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Most Kwai Chung Limited

毛記葵涌有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1716)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2025**

FINANCIAL HIGHLIGHTS

	Year ended 31 March	
	2025	2024
Revenue	HK\$93.6 million	HK\$55.2 million
Gross profit	HK\$43.3 million	HK\$20.0 million
Net profit/(loss)	HK\$6.4 million	(HK\$9.3 million)
Basic and diluted earnings/(loss) per share	HK2.27 cents	(HK3.41 cents)

RESULTS

The board (the “Board”) of directors (the “Directors”) of Most Kwai Chung Limited (the “Company”) announces the consolidated audited results of the Company and its subsidiaries (collectively as the “Group”) for the year ended 31 March 2025 (the “Year”), together with the comparative figures for the previous financial year ended 31 March 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 March	
		2025	2024
	<i>Note</i>	HK\$'000	HK\$'000
Revenue	4	93,590	55,195
Cost of sales		<u>(50,265)</u>	<u>(35,223)</u>
Gross profit		43,325	19,972
Other income		373	1,084
Gain on step acquisition on a subsidiary		1,499	–
Selling and distribution expenses		(17,021)	(11,503)
Administrative expenses		(22,608)	(19,756)
Provision for impairment losses on trade receivables, net	7	<u>(312)</u>	<u>(118)</u>
Operating profit/(loss)		5,256	(10,321)
Finance income		1,227	1,470
Finance costs		<u>(128)</u>	<u>(105)</u>
Finance income, net		1,099	1,365
Share of profit/(loss) of associates, net		62	(102)
Share of profit/(loss) of a joint venture		<u>67</u>	<u>(254)</u>
Profit/(loss) before income tax		6,484	(9,312)
Income tax expense	5	<u>(100)</u>	<u>–</u>
Profit/(loss) and total comprehensive income/(loss) for the year		<u>6,384</u>	<u>(9,312)</u>
Attributable to:			
Owners of the Company		6,126	(9,215)
Non-controlling interests		<u>258</u>	<u>(97)</u>
		<u>6,384</u>	<u>(9,312)</u>
Basic and diluted earnings/(loss) per share for profit/(loss) attributable to owners of the Company (Hong Kong cents)	6	<u>2.27</u>	<u>(3.41)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 March	
		2025	2024
	Note	HK\$'000	HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		1,515	1,395
Right-of-use assets		1,078	1,516
Goodwill		4,187	–
Deposits		162	456
Interests in associates		–	775
Interest in a joint venture		112	45
		<u>7,054</u>	<u>4,187</u>
Current assets			
Inventories		469	473
Trade receivables	7	16,083	8,984
Prepayments, deposits and other receivables		4,204	4,480
Current income tax recoverable		71	12
Cash and cash equivalents		43,913	42,823
		<u>64,740</u>	<u>56,772</u>
Total assets		<u>71,794</u>	<u>60,959</u>
EQUITY			
Capital and reserves			
Share capital		2,700	2,700
Reserves		48,940	42,814
Equity attributable to owners of the Company		51,640	45,514
Non-controlling interests		<u>2,289</u>	<u>1,189</u>
Total equity		<u>53,929</u>	<u>46,703</u>

		As at 31 March	
		2025	2024
	<i>Note</i>	HK\$'000	HK\$'000
LIABILITIES			
Non-current liabilities			
Lease liabilities		107	409
Defined benefit plan obligations		180	176
		<u>287</u>	<u>585</u>
Current liabilities			
Trade payables	8	4,102	1,418
Lease liabilities		1,106	1,144
Amount due to an associate		1,489	1,489
Other payables and accruals		4,565	3,941
Contract liabilities		6,273	5,636
Current income tax liabilities		43	43
		<u>17,578</u>	<u>13,671</u>
Total liabilities		<u>17,865</u>	<u>14,256</u>
Total equity and liabilities		<u>71,794</u>	<u>60,959</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

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 Act (as revised from time to time) of the Cayman Islands. The address of the Company’s registered office is PO Box 309, Umland House, Grand Cayman, KY1-1104, Cayman Islands and its principal place of business is located at Unit 8, 16/F, Block 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. The Group (as defined below) is principally engaged in the provision of digital media services, print media services and other media, innovative trend business and other professional services.

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 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 consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

3 NEW AND AMENDMENTS TO STANDARDS ADOPTED BY THE GROUP

(a) Amendments to HKFRS Accounting Standards adopted by the Group

The Group has applied the following amendments to HKFRS Accounting Standards for the first time for their annual reporting period commencing on 1 April 2024 and there is no material impact on the Group's consolidated financial statements.

