consider adopting the industry best practices, to purchase goods and services that have less impact on the environment.

Service Quality

The satisfaction of customers is the cornerstone of the sustainable development of the Group. The Group is convinced that the success of its clients means the success of the Group, and has been emphasising the customer-centric business philosophy in the operations at all levels of the Group. Therefore, the Group strives to optimise and improve the quality of services according to the relevant policies.

During 2022, the Group was not aware of any material non-compliance with laws and regulations that have a significant impact on the Group, concerning product health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. The relevant laws and regulations include, but are not limited to, the Trade Descriptions Ordinance (Chapter 362 of the Laws of Hong Kong), the Copyright Ordinance (Chapter 528 of the Laws of Hong Kong) and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

The Group is principally engaged in the provision of digital media services, print media services and other media services which include events organisation and artistes management, so products recall is not applicable to the Group's business nature. During the Reporting Period, the Group did not have any sold products that have to be recalled for safety and health reasons. During the Reporting Period, the Group did not receive any complaints from customers. Nevertheless, the Group has formulated complaint handling procedures. All of the complaints lodged by customers will be handled in a timely and courteous manner.

Quality Assurance Process

The Group highly values customers' satisfaction in pursuit of quality excellence. The Group has a stringent quality assurance process across all operation-related departments and it strives to provide a pleasant user experience for its customers and enhance its media content and creativity in design. Being in the advertising and media industry, the Group is committed to keeping up with changing technologies in the execution of engagements to strive to provide quality media services.

Intellectual Property Rights

The Group believes that its brand and intellectual property rights are critical to its success. The Group also believes that its strong client base is mainly due to its strong brand names and reputation. Therefore, the Group's continuing success and growth of both print media services and digital media services segments depend on its ability to protect and promote its brands, trademarks, copyrights and other intellectual property rights.

The Group registered a number of trademarks in Hong Kong and branded its business by using "Most" as its brand name. It manages the security of its assets such as financial information, intellectual property, or employee details entrusted to the Group by third parties. For any infringement of its intellectual property, the Group will urge infringers to cease such infringement. The HRA of the Group will take further action if the infringement continues.

The Group has adopted the Intellectual Property Policy to prevent infringement on third party intellectual property rights. The Group's measures to protect intellectual property rights are as follows:

- Continuing to obtain the license from the Composers and Authors Society of Hong Kong Limited ("CASH") for the use of melodies and lyrics registered with CASH; and

- Reviewing all creative content published by the Group by its responsible key personnel before publication and/or distribution. The responsible key personnel should ensure that the Group had obtained the right and/or permission to use the relevant photos, songs, lyrics, etc. prior to publishing them in its content. Such key personnel includes:

  - Senior editor who reviews the content under advertorial production and advertisement placement;

  - Publishing manager who reviews all of the book publications;

  - Assistant creative director, digital manager and assistant digital manager who review all content to be distributed on the Digital Media Platforms; and

  - Providing reference training to staff on copyright compliance and the function and duties of responsible personnel on such compliance matters.

Customer Privacy Protection

Visitors of the Group's website at http://www.tvmost.com.hk/ may choose to register as members. During the registration process, the Group collects its member's personal information. As such, the Group adheres to the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) of Hong Kong and expressly reiterates confidentiality obligations when carrying out its operations. The Group regularly reviews the effectiveness of its information security controls to meet its privacy and data protection obligations.

The Group is determined to strengthen the protection of customers' privacy. The Group's employees are trained to maintain the confidentiality of its customers' information. The Group also has a data backup system through which backed up data is stored in different locations to reduce the risk of data loss. The Group has also implemented firewall, anti-virus and anti-spam solutions for its IT systems which are upgraded constantly to prevent leakage of confidential information.

Advertising and Labelling

The Group emphasises the importance of proper advertising and compliance with relevant requirements of media advertisements, such as posters, magazines and online advertising materials. The Group strictly complies with all relevant laws and regulations regarding proper advertising. In addition, the Group has developed the Advertising Sales Policy to manage the quality of the advertising activities of the Group.

Due to the Group's business nature, the Group considers that it has an insignificant amount of business dealing in relation to labelling matters.

Anti-corruption

The Group does not tolerate any corruption, fraud or other behaviours violating work ethics. The Group values and upholds integrity, honesty and fairness in its business.

During 2022, the Group was not aware of any material non-compliance with the relevant laws and regulations that have a significant impact on the Group, concerning bribery, extortion, fraud and money laundering. The relevant laws and regulations include, but are not limited to, the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong). In addition, there was no concluded legal case regarding corruption brought against the Group or its employees during 2022.

The Group has also established the Anti-fraud Policy to define appropriate methods in handling conflict of interests, accepting advantages, leakage of confidential information, embezzlement of the Group's assets in one's position and fraudulent financial statements to comply with the relevant laws and regulations.

Whistle-blowing Policy

The Group has implemented the whistle-blowing policy which allows all employees as well as independent third parties (e.g. customers, suppliers, contractors, etc.) to report any possible improprieties, misconducts, malpractices or irregularities in matters of financial reporting, internal control or other matters to the Board or the audit committee anonymously. Reports and complaints received will be handled in a prompt and fair manner. Such policy also aims at protecting whistle-blowers from unfair dismissal, victimisation and unwarranted disciplinary actions, the identity of the whistle-blower will be kept strictly confidential where possible. Any person who is found to have victimised or retaliated against those who have raised concerns under this policy will be subject to disciplinary sanctions. In some cases, the Group might need to refer the case to the competent authorities. The staff responsible for the Whistle-blowing Policy regularly reviews the complaints received by the Group to assess the effective implementation of the whistle-blowing system.

To further mitigate business fraud, the audit committee of the Company is also responsible for continual evaluation of the Group's internal control effectiveness, detecting potential deficiency, and identifying areas of improvement. An audit report is distributed to the responsible departments for timely remediation. The Board and the audit committee of the Company will supervise and review the implementation and effectiveness of the Whistle-blowing Policy on a regular basis.

Anti-corruption Training

The Group has the Group's Human Resources and Payroll Policy in place which covers the professional and ethical standards in conducting business to define appropriate methods in handling conflict of interests, accepting advantages, leakage of confidential information, embezzlement of the Group's assets in one's position, fraudulent financial statements, etc. to comply with the relevant laws and regulations.

The Group's Directors and employees regularly attend anti-corruption training, which covers anti-corruption legal knowledge and integrity behaviours in the workplace. The anti-corruption training helps to encourage a culture of integrity and enables employees to be disciplined and dedicated to their duties. During the Reporting Period, 5 Directors and 15 employees of the Group participated in anti-corruption training. During the Reporting Period, a total of 20 hours of anti-corruption training were provided to the Group's Directors and employees.

Community Investment

Community Participation

The Group follows its ESG Policy to strive to encourage employees to strive to support the public by means of social participation and contribution. Employees are encouraged to actively participate in volunteer activities to strengthen the relationship with local communities in an effort to build a sustainable and harmonious society.

As stated in the ESG Policy, the Group's community initiatives focus on areas including education, medical, health and elderly care. During the Reporting Period, the Group did not use resources for community investment due to the social distancing measures amid the COVID-19 pandemic. However, the Group has actively considered investing money or time in the future to give back to the community.

