

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**Most Kwai Chung Limited**

**毛記葵涌有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1716)**

**INTERIM RESULTS ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023**

**FINANCIAL HIGHLIGHTS**

	<b>Six months ended 30 September</b>	
	<b>2023</b>	<b>2022</b>
<b>Revenue</b>	<b>HK\$31.5 million</b>	HK\$23.0 million
<b>Gross profit</b>	<b>HK\$11.5 million</b>	HK\$3.9 million
<b>Net loss</b>	<b>(HK\$2.0 million)</b>	(HK\$4.8 million)
<b>Basic loss per share</b>	<b>(HK0.72 cents)</b>	(HK1.77 cents)

## RESULTS

The board (the “Board”) of directors (the “Directors”) of Most Kwai Chung Limited (the “Company”) presents the condensed consolidated unaudited results of the Company and its subsidiaries (collectively as the “Group”) for the six months ended 30 September 2023 (the “Period”), together with the comparative figures for the six months ended 30 September 2022, as follows:

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

(Expressed in Hong Kong dollars)

		Six months ended	
		30 September	
		2023	2022
	Note	HK\$'000	HK\$'000
		(unaudited)	(unaudited)
<b>Revenue</b>	4	<b>31,542</b>	22,985
Cost of sales	5	<b>(20,092)</b>	(19,130)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>11,450</b>	3,855
Other income		<b>298</b>	239
Selling and distribution expenses	5	<b>(4,554)</b>	(1,581)
Administrative expenses	5	<b>(9,003)</b>	(7,957)
Provision for impairment losses on trade receivables, net	9	<b>(168)</b>	(838)
		<hr/>	<hr/>
<b>Operating loss</b>		<b>(1,977)</b>	(6,282)
Finance income		<b>604</b>	5
Finance costs		<b>(33)</b>	(34)
		<hr/>	<hr/>
Finance income/(costs), net		<b>571</b>	(29)
Share of (loss)/profit of associates, net		<b>(333)</b>	1,332
Share of (loss)/profit of a joint venture		<b>(146)</b>	238
		<hr/>	<hr/>
<b>Loss before income tax</b>		<b>(1,885)</b>	(4,741)
Income tax expense	6	<b>(66)</b>	(45)
		<hr/>	<hr/>
<b>Loss and total comprehensive loss attributable to owners of the Company for the period</b>		<b>(1,951)</b>	(4,786)
		<hr/>	<hr/>
<b>Basic and diluted loss per share for loss attributable to owners of the Company (Hong Kong cents)</b>	7	<b>(0.72)</b>	(1.77)
		<hr/>	<hr/>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2023

(Expressed in Hong Kong dollars)

	<b>As at 30 September 2023</b>	<b>As at 31 March 2023</b>
<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(unaudited)</b>	<b>(audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	<b>1,027</b>	1,216
Right-of-use assets	<b>973</b>	1,474
Deposits	<b>264</b>	185
Interests in associates	<b>619</b>	2,283
Interest in a joint venture	<b>153</b>	299
	<b>3,036</b>	5,457
<b>Current assets</b>		
Inventories	<b>474</b>	480
Trade receivables	<b>9,678</b>	5,254
Prepayments, deposits and other receivables	<b>3,508</b>	1,916
Amount due from non-controlling interest	<b>1,600</b>	1,600
Current income tax recoverable	<b>404</b>	404
Cash and cash equivalents	<b>48,394</b>	50,815
	<b>64,058</b>	60,469
<b>Total assets</b>	<b>67,094</b>	65,926

	<b>As at 30 September 2023</b>	<b>As at 31 March 2023</b>
<i>Note</i>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
	<b>(unaudited)</b>	<b>(audited)</b>
<b>EQUITY</b>		
<b>Capital and reserves</b>		
Share capital	<b>2,700</b>	2,700
Reserves	<b>51,038</b>	52,989
	<hr/>	<hr/>
<b>Equity attributable to owners of the Company</b>	<b>53,738</b>	55,689
Non-controlling interests	<b>640</b>	640
	<hr/>	<hr/>
<b>Total equity</b>	<b>54,378</b>	56,329
	<hr/>	<hr/>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Lease liabilities	<b>367</b>	648
	<hr/>	<hr/>
<b>Current liabilities</b>		
Trade payables	<b>1,913</b>	751
Lease liabilities	<b>641</b>	868
Amounts due to associates	<b>1,489</b>	1,489
Other payables and accruals	<b>3,809</b>	3,596
Contract liabilities	<b>4,388</b>	2,202
Current income tax liabilities	<b>109</b>	43
	<hr/>	<hr/>
	<b>12,349</b>	8,949
	<hr/>	<hr/>
<b>Total liabilities</b>	<b>12,716</b>	9,597
	<hr/>	<hr/>
<b>Total equity and liabilities</b>	<b>67,094</b>	65,926
	<hr/> <hr/>	<hr/> <hr/>