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

(b) New and amendments to HKFRS Accounting Standards not yet adopted

The following new and amendments to the HKFRS Accounting Standards that have been published are not mandatory for the year ended 31 March 2025 and have not been early adopted by the Group:

Amendments to HKAS 21	Lack of Exchangeability ¹
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature — Dependent Electricity ²
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

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

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

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

⁴ Effective for annual periods beginning on or after a date to be determined.

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

HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18 “Presentation and Disclosure in Financial Statements”, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 “Presentation of Financial Statements”. This new standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” and HKFRS 7 “Financial Instruments: Disclosure”. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group’s consolidated financial statements.

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, the Internet and physical advertising spaces, subject to the needs of the customers.

Print media services

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

Other media, innovative trend business and other professional services (“OM and other services”)

Other media, innovative trend business and other professional services income represent income generated from (i) displaying customers’ advertisements and promoting their brands in events organised by the Group; (ii) sale of tickets for these events and merchandise; (iii) artistes management business, under which the Group’s contracted artistes appear in advertisements and events organised by the Group, as well as for third party customers; and (iv) matching, dating and marriage consultancy income.

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:

	2025			
	Digital media services <i>HK\$’000</i>	Print media services <i>HK\$’000</i>	OM and other services <i>HK\$’000</i>	Total <i>HK\$’000</i>
Revenue	73,016	302	31,093	104,411
Inter-segment transactions	(2,657)	–	(8,164)	(10,821)
Revenue from external customers	<u>70,359</u>	<u>302</u>	<u>22,929</u>	<u>93,590</u>
Segment profit/(loss) before income tax	3,945	(1,216)	1,485	4,214
Unallocated expenses				(457)
Gain on step acquisition on a subsidiary				1,499
Finance income, net				1,099
Share of profit of associates, net				62
Share of profit of a joint venture				67
Income tax expense				(100)
Profit for the year				<u>6,384</u>
Other information:				
Depreciation of property, plant and equipment	71	298	289	658
Depreciation of right-of-use assets	1,076	–	800	1,876
Finance costs related to leases liabilities	<u>74</u>	<u>–</u>	<u>54</u>	<u>128</u>

	2024			
	Digital media services <i>HK\$'000</i>	Print media services <i>HK\$'000</i>	OM and other services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue	52,758	525	6,485	59,768
Inter-segment transactions	(4,361)	–	(212)	(4,573)
Revenue from external customers	<u>48,397</u>	<u>525</u>	<u>6,273</u>	<u>55,195</u>
Segment (loss)/profit before income tax	(9,032)	(1,325)	489	(9,868)
Unallocated expenses				(453)
Finance income, net				1,365
Share of loss of associates, net				(102)
Share of loss of a joint venture				(254)
Loss for the year				<u>(9,312)</u>
Other information:				
Depreciation of property, plant and equipment	85	501	60	646
Depreciation of right-of-use assets	1,022	–	72	1,094
Finance costs related to leases liabilities	97	–	8	105
Write-back of other payables	<u>–</u>	<u>–</u>	<u>522</u>	<u>522</u>

Inter-segment transactions are charged at prices agreed between group entities, which are determined by reference to the prices offered to third party customers.

All of the Group's activities are carried out in Hong Kong and all its assets and liabilities are located in Hong Kong. No analysis of segment assets and segment liabilities is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Information about major customers:

Revenue from major customer arising from digital media services which accounted for 10% or more of the total revenue is set out below:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Customer A	<u>N/A[#]</u>	<u>8,268</u>

[#] The corresponding revenue did not contribute 10% or more of the total revenue.

Disaggregation of revenue from contracts with customers within the scope of HKFRS 15 by the timing of revenue recognition is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
At a point of time:		
Media services income	80,380	45,170
Sales of books and merchandise	2,833	525
OM and other services income	6,855	6,121
	<u>90,068</u>	<u>51,816</u>
Over time:		
Media services income	1,929	3,227
OM and other services income	1,593	152
	<u>3,522</u>	<u>3,379</u>
	<u><u>93,590</u></u>	<u><u>55,195</u></u>

(a) Changes in contract liabilities

Contract liabilities for receipts in advance from customers have increased by HK\$637,000 (2024: increased by HK\$3,434,000) from the prior year. The increase in 2025 and 2024 was mainly due to new customers commitment from digital media services, and OM and other services.

The Group typically receives the full amount of the agreed consideration as a deposit from customers upon signing the service contract. This deposit is recognised as a contract liability until the related media services, and OM and other services are rendered.

(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.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Media services, and OM and other services income contracts	<u><u>5,636</u></u>	<u><u>2,202</u></u>

All media services, and OM and other services 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.