THE ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE (1)

Mandatory Disclosure Requirements	Sections
Governance Structure	Chairman's Statement; Sustainability Governance; Stakeholder Engagement; Materiality Assessment
Reporting Principles	Reporting Framework
Reporting Boundary	Scope of Reporting

THE ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE (2)

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
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 GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
KPI A1.1	The types of emissions and respective emissions data.	Emissions — Air Emissions
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).	Emissions — GHG Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions — Waste Management (not applicable — explained)
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions — Waste Management
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emissions — GHG Emissions
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.	Emissions — Waste Management

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
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).	Use of Resources — Energy Consumption
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Resources — Water Consumption
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources — Energy Consumption
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.	Use of Resources — Water Consumption
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Use of Resources — Packaging Materials (not applicable — explained)
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer’s significant impact on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources — Indoor Air Quality
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.	Climate Change — Identification and Mitigation
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.	Climate Change — Physical Risks; Climate Change — Transition Risks

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect B1: Employment		
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.	Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment — Workforce
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment — Recruitment, Promotion and Remuneration
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.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and Safety — Health and Safety Measures; Health and Safety — Other Health and Safety Measures

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
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.	Labour Standards — Prevention of Child Labour and Forced Labour
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards — Prevention of Child Labour and Forced Labour
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards — Prevention of Child Labour and Forced Labour

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
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.	Supply Chain Management; Supply Chain Management — Environmental and Social Risks of Supply Chain
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management — Environmental and Social Risks of Supply Chain
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management — Environmental and Social Risks of Supply Chain

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
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.	Service Quality
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Service Quality (not applicable — explained)
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Service Quality
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Service Quality — Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Service Quality — Quality Assurance Process
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Service Quality — Customer Privacy Protection

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
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.	Anti-corruption
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.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption — Whistle-blowing Policy
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption — Anti-corruption Training
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment — Community Participation
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment — Community Participation
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment — Community Participation

INDEPENDENT AUDITOR'S REPORT

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天職國際

To the Shareholders of Most Kwai Chung Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Most Kwai Chung Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 76 to 127, which comprise the consolidated statement of financial position as at 31 March 2022, 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 a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2022 and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Key Audit Matter	How the matter was addressed in our audit
Impairment assessment of trade receivables *Refer to Notes 3.1(a)(i) , 4.1(i) and 18 to the consolidated financial statements* As at 31 March 2022, the Group had trade receivables of approximately HK$6,673,000, net of provision of HK$860,000, representing 8% of the Group's total assets. In general, the credit terms granted by the Group to the customers ranged between 30 to 90 days. Management performed periodic assessment on the impairment of trade receivables and sufficiency of provision for impairment based on information including credit profile of different customers, ageing of trade receivables, historical settlement records, expected timing and amount of realisation of outstanding balances, and on-going trading relationships with the relevant customers. Management also considered forward-looking information that may impact the customer's ability to repay the outstanding balances in order to estimate the expected credit losses ("ECL") for the impairment assessment. We focused on the impairment assessment of trade receivables under the ECL model due to the involvement of the use of assumptions which are judgemental in nature and the calculation is subject to a higher degree of estimation uncertainty among the different accounting estimates applied by management in the preparation of the consolidated financial statements.	Our audit procedures in this area included: • Understanding and evaluating management's internal control and process of impairment assessment of trade receivables, assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors, and testing management's assessment on identifying impairment indicators of debtors and methodology of expected credit loss computation of trade receivables; • Evaluating the outcome of prior period impairment assessment of trade receivables to assess the effectiveness of management's estimation process; • Inquiring of management regarding the status of each of the material trade receivables past due as at year end and the Group's ongoing business relationships with the relevant customers, and collaborating this information with the relevant settlement and trade records; • Testing, on a sample basis, the accuracy of trade receivables ageing report as at year end; and • Assessing the appropriateness of the expected credit loss provisioning methodology, examining the underlying key data inputs such as monthly ageing profile of trade receivables balances on a sample basis to assess the accuracy and completeness of historical data and challenging the forward looking information used to determine the adjustment made to historical loss rate in order to calculate the expected credit losses. Based on the results of the procedures performed, we found the management judgement and estimates used in the impairment assessment of trade receivables to be supported by available evidence.

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 March 2021 were audited by another independent auditor whose report dated 28 June 2021 expressed an unmodified opinion on those consolidated financial statements.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the 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 objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This 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.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

— Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

— Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement director on the audit resulting in this independent auditor's report is Chan Kwan Ho, Edmond.

Baker Tilly Hong Kong Limited
Certified Public Accountants

Hong Kong, 27 June 2022
Chan Kwan Ho, Edmond
Practising certificate number P02092

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2022
(Expressed in Hong Kong dollars)

	Note	**2022 HK$'000**	2021 HK$'000
Revenue	5	**67,775**	59,108
Cost of sales	6	**(57,841)**	(37,396)
Gross profit		**9,934**	21,712
Other income		**51**	6
Selling and distribution expenses	6	**(3,832)**	(4,008)
Administrative expenses	6	**(24,433)**	(12,116)
(Provision for)/reversal of impairment losses on trade receivables, net	18	**(812)**	540
Operating (loss)/profit		**(19,092)**	6,134
Finance income	8	**33**	299
Finance costs	8	**(86)**	(97)
Finance (costs)/income, net		**(53)**	202
Share of profit of associates, net	14	**1,135**	3,600
Share of loss of a joint venture	15	**(379)**	–
(Loss)/profit before income tax		**(18,389)**	9,936
Income tax expense	9	**(136)**	(593)
(Loss)/profit and total comprehensive (loss)/income for the year		**(18,525)**	9,343
Attributable to:			
Owners of the Company		**(16,325)**	9,343
Non-controlling interests		**(2,200)**	–
		(18,525)	9,343
Basic and diluted (loss)/earnings per share for (loss)/profit attributable to owners of the Company (Hong Kong cents)	10	**(6.05)**	3.46

The notes on pages 81 to 127 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2022
(Expressed in Hong Kong dollars)

	Note	**2022** **HK$'000**	2021 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	*11*	**1,562**	1,007
Right-of-use assets	*12*	**1,255**	1,670
Deposits		**151**	276
Interests in associates	*14*	**8,299**	9,842
Interest in a joint venture	*15*	**321**	–
		11,588	12,795
Current assets			
Inventories	*17*	**1,290**	745
Trade receivables	*18*	**6,673**	6,569
Prepayments, deposits and other receivables		**1,758**	1,933
Amount due from non-controlling interest	*23(a)*	**1,600**	–
Current income tax recoverable		**981**	431
Cash and cash equivalents		**64,307**	84,356
		76,609	94,034
Total assets		**88,197**	106,829
EQUITY			
Capital and reserves			
Share capital	*19*	**2,700**	2,700
Reserves		**73,376**	91,928
Equity attributable to owners of the Company		**76,076**	94,628
Non-controlling interests		**1,000**	–
Total equity		**77,076**	94,628

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2022

(Expressed in Hong Kong dollars)

	Note	2022 HK$'000	2021 HK$'000
LIABILITIES			
Non-current liabilities			
Lease liabilities	*12*	**455**	647
Deferred income tax liabilities	*20*	**–**	52
		455	699
Current liabilities			
Trade payables	*21*	**723**	616
Lease liabilities	*12*	**733**	1,069
Amount due to an associate	*23(a)*	**1,489**	1,489
Other payables and accruals		**4,514**	2,459
Contract liabilities	*5(a) and 5(b)*	**2,953**	3,908
Current income tax liabilities		**254**	1,961
		10,666	11,502
Total liabilities		**11,121**	12,201
Total equity and liabilities		**88,197**	106,829

The consolidated financial statements on pages 76 to 127 were approved for issue by the board of directors on 27 June 2022 and were signed on its behalf.