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023**  
*(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, Uglan House, Grand Cayman, KY1-1104, Cayman Islands and has its principal place of business at Unit 8, 16/F., Bock B, Tung Chun Industrial Building, 11-13 Tai Yuen Street, Kwai Chung, New Territories, Hong Kong. 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. Blackpaper BVI is owned as to 50% by each of Mr. Iu Kar Ho (“Mr. Iu”) and Mr. Luk Ka Chun (“Mr. Luk”).

These condensed 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 BASIS OF PREPARATION**

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited.

The preparation of the condensed consolidated financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2023.

**3 SIGNIFICANT ACCOUNTING POLICIES**

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

Other than changes in accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2023 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 March 2023.

The Group has applied the following amendments for the first time for its annual reporting period commencing 1 April 2023:

Amendments to HKAS 8	Definition of accounting estimates
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of accounting policies
Amendment to HKAS 12	Deferred tax related to assets and liabilities arising from a single transaction

None of these amendments have a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in these condensed consolidated financial statements.

The Group has not applied any new standard or interpretations that is not yet effective for the current accounting period.

#### **4 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.

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

	Six months ended 30 September 2023			
	Digital media services <i>HK\$'000</i> (unaudited)	Print media services <i>HK\$'000</i> (unaudited)	Other media services <i>HK\$'000</i> (unaudited)	Total <i>HK\$'000</i> (unaudited)
Revenue	31,085	342	2,089	33,516
Inter-segment transactions	(1,853)	–	(121)	(1,974)
Revenue from external customers	<u>29,232</u>	<u>342</u>	<u>1,968</u>	<u>31,542</u>
Segment profit/(loss) before income tax	(1,831)	(1,154)	824	(2,161)
Unallocated expenses				184
Finance income				571
Share of profit of associates, net				(333)
Share of profit of a joint venture				(146)
Income tax expense				(66)
Loss for the period				<u>(1,951)</u>
Other information:				
Depreciation of property, plant and equipment	43	255	–	298
Depreciation of right-of-use assets	501	–	–	501
Finance costs related to leases liabilities	33	–	–	33
	<u>577</u>	<u>255</u>	<u>–</u>	<u>832</u>
	Six months ended 30 September 2022			
	Digital media services <i>HK\$'000</i> (unaudited)	Print media services <i>HK\$'000</i> (unaudited)	Other media services <i>HK\$'000</i> (unaudited)	Total <i>HK\$'000</i> (unaudited)
Revenue	21,994	996	1,509	24,499
Inter-segment transactions	(35)	–	(1,479)	(1,514)
Revenue from external customers	<u>21,959</u>	<u>996</u>	<u>30</u>	<u>22,985</u>
Segment loss before income tax	(2,909)	(2,016)	(727)	(5,652)
Unallocated expenses				(664)
Finance income				5
Share of profit of associates, net				1,332
Share of profit of a joint venture				238
Income tax expense				(45)
Loss for the period				<u>(4,786)</u>
Other information:				
Depreciation of property, plant and equipment	90	324	–	414
Depreciation of right-of-use assets	669	–	–	669
Finance costs related to leases liabilities	34	–	–	34
	<u>793</u>	<u>324</u>	<u>–</u>	<u>1,117</u>

The CODM makes decisions according to operating results of each segment. No analysis of segment assets and segment liabilities is presented as the CODM does not regularly review such information for purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

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 is presented for the six-month periods ended 30 September 2023 and 2022.