Iu Kar Ho
Director

Luk Ka Chun
Director

The notes on pages 81 to 127 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2022
(Expressed in Hong Kong dollars)

	Attributable to owners of the Company							
	Share capital HK$'000	Share premium HK$'000	Share-based employee compensation reserve HK$'000	Other reserves HK$'000	Retained earnings HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
Balance as at 1 April 2020	2,700	67,028	–	997	27,520	98,245	–	98,245
Profit and comprehensive income for the year	–	–	–	–	9,343	9,343	–	9,343
Dividend *(note 24)*	–	–	–	–	(12,960)	(12,960)	–	(12,960)
Balance as at 31 March 2021	2,700	67,028	–	997	23,903	94,628	–	94,628

	Attributable to owners of the Company							
	Share capital HK$'000	**Share premium HK$'000**	**Share-based employee compensation reserve HK$'000**	**Other reserves HK$'000**	**Retained earnings/ (accumulated losses) HK$'000**	**Total HK$'000**	**Non-controlling interests HK$'000**	**Total equity HK$'000**
Balance as at 1 April 2021	**2,700**	**67,028**	**-**	**997**	**23,903**	**94,628**	**-**	**94,628**
Loss and comprehensive loss for the year	**-**	**-**	**-**	**-**	**(16,325)**	**(16,325)**	**(2,200)**	**(18,525)**
Award of shares to employees by the ultimate holding company	**-**	**-**	**6,953**	**-**	**-**	**6,953**	**-**	**6,953**
Contributions from non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**3,200**	**3,200**
Dividend *(note 24)*	**-**	**-**	**-**	**-**	**(9,180)**	**(9,180)**	**-**	**(9,180)**
Balance as at 31 March 2022	**2,700**	**67,028**	**6,953**	**997**	**(1,602)**	**76,076**	**1,000**	**77,076**

Note: Other reserve represents the difference of the combined share capital of the subsidiaries acquired by the Company over the nominal value of the shares issued by the Company in exchange thereof pursuant to the reorganisation completed before the listing of the ordinary shares of the Company.

The notes on pages 81 to 127 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2022
(Expressed in Hong Kong dollars)

	Note	2022 HK$'000	2021 HK$'000
Cash flows from operating activities			
Cash (used in)/generated from operations	*22(a)*	**(10,896)**	12,876
Income tax (paid)/refunded		**(2,445)**	3,882
Net cash (used in)/generated from operating activities		**(13,341)**	16,758
Cash flows from investing activities			
Interest received	*8*	**33**	299
Contributions from non-controlling interests of subsidiaries		**3,200**	–
Capital injection into and acquisition of associates		**–**	(961)
Payment for investment in a joint venture	*15*	**(700)**	–
Dividends received from associates		**2,678**	2,210
Purchase of property, plant and equipment	*11*	**(1,391)**	(307)
Net cash generated from investing activities		**3,820**	1,241
Cash flows from financing activities			
Dividends paid	*24*	**(9,180)**	(12,960)
Principal element of lease payments	*22(b)*	**(1,262)**	(1,393)
Interest element of lease payments	*22(b)*	**(86)**	(97)
Net cash used in financing activities		**(10,528)**	(14,450)
Net (decrease)/increase in cash and cash equivalents		**(20,049)**	3,549
Cash and cash equivalents at beginning of the year		**84,356**	80,807
Cash and cash equivalents at end of the year		**64,307**	84,356

The notes on pages 81 to 127 form part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022
(Expressed in Hong Kong dollars)

1 GENERAL INFORMATION

Most Kwai Chung Limited (the "Company") was incorporated in the Cayman Islands on 8 June 2017 as an exempted company with limited liability under the Companies Law (as revised from time to time) of the Cayman Islands. The address of the Company's registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and its principal place of business has been changed from Unit 5, 1/F, Block B, Tung Chun Industrial Building, 11–13 Tai Yuen Street, Kwai Chung, New Territories, Hong Kong to Unit 8, 16/F, Block B, Tung Chun Industrial Building, 11–13 Tai Yuen Street, Kwai Chung, New Territories, Hong Kong on 14 June 2022. The ordinary shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The Company is an investment holding company and the Group is principally engaged in the provision of digital media services, print media services and other media services which include events organisation and artistes management.

The ultimate holding company of the Group is Blackpaper Limited ("Blackpaper BVI"), a company incorporated in the British Virgin Islands with limited liability. Prior to 1 August 2021, Blackpaper BVI was owned as one-third by each of Mr. Iu Kar Ho ("Mr. Iu"), Mr. Luk Ka Chun ("Mr. Luk") and Mr. Tsui Ka Ho ("Mr. Tsui"). Since 1 August 2021, Blackpaper BVI is owned as 50% by each of Mr. Iu and Mr. Luk.

These consolidated financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand ("HK$'000") except when otherwise indicated.

2 SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements are for the Group consisting of the Company and its subsidiaries.

2.1 Basis of preparation of the consolidated financial statements

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") and the disclosure requirements of the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on a historical cost basis.

(a) Amendments to standards adopted by the Group

The Group has applied the following amendments to standards for the first time for their annual reporting period commencing on 1 April 2021 and there are no material impact on the Group's consolidated financial statements.

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

(Expressed in Hong Kong dollars)

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation of the consolidated financial statements *(Continued)*

(b) New standards and interpretations not yet adopted

The following new standards, amendments to the standards and interpretations have been published that are not mandatory for the current reporting periods and have not been early adopted by the Group:

HKFRS 17	Insurance Contracts[2]
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before intended use[1]
Amendments to HKFRS 3	Reference to the Conceptual Framework[1]
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract[1]
Annual Improvements Project	Annual Improvements to HKFRSs 2018–2020[1]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current[2]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[2]
Amendments to HKAS 8	Definition of Accounting Estimates[2]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combinations[1]
Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[2]

[1] Effective for annual periods beginning on or after 1 January 2022.
[2] Effective for annual periods beginning on or after 1 January 2023.
[3] No mandatory effective date yet determined but available for adoption.

The Group is still assessing what the impact of these new standard, amendments to the standards and interpretation will be in the period of initial application. It is not yet in a position to state whether these new standard, amendments to the standards and interpretation will have a significant impact on the Group's results of operations and financial position.

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Subsidiaries of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(a) Business combinations

The acquisition method of accounting is used to account for business combinations. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Subsidiaries of consolidation *(Continued)*

(a) Business combinations *(Continued)*

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity and acquisition-date fair value of any previous equity interest in the acquired entity, over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions — that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.3 Separate financial statements

Investment in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.4 Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see note 2.6 below), after initially being recognised at cost.

2.5 Joint ventures

Under HKFRS 11 "Joint Arrangements" investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

The Group has a joint venture and its interest in a joint venture is accounted for using the equity method of accounting (see note 2.6 below), after initially being recognised at cost in the consolidated statement of financial position.

2.6 Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 2.9.

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.7 Foreign currency translation

(a) Functional and presentation currency

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in HK$, which is Company's functional and presentation currency.

(b) Transactions and balances

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

All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss and other comprehensive income on a net basis within other gains/(losses).

2.8 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Computer equipment	5 years
Furniture and fixtures	5 years
Office equipment	3 years
Leasehold improvements	3 years or over the unexpired period of the lease, whichever is shorter

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.9).

Gains and losses on disposals are determined by comparing proceeds with carrying amount, and are included in profit or loss.

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.9 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.10 Financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

— Those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss), and

— Those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.10 Financial assets *(Continued)*

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

— Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss and other comprehensive income.

— FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flow represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented as other gains/(losses) in the consolidated statement of profit or loss and other comprehensive income.

— FVPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.10 Financial assets *(Continued)*

(c) Measurement *(Continued)*

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in consolidated statement of profit or loss and other comprehensive income as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the consolidated statement of profit or loss and other comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(d) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 3.1(a)(i) and note 18 for further details.

2.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.12 Inventories

Inventories comprise merchandise held for direct sales and are stated at the lower of cost and net realisable value. Cost is determined using the first-in-first-out method. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost necessary to make the sale.

2.13 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. They are generally due for settlement ranging from 30 days to 90 days and therefore all classified as current.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

2.14 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks with original maturities of three months or less.

2.15 Share capital

Ordinary shares are classified as equity (note 19).

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2.16 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.17 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the jurisdictions where the entities within the Group operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. The deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.18 Employees benefits

(a) Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. Pursuant to the government regulations in Hong Kong, the Group is required to contribute an amount to certain retirement benefit schemes based on approximately 5% of the wages for the year of those employees subject to a statutory cap. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Bonus plans

The Group recognises a liability and an expense for bonuses, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(c) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(d) Share-based payments

The ultimate holding company awarded shares of the Company to selected employees of the Group at nil consideration. As the Group has no obligation to settle this share-based payment transaction, the employee services received is measured as an equity-settled share-based payment transaction. The fair value of the employee services received in exchange for the awarded shares is recognised as employee benefit expenses in the consolidated statement of profit or loss and other comprehensive income with a corresponding increase in share-based employee compensation reserve within equity. The fair value of the awarded shares is measured by the quoted market price of the shares at grant date and is charged to profit or loss.

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.20 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Group's activities.

If contracts involve the sale of multiple elements, the transaction price will be allocated to each performance obligation based on their relative stand-alone selling price. If the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information.

Revenue is recognised when or as the control of the good or service is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the good or service may be transferred over time or at a point in time.

Control of the good or service is transferred over time if the Group's performance:

— provides all of the benefits received and consumed simultaneously by the customer;

— creates or enhances an asset that the customer controls as the Group performs; or

— 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.

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.20 Revenue recognition *(Continued)*

If the control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service. Specific criteria where revenue is recognised are described below.

A receivable is recognised when the products are delivered and the customers accept the products, as this is the point in time that the consideration is unconditional because only the passage of the time is required before the payment is due.

The Group has primarily the following types of revenues:

(a) Media services and media management services income

Media services income is recognised when the services are rendered or on the date of the relevant production is published or delivered.

(b) Sales of books and other merchandise

Revenue from sales of books and other merchandise, net of trade discounts and returns, is recognised on the transfer of control of books and other merchandise goods to the customers, which generally coincides with the date of delivery.

(c) Printed and online advertising income

Printed advertising income, net of trade discounts, is recognised when the printed advertising is published or delivered.

(d) Performance income

Performance income is recognised when the services are rendered.

(e) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.21 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

— fixed payments (including in-substance fixed payments), less any lease incentives receivable;

— variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;

— amounts expected to be payable by the Group under residual value guarantees;

— the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and

— payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

— uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing; and

— makes adjustments specific to the lease, e.g. term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.21 Leases *(Continued)*

Right-of-use assets are measured at cost comprising the following:

— the amount of the initial measurement of lease liability;

— any lease payments made at or before the commencement date less any lease incentives received;

— any initial direct costs; and

— restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

2.22 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.23 Government grants

Grants from the government are recognised at their fair value when there is a reasonable assurance that the grant will be received and, the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

3 FINANCIAL RISK MANAGEMENT

The Group's activities expose itself to a variety of financial risks: credit risk, liquidity risk and interest rate risk. The currency risk is considered insignificant as the Group's transactions are predominantly in the functional currency of the Group, being HK$. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by management according to the policies of the Group. Financial risks are identified and evaluated in close co-operation within the Group's business.

3.1 Financial risk factors

(a) Credit risk

The credit risk of the Group mainly arises from cash and cash equivalents (deposits with banks), other receivables and trade receivables. The carrying amounts of these balances represent the Group's maximum exposure to credit risk in relation to financial assets.

(i) Risk management

The Group has policies in place to ensure that sales are made to reputable and creditworthy customers with an appropriate financial strength, credit history and an appropriate percentage of down payments. It also has monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

In addition, the Group reviews regularly the authorisation of credit limits to individual customers and recoverable amount of each individual trade receivables to ensure that adequate impairment losses are made for irrecoverable amounts.

As at 31 March 2022 and 2021, there were no customers which individually contributed over 10% of the Group's trade receivables. The major debtors of the Group are reputable organisations with no history of default. Management considers that the credit risk is limited in this regard.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(a) Credit risk *(Continued)*

(ii) Impairment of financial assets

Cash and cash equivalents
In respect of cash at banks of HK$64,274,000 (2021: HK$84,334,000), the credit risk is considered to be low as they are mainly placed with reputable banks with no defaults in the past. Therefore, expected credit loss rate of cash at bank is assessed to be insignificant after considering forward-looking information.

Trade receivables
The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected credit loss provision of all trade receivables. The Group recognised lifetime expected credit loss for trade receivables carried at amortised cost based on either individually customers who are long overdue with significant amounts or known insolvencies or non-response to collection activities, or collectively assessing them for likelihood of recovery based on ageing of the balances with similar risk characteristics taking into account the forward-looking information.

The expected loss rates are based on the historical monthly outstanding balances of trade receivables of 12 months before 31 March 2022 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted for factors that are specific to the debtors and assessment of both the current and forecast general economic conditions at the reporting period.

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, failure of a debtor to engage in a repayment plan with the Group, and failure to make contractual payments for a period of greater than 365 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(a) Credit risk *(Continued)*

(ii) Impairment of financial assets (Continued)

Trade receivables (Continued)
On that basis, the loss allowance as at 31 March 2022 and 2021 was determined as follows for trade receivables:

	2022			
	Lifetime expected loss rate %	**Gross carrying amount HK$'000**	**Lifetime expected credit loss HK$'000**	**Net carrying amount HK$'000**
Collective assessment				
Current	**0.82**	**3,409**	**(28)**	**3,381**
Within 2 months	**6.49**	**878**	**(57)**	**821**
2 to 4 months	**1.75**	**401**	**(7)**	**394**
4 to 6 months	**7.16**	**559**	**(40)**	**519**
6 to 8 months	**12.11**	**1,313**	**(159)**	**1,154**
8 to 10 months	**80.00**	**255**	**(204)**	**51**
10 to 12 months	**32.25**	**521**	**(168)**	**353**
Over 12 months	**100.00**	**197**	**(197)**	**–**
		7,533	**(860)**	**6,673**

	2021			
	Lifetime expected loss rate %	Gross carrying amount HK$'000	Lifetime expected credit loss HK$'000	Net carrying amount HK$'000
Collective assessment				
Current	0.11	1,874	(2)	1,872
Within 2 months	0.20	2,547	(5)	2,542
2 to 4 months	0.49	1,192	(5)	1,187
4 to 6 months	1.01	845	(8)	837
6 to 8 months	2.17	65	(1)	64
8 to 10 months	3.96	–	–	–
10 to 12 months	20.24	84	(17)	67
Over 12 months	100.00	876	(876)	–
		7,483	(914)	6,569

Other financial assets at amortised cost
The Group has policies in place to monitor the credit exposure to the relevant parties. The Group assesses the financial capabilities of the counterparties including its repayment histories, and its abilities to obtain financial support when necessary. Management also regularly reviews the recoverability of these receivables and follow up the disputes or amounts overdue, if any. The directors are of the opinion that the credit risk of these receivables is low due to sound collection history of the receivables due from them. Therefore, expected credit loss rate of these financial assets is assessed to be insignificant.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(b) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and cash equivalents. The Group maintains its liquidity mainly through funding generated from its daily operations.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table at the contractual undiscounted cash flows.

			2022		
	Within 1 year HK$'000	**Between 1 to 2 years HK$'000**	**Between 2 to 5 years HK$'000**	**Total contractual cash flow HK$'000**	**Carrying amount HK$'000**
Trade payables	**723**	**–**	**–**	**723**	**723**
Other payables and accruals	**3,195**	**–**	**–**	**3,195**	**3,195**
Lease liabilities	**772**	**423**	**44**	**1,239**	**1,188**
Amount due to an associate	**1,489**	**–**	**–**	**1,489**	**1,489**
	6,179	**423**	**44**	**6,646**	**6,595**

			2021		
	Within 1 year HK$'000	Between 1 to 2 years HK$'000	Between 2 to 5 years HK$'000	Total contractual cash flow HK$'000	Carrying amount HK$'000
Trade payables	616	–	–	616	616
Other payables and accruals	809	–	–	809	809
Lease liabilities	1,072	706	176	1,954	1,716
Amount due to an associate	1,489	–	–	1,489	1,489
	3,986	706	176	4,868	4,630

(c) Interest rate risk

The Group's interest rate risk arises primarily from cash at banks. The Group currently does not hedge its exposure to cash flow and fair value interest rate risk. The Group analyses its interest rate exposure on a regular basis and will consider the interest rate exposure when enter into any financing, renewal of existing positions and alternative financing transactions. As at 31 March 2022 and 2021, the Group's interest rate risk is considered to be insignificant and no sensitivity analysis is performed.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, and sell assets to reduce debt or funding from shareholders.