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

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>At a point of time:</b>		
Media services income	<b>28,586</b>	20,414
Sales of books and merchandise	<b>722</b>	996
Performance income	<b>237</b>	30
	<u><b>29,545</b></u>	<u>21,440</u>
<b>Over time:</b>		
Media services income	<b>1,997</b>	1,545
	<u><b>31,542</b></u>	<u>22,985</u>

## 5 EXPENSES BY NATURE

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

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Cost of production	<b>16,076</b>	12,626
Cost of inventories	<b>247</b>	527
Inventories written off	–	809
Employee benefit expenses, including Directors' emoluments	<b>14,281</b>	11,284
Depreciation of property, plant and equipment	<b>296</b>	414
Depreciation of right-of-use assets	<b>501</b>	669
Auditor's remuneration	<b>390</b>	390
Professional fees	<b>899</b>	679
Royalties	<b>34</b>	92
Others	<b>925</b>	1,178
	<u><b>33,649</b></u>	<u>28,668</u>
Total cost of sales, selling and distribution expenses and administrative expenses	<u><b>33,649</b></u>	<u>28,668</u>



## 6 INCOME TAX EXPENSE

	Six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current income tax — Hong Kong	<u>66</u>	<u>45</u>
Income tax expense	<u><u>66</u></u>	<u><u>45</u></u>

Hong Kong profits tax is levied at progressive rate at 8.25% (six months ended 30 September 2022: 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% (six months ended 30 September 2022: 16.5%).

## 7 LOSS PER SHARE

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

	Six months ended 30 September	
	2023	2022
	(unaudited)	(unaudited)
Loss attributable to owners of the Company during the period (HK\$'000)	<u>(1,951)</u>	<u>(4,786)</u>
Weighted average number of ordinary shares in issue	<u><u>270,000,000</u></u>	<u><u>270,000,000</u></u>
Basic loss per share (Hong Kong cents)	<u><u>(0.72)</u></u>	<u><u>(1.77)</u></u>

The Company did not have any potential dilutive shares throughout the periods, and accordingly, diluted loss per share is same as the basic loss per share.

## 8 DIVIDEND

The Board of Directors did not declare the payment of an interim dividend in respect of the six months ended 30 September 2023 (six months ended 30 September 2022: nil).

## 9 TRADE RECEIVABLES

	As at <b>30 September</b> <b>2023</b> <i>HK\$'000</i> <b>(unaudited)</b>	As at 31 March 2023 <i>HK\$'000</i> (audited)
Trade receivables	<b>10,710</b>	6,118
Less: provision for impairment of trade receivables	<u><b>(1,032)</b></u>	<u>(864)</u>
	<u><b>9,678</b></u>	<u>5,254</u>

The carrying amounts of trade receivables approximated their fair values. The carrying amounts of the trade receivables were denominated in HK\$.

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

	As at <b>30 September</b> <b>2023</b> <i>HK\$'000</i> <b>(unaudited)</b>	As at 31 March 2023 <i>HK\$'000</i> (audited)
Within 2 months	<b>4,717</b>	3,960
2 to 4 months	<b>3,003</b>	1,120
4 to 6 months	<b>1,511</b>	477
Over 6 months	<u><b>1,479</b></u>	<u>561</u>
	<u><b>10,710</b></u>	<u>6,118</u>

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9 “Financial Instruments”, 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.

## 10 TRADE PAYABLES

	<b>As at 30 September 2023 HK\$'000 (unaudited)</b>	<b>As at 31 March 2023 HK\$'000 (audited)</b>
Trade payables	<u><b>1,913</b></u>	<u>751</u>

The carrying amounts of trade payables approximated their fair values. The carrying amounts of the trade payables were denominated in HK\$.

The ageing analysis of trade payables, based on invoice date, was as follows:

	<b>As at 30 September 2023 HK\$'000 (unaudited)</b>	<b>As at 31 March 2023 HK\$'000 (audited)</b>
Within 1 month	<b>1,736</b>	708
1 to 2 months	<u>177</u>	<u>43</u>
	<u><b>1,913</b></u>	<u>751</u>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW AND OUTLOOK**

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 such as 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 sales of book publications; and (iii) other media services which include events organisation and artistes management.