As at 31 March 2022 and 2021, the Group had no borrowings from bank and other financial institutions.

3.3 Fair value estimation

The carrying amounts of the Group's financial assets, including trade receivables, deposits, amount due from non-controlling interest and cash and cash equivalents; and the Group's financial liabilities, including trade payables, other payables and accruals, amount due to an associate and lease liabilities approximate their fair values due to their short maturities.

4 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Group's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

4.1 Critical accounting judgements

Impairment of receivables

The loss allowance for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses significant judgement in making these assumptions and selecting the inputs to the impairment calculation based on the Group's past history, existing market conditions as well as forward looking information at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 3.1(a)(ii).

5 REVENUE AND SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker ("CODM") that are used for making strategic decisions. The CODM is identified as executive directors of the Company. The executive directors reviewed the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The CODM considers the Group's operation from a business perspective and determines that the Group has three reportable operating segments as follows:

Digital media services

Digital media services represent the provision of media management services and one-stop advertising solution packages under which the deliverables to customers are distributed on digital media platforms managed by the Group, third parties' TV channels, internet and physical advertising spaces, subject to the needs of the customers.

Print media services

Print media services represent sale of books published by the Group.

Other media services

Other media services represent advertising income generated from (i) displaying customers' advertisements and promoting their brands in events organised by the Group; (ii) sale of tickets of these events; and (iii) artistes management business, under which the Group's contracted artistes appeared in advertisements produced and events organised by the Group, as well as third party customers.

5 REVENUE AND SEGMENT INFORMATION *(Continued)*

The CODM assesses the performance of the operating segments based on a measure of revenue and results before income tax. The segment information provided to the CODM for the reportable segments is as follows:

	2022			
	Digital media services HK$'000	**Print media services HK$'000**	**Other media services HK$'000**	**Total HK$'000**
Revenue	**42,475**	**1,510**	**28,407**	**72,392**
Inter-segment transactions	**(310)**	**–**	**(4,307)**	**(4,617)**
Revenue from external customers	**42,165**	**1,510**	**24,100**	**67,775**
Segment loss before income tax	**(16,562)**	**(1,645)**	**(184)**	**(18,391)**
Unallocated expenses				**(701)**
Finance costs, net				**(53)**
Share of profit of associates, net				**1,135**
Share of loss of a joint venture				**(379)**
Income tax expense				**(136)**
Loss for the year				**(18,525)**
Other information:				
Depreciation of property, plant and equipment	**201**	**635**	**–**	**836**
Depreciation of right-of-use assets	**1,149**	**–**	**–**	**1,149**
Finance costs related to leases liabilities	**86**	**–**	**–**	**86**
Inventories write off	**–**	**272**	**–**	**272**

5 REVENUE AND SEGMENT INFORMATION *(Continued)*

	2021			
	Digital media services HK$'000	Print media services HK$'000	Other media services HK$'000	Total HK$'000
Revenue	46,952	1,061	15,069	63,082
Inter-segment transactions	(15)	–	(3,959)	(3,974)
Revenue from external customers	46,937	1,061	11,110	59,108
Segment profit/(loss) before income tax	2,842	(1,779)	5,084	6,147
Unallocated expenses				(13)
Finance income, net				202
Share of profit of associates, net				3,600
Income tax expense				(593)
Profit for the year				9,343
Other information:				
Depreciation of property, plant and equipment	341	485	–	826
Depreciation of right-of-use assets	1,309	–	–	1,309
Finance costs related to leases liabilities	97	–	–	97
Inventories write off	–	177	–	177

All of the Group's activities are carried out in Hong Kong and all its assets and liabilities are located in Hong Kong. Accordingly, no analysis by geographical basis for the years ended 31 March 2022 and 2021 is presented.

5 REVENUE AND SEGMENT INFORMATION *(Continued)*

Disaggregation of revenue by the timing of revenue recognition is as follows:

	2022 **HK$'000**	2021 HK$'000
At a point of time:		
Media services income	**37,721**	46,526
Sales of books and merchandise goods	**2,227**	1,061
Performance income	**23,383**	11,110
	63,331	58,697
Over time:		
Media services income	**4,444**	411
	67,775	59,108

(a) Changes in contract liabilities

Contract liabilities for receipts in advance from customers have decreased by HK$955,000 (2021: increased by HK$2,310,000) from prior year. The decrease in 2022 was mainly due to the fulfilment of the performance obligation of digital media services during the year. The increase in 2021 was mainly due to new customers commitment from digital media services.

(b) Revenue recognised in relation to contract liabilities

The following table shows the amount of revenue recognised during the year that was included in the contract liabilities balance at the beginning of the year.

	2022 **HK$'000**	2021 HK$'000
Media services and performance income contracts	**2,951**	1,521

All media services and performance income contracts are for periods of one year or less or are billed based on time incurred. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

6 EXPENSES BY NATURE

Expenses included in cost of sales, selling and distribution expenses and administrative expenses are analysed as follows:

	2022 HK$'000	2021 HK$'000
Cost of production	**36,269**	21,554
Cost of inventories	**1,020**	366
Inventories written off	**272**	177
Employee benefit expenses, including directors' emoluments	**38,677**	25,669
Depreciation of property, plant and equipment	**836**	826
Depreciation of right-of-use assets	**1,149**	1,309
Lease expenses	**3**	–
Auditor's remuneration		
— Audit services	**780**	930
— Non-audit services	**150**	–
Management fees	**1,301**	–
Professional fees	**2,155**	928
Promotional fees	**485**	–
Royalties	**194**	63
Others	**2,815**	1,698
Total cost of sales, selling and distribution expenses and administrative expenses	**86,106**	53,520

7 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	2022 **HK$'000**	2021 HK$'000
Wages and salaries *(Note)*	**28,357**	21,689
Bonus and commissions	**1,841**	2,434
Pension costs — defined contribution plans *(Note (a))*	**1,190**	1,166
Share-based payment expenses	**6,953**	–
Welfare and other expenses	**336**	380
	38,677	25,669

Note: Government grants had been received by the Group from the Anti-epidemic Fund set up by the HKSAR Government under the Employment Support Scheme (the "ESS Scheme"). The ESS Scheme is eligible for all employers who have been making Mandatory Provident Fund ("MPF") contribution. During the year ended 31 March 2022, the Group has recognised HK$nil (2021: HK$5,280,000) in relation to these grants as deductions in its wages and salaries.

The Group has no other obligations for the payment of retirement and other post-retirement benefits of employees or retirees other than the defined contribution payments as disclosed above.

(a) Pensions — defined contribution plans

No forfeited contribution is available to reduce the contribution payable in future year.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group include one director (2021: three) for the year ended 31 March 2022, whose emoluments are reflected in the analysis presented in note 25. The emoluments payable to the remaining four (2021: two) individuals for the year ended 31 March 2022 are as follows:

	2022 **HK$'000**	2021 HK$'000
Wages and salaries	**2,178**	643
Bonus and commissions	**858**	1,091
Pension costs — defined contribution plans	**72**	36
Share-based payment expenses	**6,953**	–
	10,061	1,770

7 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) *(Continued)*

(b) Five highest paid individuals *(Continued)*

The emoluments fell within the following bands:

	2022 Number of individuals	2021 Number of individuals
Emolument bands		
HK$nil–HK$1,000,000	**–**	1
HK$1,000,001–HK$2,000,000	**–**	1
HK$2,000,001–HK$3,000,000	**4**	–
	4	2

During the year ended 31 March 2022 and 2021, no emoluments were paid by the Group to any of the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

8 FINANCE (COSTS)/INCOME, NET

	2022 HK$'000	2021 HK$'000
Finance income		
Bank interest income	**33**	299
Finance costs		
Finance costs related to lease liabilities *(note 12(b))*	**(86)**	(97)
	(53)	202

9 INCOME TAX EXPENSE

	2022 HK$'000	2021 HK$'000
Current income tax — Hong Kong	**218**	636
Over provision for prior years	**(30)**	(2)
Deferred income tax	**(52)**	(41)
Income tax expense	**136**	593

9 INCOME TAX EXPENSE *(Continued)*

The taxation on the Group's (loss)/profit before income tax differs from the theoretical amount that would arise using the Hong Kong standard rate of income tax as follows:

	2022 **HK$'000**	2021 HK$'000
(Loss)/profit before income tax	**(18,389)**	9,936
Tax calculated at 16.5% (2021: 16.5%)	**(3,034)**	1,639
Tax effect of:		
— Income not subject to tax	**(203)**	(999)
— Expenses not deductible for tax purpose	**1,502**	134
— Share of results of associates	**(187)**	(594)
— Share of results of a joint venture	**62**	–
— Tax losses not recognised	**2,398**	620
— Tax losses utilised	**(270)**	–
— Over provision for prior year	**(30)**	(2)
— One-off tax reduction	**(20)**	(40)
— Tax concession under two-tiered profits rates regime	**(82)**	(165)
Income tax expense	**136**	593

For the tax assessment year ended 31 March 2022, Hong Kong Profits Tax of a subsidiary is levied at progressive rate at 8.25% (2021: 8.25%) on the estimated assessable profits arising in or derived from Hong Kong for the year below HK$2,000,000, and thereafter at a fixed rate at 16.5% (2021: 16.5%).

10 (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares in issue.

	2022	2021
(Loss)/profit attributable to owners of the Company during the year (HK$'000)	**(16,325)**	9,343
Weighted average number of ordinary shares in issue	**270,000,000**	270,000,000
Basic (loss)/earnings per share (Hong Kong cents)	**(6.05)**	3.46

The Company did not have any potential dilutive shares throughout the years, accordingly, diluted (loss)/earnings per share is same as the basic (loss)/earnings per share.

11 PROPERTY, PLANT AND EQUIPMENT

	Computer equipment HK$'000	Furniture and fixtures HK$'000	Office equipment HK$'000	Leasehold improvements HK$'000	Total HK$'000
As at 1 April 2020					
Cost	2,206	262	845	1,718	5,031
Accumulated depreciation	(1,348)	(245)	(634)	(1,278)	(3,505)
Net book amount	858	17	211	440	1,526
Year ended 31 March 2021					
Opening net book amount	858	17	211	440	1,526
Additions	267	–	40	–	307
Depreciation *(note 6)*	(348)	(17)	(161)	(300)	(826)
Closing net book amount	777	–	90	140	1,007
As at 1 April 2021					
Cost	2,473	262	885	1,718	5,338
Accumulated depreciation	(1,696)	(262)	(795)	(1,578)	(4,331)
Net book amount	777	–	90	140	1,007
Year ended 31 March 2022					
Opening net book amount	777	–	90	140	1,007
Additions	460	–	78	853	1,391
Depreciation *(note 6)*	(463)	–	(78)	(295)	(836)
Closing net book amount	774	–	90	698	1,562
As at 31 March 2022					
Cost	2,933	262	963	2,571	6,729
Accumulated depreciation	(2,159)	(262)	(873)	(1,873)	(5,167)
Net book amount	774	–	90	698	1,562

All depreciation during the years ended 31 March 2022 and 2021 was charged to administrative expenses.

12 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Amounts recognised in the consolidated statement of financial position

	2022 **HK$'000**	2021 HK$'000
Right-of-use assets		
Office premises	**1,255**	1,670
Lease liabilities		
Current	**733**	1,069
Non-current	**455**	647
	1,188	1,716

Additions to the right-of-use assets during the 2022 financial year were HK$734,000 (2021: HK$853,000).

(b) Amounts recognised in the consolidated statement of profit or loss and other comprehensive income

	2022 **HK$'000**	2021 HK$'000
Depreciation charge of right-of-use assets		
Office premises	**1,149**	1,309
Finance costs related to lease liabilities	**86**	97
Expenses relating to short-term leases	**3**	–

The total cash outflow for leases in 2022 was HK$1,351,000 (2021: HK$1,490,000).

(c) The Group's leasing activities

The Group's leases various office premises. Lease contracts are typically made for fixed periods of 3 years (2021: 2 to 4 years).

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the rental deposits in the leased assets that are held by the lessor. Leased assets were not be used as security for borrowing purposes.

There are no variable lease payments, extension and termination options contained in the leases.

(Expressed in Hong Kong dollars)

13 SUBSIDIARIES

The following is a list of the principal subsidiaries as at 31 March 2022:

Name of subsidiaries	Place of incorporation and operation	Issued and fully paid capital	Attributable equity interest of the Group as at 31 March 2022	2021	Principal activities
Indirectly owned:					
Blackpaper Limited	Hong Kong	HK$1,000,009	**100%**	100%	Provision of creative multimedia services and advertising campaign and publication of periodicals and books
Whitepaper Limited	Hong Kong	HK$3	**100%**	100%	Publication of books
Grandmother Limited	Hong Kong	HK$1	**100%**	100%	Provision of advertising and promotion service
General Manager Management Limited	Hong Kong	HK$3	**100%**	100%	Provision of artistes management and creative multimedia services
TV Most Broadcasts Limited	Hong Kong	HK$1	**100%**	100%	Provision of creative multimedia services and advertising campaign
French Rotational Production Limited	Hong Kong	HK$1	**100%**	100%	Provision of advertising and promotion service

14 INTERESTS IN ASSOCIATES

	2022 HK$'000	2021 HK$'000
Jar Gor 1996 Limited ("Jar Gor 1996")	**3,037**	3,368
Café de Jar Gor Limited ("Café de Jar Gor")	**3,011**	3,167
Café de Jar Gor (2nd) Limited ("Café 2nd")	**–**	1,423
Uuush Group Limited ("Uuush Group")	**2,251**	1,884
	8,299	9,842

Set out below are the associates of the Group as at 31 March 2022:

Name of associates	Place of business/ of incorporation	Nature of principal activities	Percentage of ownership interest as at 31 March 2022	2021
Jar Gor 1996	Hong Kong	Operation of chain snack stalls in Hong Kong	**49%**	49%
Café de Jar Gor	Hong Kong	Operation of restaurant in Hong Kong	**49%**	49%
Café 2nd	Hong Kong	Operation of restaurant in Hong Kong	**49%**	49%
Uuush Group	Hong Kong	Provision of physiotherapy services	**37%**	37%

All of the above associates are private companies and are accounted for using the equity method of accounting.

14 INTERESTS IN ASSOCIATES *(Continued)*

The table below provides summarised financial information for associates. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and not the Group's share of those amounts.

	2022			
	Jar Gor 1996 HK$'000	**Café de Jar Gor HK$'000**	**Café 2nd HK$'000**	**Uuush Group HK$'000**
Summarised financial position				
Non-current assets	**519**	**8,671**	**192**	**1,932**
Current assets	**5,469**	**8,689**	**954**	**5,639**
Current liabilities	**(746)**	**(6,236)**	**(4,230)**	**(574)**
Non-current liabilities	**—**	**(4,979)**	**–**	**(913)**
Net assets/(liabilities)	**5,242**	**6,145**	**(3,084)**	**6,084**
Revenue	**18,165**	**28,799**	**14,328**	**9,905**
Profit/(loss) and total comprehensive income/(loss) for the year	**2,524**	**(319)**	**(5,988)**	**3,993**
Dividends received from the associates	**1,568**	**–**	**–**	**1,110**
Reconciliation to carrying amounts				
Net assets/(liabilities) of associates	**5,242**	**6,145**	**(3,084)**	**6,084**
Group's share in %	**49%**	**49%**	**49%**	**37%**
Group's share of net assets *(Note)*	**2,569**	**3,011**	**–**	**2,251**
Goodwill	**468**	**–**	**–**	**–**
Carrying amount	**3,037**	**3,011**	**–**	**2,251**

Note: As the Group's share of losses of Café 2nd exceeds its corresponding interest in associate, the Group's interest is reduced to nil and recognition of further losses is discontinued.