Under the current circumstance, the Group expects the prospects of the advertising and media industry to have steady recovery in the coming year. During the Period, customers in the travel related industry provided a steady income to the Group and a couple of new pages were launched which would generate additional revenue in digital media services segment. 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 increased from approximately HK\$22.0 million for the six months ended 30 September 2022 to approximately HK\$31.1 million for the Period, representing an increase of approximately 41.4% which was mainly attributable to the recovery of travel industry during the Period. Segment loss before income tax was approximately HK\$2.9 million and HK\$1.8 million for the six months ended 30 September 2022 and 2023 respectively. 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\$996,000 and HK\$342,000 for the six months ended 30 September 2022 and 2023 respectively. The decrease in revenue was mainly due to the reduced volume of books sold. Segment loss before income tax was approximately HK\$2.0 million and HK\$1.2 million for the six months ended 30 September 2022 and 2023 respectively. During the Period, the segment loss before income tax decreased because there was written off of the inventories of approximately HK\$0.8 million for the six months ended 30 September 2022.

## **Other Media Services**

Other media services represent events organisation and artistes management.

Revenue from the other media services was approximately HK\$1.5 million and HK\$2.1 million for the six months ended 30 September 2022 and 2023 respectively. Segment loss before income tax for six months ended 30 September 2022 was approximately HK\$0.7 million and segment profit before income tax for the Period was approximately HK\$0.8 million. During the Period, the turn from segment loss before income tax to segment profit before income tax was mainly attributable to the increase in revenue derived from artistes management during the Period.

## **FINANCIAL REVIEW**

### **Revenue**

Revenue of the Group increased by approximately HK\$8.5 million or 37% from approximately HK\$23.0 million for the six months ended 30 September 2022 to approximately HK\$31.5 million for the Period. The increase was mainly attributable to the increase in revenue from digital media services segment which were derived from customers in the travel related industry.

### **Cost of Sales**

The Group's cost of sales comprises direct cost incurred for the digital media services (including staff costs and production costs), print media services (including staff costs, printing costs, cost of inventories, inventory written-off, royalties and other production costs) and other media services (including staff costs and other costs incurred during organisation of events). The cost of sales increased to approximately HK\$20.1 million for the Period from approximately HK\$19.1 million for the six months ended 30 September 2022, representing an increase of approximately HK\$1.0 million or 5% during the Period which was due to the increased sales. However, the rate of increased cost of sales was smaller than the rate of increased sales which was mainly attributable to production cost controlling during the Period.

## **Gross Profit and Gross Profit Margin**

For the Period, the gross profit of the Group increased by approximately HK\$7.6 million or 195% from approximately HK\$3.9 million for the six months ended 30 September 2022 to approximately HK\$11.5 million for the Period which was increased in line with the increased revenue.

The overall gross profit margin of the Group was approximately 16.8% and 36.3% for the six months ended 30 September 2022 and 2023, respectively. The increase was mainly attributable to production cost controlling during the Period.

## **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\$1.6 million and HK\$4.6 million for the six months ended 30 September 2022 and 2023 respectively, representing an increase by approximately HK\$3.0 million or 187.5% which was mainly attributable to the additional selling and distribution expenses incurred for the new media channels launched during the Period.

## **Administrative Expenses**

Administrative expenses of the Group increased from approximately HK\$8.0 million for the six months ended 30 September 2022 to approximately HK\$9.0 million for the Period.

## **Loss before Income Tax**

During the six months ended 30 September 2022 and 2023, the loss before income tax were approximately HK\$4.7 million and HK\$2.0 million respectively. During the Period, the reduced loss before income tax was mainly due to the combined effect of (i) the increase in segment revenue of digital media services by approximately HK\$9.1 million; and (ii) the effectiveness of production cost control for the Period.

## **Income Tax Expenses**

The income tax expenses were approximately HK\$45,000 and HK\$66,000 for the six months ended 30 September 2022 and 2023 respectively.

## **LIQUIDITY AND FINANCIAL RESOURCES**

During the Period, the Group's operation and capital requirements were financed principally through the operating activities. As at 31 March 2023 and 30 September 2023, the Group had net current assets of approximately HK\$51.5 million and HK\$51.7 million, respectively, including bank balances and cash of approximately HK\$50.8 million and HK\$48.4 million respectively. The Group's current ratio (current assets divided by current liabilities) decreased from approximately 6.8 times as at 31 March 2023 to approximately 5.2 times as at 30 September 2023. Such decrease was mainly due to the decrease in cash and cash equivalents for the Period. The Group's gearing ratio as at 31 March 2023 and 30 September 2023 was calculated based on the total debt divided by the total equity as at the respective dates and multiplied by 100%. As at 30 September 2023, the Group's gearing ratio was nil (31 March 2023: nil).