The unrecognised share of losses of this associate amounted to HK$1,511,000 (2021: HK$nil) for the year and the unrecognised accumulated losses amounted to HK$1,511,000 (2021: HK$nil) as at 31 March 2022.

14 INTERESTS IN ASSOCIATES *(Continued)*

	2021			
	Jar Gor 1996 HK$'000	Café de Jar Gor HK$'000	Café 2nd HK$'000	Uuush Group HK$'000
Summarised financial position				
Non-current assets	2,335	2,868	4,358	1,375
Current assets	6,374	6,927	2,363	4,635
Current liabilities	(1,569)	(3,331)	(3,817)	(919)
Non-current liabilities	(1,222)	–	–	–
Net assets	5,918	6,464	2,904	5,091
Revenue	22,012	22,823	9,906	1,884
Profit/(loss) and total comprehensive income/(loss) for the year	1,758	3,216	(96)	3,269
Dividends received from the associates	1,470	–	–	740
Reconciliation to carrying amounts				
Net assets of associate	5,918	6,464	2,904	5,091
Group's share in %	49%	49%	49%	37%
Group's share of net assets	2,900	3,167	1,423	1,884
Goodwill	468	–	–	–
Carrying amount	3,368	3,167	1,423	1,884

15 INTEREST IN A JOINT VENTURE

	2022 **HK$'000**	2021 HK$'000
SLTmr Limited	**321**	–

In June 2021, the Group paid cash of HK$700,000 for subscription of 700,000 ordinary shares of SLTmr Limited, which represents 35% of the entire issued capital of SLTmr Limited. It is classified as joint venture as unanimous consent is required from all shareholders for all activities that significantly affect the returns of the arrangement. SLTmr Limited is incorporated in Hong Kong and is principally engaged in the provision of content on recruitment and IT related information on the internet and a digital social media platform.

The table below shows summarised financial information for the joint venture. The information disclosed reflects the amounts presented in the financial statements of the joint venture and not the Group's share of those amounts.

	HK$'000
Summarised financial position	
Non-current assets	27
Current assets	999
Current liabilities	(108)
Non-current liabilities	–
Net assets	918
Revenue	311
Loss and total comprehensive loss for the year	(1,082)
Dividends received from a joint venture	–
Reconciliation to carrying amount	
Net assets of the joint venture	918
Group's share in %	35%
Group's share of net assets	321

16 FINANCIAL INSTRUMENTS BY CATEGORY

	2022 HK$'000	2021 HK$'000
Financial assets at amortised cost		
Trade receivables	**6,673**	6,569
Deposits and other receivables	**2,355**	525
Cash and cash equivalents	**64,307**	84,356
	73,335	91,450

	2022 HK$'000	2021 HK$'000
Financial liabilities at amortised cost		
Trade payables	**723**	616
Amount due to an associate	**1,489**	1,489
Other payables and accruals	**3,195**	809
Lease liabilities	**1,188**	1,716
	6,595	4,630

17 INVENTORIES

	2022 HK$'000	2021 HK$'000
Books held for sale	**461**	745
Merchandise held for sale	**829**	–
	1,290	745

The cost of inventories recognised as expense and included in cost of sales amounted to HK$1,020,000 for the year ended 31 March 2022 (2021: HK$366,000).

Inventories write off amounted to HK$272,000 and was recognised in cost of sales for the year ended 31 March 2022 (2021: HK$177,000).

18 TRADE RECEIVABLES

	2022 **HK$'000**	2021 HK$'000
Trade receivables	**7,533**	7,483
Less: provision for impairment of trade receivables	**(860)**	(914)
	6,673	6,569

Credit terms ranged between 30 to 90 days were granted to our customers. The ageing analysis of trade receivables, based on invoice date, was as follows:

	2022 **HK$'000**	2021 HK$'000
Within 2 months	**3,578**	3,432
2 to 4 months	**894**	1,885
4 to 6 months	**678**	1,140
Over 6 months	**2,383**	1,026
	7,533	7,483

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade receivables. To measure the expected credit losses, these receivables have been grouped based on shared credit risk characteristics and the ageing derived based on days past due.

Movement in the provision for impairment of trade receivables that are assessed for impairment are as follows:

	HK$'000
As at 1 April 2020	1,454
Reversal of provision of impairment recognised during the year	(540)
As at 31 March 2021 and 1 April 2021	914
Provision of impairment recognised during the year	812
Written off	(866)
As at 31 March 2022	860

The maximum exposure to credit risk is the carrying amounts of trade receivables. The Group does not hold any collateral as security.

19 SHARE CAPITAL

Authorised share capital:

	Number of shares	**Nominal value of ordinary shares** HK$'000
At 1 April 2020, 31 March 2021 and 2022	380,000,000	3,800

Ordinary shares, issued and fully paid:

	Number of shares	**Nominal value of ordinary shares** HK$'000	**Share premium** HK$'000
At 1 April 2020, 31 March 2021 and 2022	270,000,000	2,700	67,028

20 DEFERRED INCOME TAX

The movement on the deferred income tax account is as follows:

	2022 **HK$'000**	2021 HK$'000
Accelerated tax depreciation		
As at beginning of year	**52**	93
Credited to profit or loss	**(52)**	(41)
As at end of year	**–**	52

As at 31 March 2022, the Group has not recognised deferred tax assets in respect of cumulative tax losses of approximately HK$16,653,000 (2021: HK$3,754,000) as it not probable that future taxable profits, against which the assets can be utilised, will be available in the relevant tax jurisdiction or entity. The tax losses do not expire under current tax legislation. Other temporary differences are not material.

21 TRADE PAYABLES

	2022 **HK$'000**	2021 HK$'000
Within 1 month	**542**	342
1 to 2 months	**4**	183
2 to 3 months	**174**	84
Over 3 months	**3**	7
	723	616

22 CASH FLOW INFORMATION

(a) Reconciliation of (loss)/profit before income tax for the year to cash (used in)/generated from operations

	2022 **HK$'000**	2021 HK$'000
(Loss)/profit before income tax	**(18,389)**	9,936
Adjustments for:		
— Finance income *(note 8)*	**(33)**	(299)
— Depreciation of property, plant and equipment *(note 6)*	**836**	826
— Depreciation of right-of-use assets *(note 6)*	**1,149**	1,309
— Inventories write off *(note 6)*	**272**	177
— Provision/(reversal) of impairment losses on trade receivables, net *(note 18)*	**812**	(540)
— Share-based employee compensation	**6,953**	–
— Share of profit of associates, net	**(1,135)**	(3,600)
— Share of loss of a joint venture	**379**	–
— Finance costs related to lease liabilities *(note 8)*	**86**	97
Changes in working capital	**(9,070)**	7,906
— Inventories	**(817)**	(294)
— Trade receivables	**(916)**	2,223
— Prepayments, deposits and other receivables	**(1,300)**	(209)
— Trade payables	**107**	420
— Other payables and accruals	**2,055**	520
— Contract liabilities	**(955)**	2,310
Cash (used in)/generated from operations	**(10,896)**	12,876

22 CASH FLOW INFORMATION *(Continued)*

(b) Reconciliation of liabilities arising from financing activities:

	Lease liabilities HK$'000
As at 1 April 2020	2,159
Additions	853
Finance cost related to lease liabilities	97
Cash flow	(1,393)
As at 31 March 2021 and 1 April 2021	1,716
Additions	734
Finance costs related to lease liabilities	86
Cash flow	(1,348)
At 31 March 2022	**1,188**

(c) Significant non-cash transaction:

Investment cost of HK$1,489,000 payable to Café de Jar Gor remained unsettled as at 31 March 2022 and 2021 (note 23(a)).