## **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, the Group's management reviews 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 for 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 30 September 2023, 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 the Shares of the Company on the Main Board of 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 Period.

## **SIGNIFICANT INVESTMENTS**

During the Period, the Group did not hold any significant investments.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

Save as those disclosed herein and 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 announcement, 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 2023 and 30 September 2023.

## **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 foreign currency hedging policy, but the Group’s management continuously monitors foreign exchange exposure.

## **PLEDGE OF ASSETS**

As at 31 March 2023 and 30 September 2023, none of the Group’s assets were pledged.

## **EMPLOYEES AND REMUNERATION POLICIES**

The total number of full-time employees were 73 and 77 as at 31 March 2023 and 30 September 2023, respectively. The Group’s employee benefit expenses mainly included salaries, discretionary bonuses, commission, medical insurance coverage, other staff benefits and contributions to retirement schemes. For the six months ended 30 September 2022 and 2023, the Group’s total employee benefit expenses (including Directors’ emoluments) amounted to approximately HK\$11.3 million and HK\$14.3 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 Period and up to the date of this announcement.

<b>Business strategies as stated in the Prospectus</b>	<b>Actual business progress up to the date of this announcement</b>
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	<p>Hired additional sales executives to support the business growth in digital media services segment.</p> <p>Recruited marketing staff to assist in conducting pitching activities to build up and strengthen relationship with a broader customer base.</p> <p>Although new sales executives and marketing staff were hired during the Period, it is expected that more new sales executives and marketing staff will be hired for the growth of our digital media services.</p>
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 TVMost’s website and mobile application will from time to time be fine-tuned 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 the form of live performance since the Listing.

## **INTERIM DIVIDEND**

The Board has resolved not to declare any interim dividend for the Period (Six months ended 30 September 2022: nil).

## **SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD**

There are no significant events affecting the Group after the Period and up to the date of this announcement.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

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

## **COMPETING INTERESTS**

During the Period and up to the date of this announcement, 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 30 September 2023.

## **CODE ON CORPORATE GOVERNANCE PRACTICES**

The Company has adopted and complied with code provisions (the "Code Provisions") as set out under the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules. During the Period, the Company has complied with all Code Provisions of the CG Code.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules as a code of conduct of the Company for Directors’ securities transactions. The Company has made specific enquiry of all Directors and the relevant employees regarding any non-compliance with the Model Code during the Period and they have all confirmed that they had fully complied with the required standard set out in the Model Code.

## **AUDIT COMMITTEE**

The Company has set up an Audit Committee on 2 March 2018 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D3 of the CG Code. The Audit Committee consists of Mr. Ho Kwong Yu, Mr. Leung Ting Yuk and Mr. Leung Wai Man. Mr. Ho Kwong Yu is the chairman of the Audit Committee.

The Group’s condensed consolidated financial statements for the Period have not been audited by the auditor of the Company. The Audit Committee has reviewed the Group’s unaudited condensed consolidated financial statements for the Period, the 2023/2024 interim report of the Company and this results announcement.

## **PUBLICATION OF INFORMATION ON THE WEBSITES OF HONG KONG EXCHANGES AND CLEARING LIMITED AND THE COMPANY**

This results announcement is published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company’s website at [www.mostkwaichung.com](http://www.mostkwaichung.com). The interim report of the Company will be dispatched to the shareholders of the Company and published on the above websites in due course.

By order of the Board of  
**Most Kwai Chung Limited**  
**Iu Kar Ho**  
*Chairman and Executive Director*

Hong Kong, 29 November 2023

*As at the date of this announcement, the Board comprises Mr. Iu Kar Ho (Chairman) and Mr. Luk Ka Chun being the executive directors; and Mr. Leung Wai Man, Mr. Ho Kwong Yu and Mr. Leung Ting Yuk being the independent non-executive directors.*