Contribution from non-controlling interest in a subsidiary of HK$1,600,000 during the year remained unsettled as at 31 March 2022.

23 RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in holding power over the investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

23 RELATED PARTY TRANSACTIONS *(Continued)*

The ultimate holding company and the its shareholders are disclosed in note 1. Major related parties that had transactions and balances with the Group were as follows:

(a) Balances with related parties

	2022 HK$'000	2021 HK$'000
Trade receivables with associates		
Jar Gor 1996	**1**	5
Café de Jar Gor	**–**	5
Café de Jar Gor (2nd)	**–**	5
	1	15
Amount due from non-controlling interest of a subsidiary *(Note)*	**1,600**	–
Amount due to an associate		
Café de Jar Gor *(Note)*	**1,489**	1,489

Note: The balances were non-trade in nature, unsecured, interest-free and repayable on demand.

(b) Transactions with related parties

Save as disclosed elsewhere in these consolidated financial statements, the following transactions were carried out with related parties:

	2022 HK$'000	2021 HK$'000
Digital media service income		
Jar Gor 1996	**–**	115
Café de Jar Gor	**14**	175
Café de Jar Gor (2nd)	**–**	35
SLTmr Limited	**96**	–
	110	325
Royalty expenses		
Mr. Tsui	**(5)**	(6)

Note: The pricing of all the above transactions was determined based on mutual negotiation and agreement between the Group and the respective related parties.

23 RELATED PARTY TRANSACTIONS *(Continued)*

(c) Key management compensation

Key management includes directors and top management. The compensation paid or payable to key management for employee services is shown below:

	2022 HK$'000	2021 HK$'000
Wages and salaries	**5,326**	6,675
Bonus	**375**	73
Commissions	**483**	593
Pension costs — defined contribution plan	**96**	108
Share-based payment expenses	**5,214**	–
	11,494	7,449

24 DIVIDEND

	2022 HK$'000	2021 HK$'000
Final dividend for the year ended 31 March 2021 of HK$3.4 cents per share (2020: final dividend for the year ended 31 March 2020 of HK$4.8 cents per share) declared and paid	**9,180**	12,960

The directors do not recommend the payment of any dividend in respect of the year ended 31 March 2022.

25 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' remuneration

The remuneration of every director is set out below:

	2022				
Name of director	**Directors' fees HK$'000**	**Salaries HK$'000**	**Discretionary bonus HK$'000**	**Employer's contribution to pension scheme HK$'000**	**Total HK$'000**
Executive directors					
— Mr. Iu	**–**	**1,333**	**–**	**18**	**1,351**
— Mr. Luk	**–**	**1,333**	**–**	**18**	**1,351**
— Mr. Tsui *(Note)*	**–**	**452**	**–**	**8**	**460**
Independent non-executive directors					
— Mr. Ho Kwong Yu	**150**	**–**	**–**	**–**	**150**
— Mr. Leung Ting Yuk	**150**	**–**	**–**	**–**	**150**
— Mr. Leung Wai Man	**150**	**–**	**–**	**–**	**150**
	450	**3,118**	**–**	**44**	**3,612**

Note: Mr. Tsui resigned as an executive director on 1 August 2021.

	2021				
Name of director	Directors' fees HK$'000	Salaries HK$'000	Discretionary bonus HK$'000	Employer's contribution to pension scheme HK$'000	Total HK$'000
Executive directors					
— Mr. Iu	–	1,344	–	18	1,362
— Mr. Luk	–	1,344	–	18	1,362
— Mr. Tsui	–	2,344	–	18	2,362
Independent non-executive directors					
— Mr. Ho Kwong Yu	150	–	–	–	150
— Mr. Leung Ting Yuk	150	–	–	–	150
— Mr. Leung Wai Man	150	–	–	–	150
	450	5,032	–	54	5,536

25 BENEFITS AND INTERESTS OF DIRECTORS *(Continued)*

(a) Directors' remuneration *(Continued)*

During the years ended 31 March 2022 and 2021, none of the directors of the Company (i) received or paid any remuneration in respect of accepting office; and (ii) waived or has agreed to waive any emolument.

(b) Directors' termination benefits

During the years ended 31 March 2022 and 2021, no emoluments, payments or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the directors; nor are any payable.

(c) Consideration provided to third parties for making available directors' services

During the years ended 31 March 2022 and 2021, no consideration was provided to third parties for making available directors' services.

(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the years ended 31 March 2022 and 2021, there were no loans, quasi-loans or other dealings in favour of the directors, their controlled bodies corporate and connected entities.

26 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENTS OF THE COMPANY

Statement of financial position of the Company

	2022 HK$'000	2021 HK$'000
ASSETS		
Non-current assets		
Investment in a subsidiary	**14,444**	14,444
Current assets		
Amounts due from subsidiaries	**60,062**	69,686
Cash and cash equivalents	**177**	197
	60,239	69,883
Total assets	**74,683**	84,327
EQUITY		
Share capital	**2,700**	2,700
Share premium	**67,028**	67,028
Reserves	**4,955**	14,599
Total equity	**74,683**	84,327
LIABILITIES		
Total liabilities	**–**	–
Total equity and liabilities	**74,683**	84,327

26 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENTS OF THE COMPANY *(Continued)*

Reserve movements of the Company

	Other reserve HK$'000	Retained earnings/ (accumulated losses) HK$'000	Total HK$'000
Balance as at 1 April 2020	14,444	69	14,513
Profit for the year	–	13,046	13,046
Dividend paid	–	(12,960)	(12,960)
Balance as at 31 March 2021	14,444	155	14,599
Balance as at 1 April 2021	**14,444**	**155**	**14,599**
Loss for the year	**–**	**(464)**	**(464)**
Dividend paid	**–**	**(9,180)**	**(9,180)**
Balance as at 31 March 2022	**14,444**	**(9,489)**	**4,955**

The investment in a subsidiary was accounted for using the net asset value at the date of the reorganisation. The difference between the net asset value and the nominal value of issued share capital for the acquisition amounted to approximately HK$14,444,000 was credited as other reserves.

FIVE-YEAR FINANCIAL SUMMARY

The results of the Group for the last five financial years are as follows:

	2022 **HK$'000**	2021 HK$'000	2020 HK$'000	2019 HK$'000	2018 HK$'000
Revenue	**67,775**	59,108	76,908	100,481	86,747
(Loss)/profit before taxation	**(18,389)**	9,936	15,015	18,087	12,204
Income tax expense	**(136)**	(593)	(1,708)	(2,532)	(5,287)
(Loss)/profit and total comprehensive (loss)/income for the year	**(18,525)**	9,343	13,307	15,555	6,917
Attributable to:					
Owners of the Company	**(16,325)**	9,343	13,307	15,555	6,917
Non-controlling interests	**(2,200)**	–	–	–	–
	(18,525)	9,343	13,307	15,555	6,917
Basic and diluted (loss)/earnings per share for (loss)/profit attributable to owners of the Company (Hong Kong cents)	**(6.05)**	3.46	4.93	5.76	3.40

The assets and liabilities of the Group for the last five financial years are as follows:

	2022 **HK$'000**	2021 HK$'000	2020 HK$'000	2019 HK$'000	2018 HK$'000
Assets and liabilities					
Total assets	**88,197**	106,829	106,551	116,517	109,455
Total liabilities	**(11,121)**	(12,201)	(8,306)	(17,539)	(24,482)
	77,076	94,628	98,245	98,978	84,973
Equity attributable to owners of the Company	**76,076**	94,628	98,245	98,978	84,973
Non-controlling interests	**1,000**	–	–	–	–
	77,076	94,628	98,245	98,978	84,973