5 INCOME TAX EXPENSE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Income tax expense — Hong Kong	<u>100</u>	<u>—</u>

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit/(loss) before income tax	<u>6,484</u>	<u>(9,312)</u>
Tax calculated at 16.5% (2024: 16.5%)	1,069	(1,536)
Tax effect of:		
— Income not subject to tax	(449)	(726)
— Expenses not deductible for tax purposes	67	191
— Share of results of associates	(10)	17
— Share of results of a joint venture	(11)	42
— Tax losses not recognised	340	2,036
— Tax losses utilised	(805)	(24)
— Tax concession under two-tiered profits rates regime	<u>(101)</u>	<u>—</u>
Income tax	<u>100</u>	<u>—</u>

For the tax assessment year ended 31 March 2025, Hong Kong Profits Tax of a subsidiary is levied at 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 16.5%.

For tax assessment year ended 31 March 2024, no provision for Hong Kong Profits Tax was made as the Group did not have any assessable profit.

6 EARNINGS/(LOSS) PER SHARE

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

	2025	2024
Profit/(loss) attributable to owners of the Company during the year (<i>HK\$'000</i>)	<u>6,126</u>	<u>(9,215)</u>
Weighted average number of ordinary shares in issue	<u>270,000,000</u>	<u>270,000,000</u>
Basic earnings/(loss) per share (Hong Kong cents)	<u>2.27</u>	<u>(3.41)</u>

The diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share for both 2025 and 2024 as there were no potential shares in issue for both 2025 and 2024.

7 TRADE RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	17,372	9,961
Less: provision for impairment of trade receivables	<u>(1,289)</u>	<u>(977)</u>
	<u>16,083</u>	<u>8,984</u>

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 2 months	11,636	4,824
2 to 4 months	1,327	1,662
4 to 6 months	3,185	1,351
Over 6 months	<u>1,224</u>	<u>2,124</u>
	<u>17,372</u>	<u>9,961</u>

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:

	<i>HK\$'000</i>
As at 1 April 2023	864
Provision of impairment recognised during the year, net	118
Written off	<u>(5)</u>
As at 31 March 2024 and 1 April 2024	977
Provision of impairment recognised during the year, net	<u>312</u>
As at 31 March 2025	<u><u>1,289</u></u>

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

8 TRADE PAYABLES

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 1 month	3,793	1,186
1 to 2 months	230	136
2 to 3 months	21	–
Over 3 months	<u>58</u>	<u>96</u>
	<u><u>4,102</u></u>	<u><u>1,418</u></u>

9 DIVIDEND

The directors do not recommend the payment of any dividend in respect of the year ended 31 March 2025 (2024: HK\$nil).

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’s 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 the sale of book publications; and (iii) other media, innovative trend business and other professional services (“OM and other services”) income represent income generated from (a) displaying customers’ advertisements and promoting their brands in events organised by the Group; (b) sale of tickets of these events and merchandise; (c) artistes management business, under which the Group’s contracted artistes appear in advertisements and events organised by the Group, as well as third party customers; and (d) matching, dating and marriage consultancy income. Under the current circumstances, the Group expects the prospects of the advertising and media industry to be steadily recovering for the coming year. The Group aims to further promote its 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 packages 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\$48.4 million for the year ended 31 March 2024 to approximately HK\$70.4 million for the Year, representing an increase of 45%. Segment loss before income tax was approximately HK\$9.0 million for the year ended 31 March 2024 and segment profit before income tax was approximately HK\$3.9 million for the year ended 31 March 2025. During the Year, the increase in revenue from the digital media services and the turnaround from segment loss before income tax into segment profit before income tax were mainly due to an increased number of clients and higher marketing spending from the clients of the digital media services segment. The Group will continue its efforts in capturing more business opportunities in the digital media services segment 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\$0.5 million and HK\$0.3 million for the years ended 31 March 2024 and 2025 respectively. Segment loss before income tax was approximately HK\$1.3 million and HK\$1.2 million for the years ended 31 March 2024 and 2025 respectively.

OM and Other Services

OM and other services income represent income generated from (a) displaying customers' advertisements and promoting their brands in events organised by the Group; (b) sale of tickets for these events and merchandise; (c) artistes management business, under which the Group's contracted artistes appear in advertisements and events organised by the Group, as well as for third party customers; and (d) matching, dating and marriage consultancy income.

Revenue from the OM and other services was approximately HK\$6.3 million and HK\$22.9 million for the years ended 31 March 2024 and 2025 respectively. During the Year, the increase in revenue from the OM and other services was mainly due to the increase in revenue derived from provision of matching, dating and marriage consultancy services and sale of tickets of live action role-playing game and performance events organised by the Group during the Year. Segment profit before income tax was approximately HK\$0.5 million and HK\$1.5 million for the year ended 31 March 2024 and 2025 respectively, representing an increase of 200%. The increase in segment profit before income tax was mainly attributable to performance events organised by the Group.

Outlook and Future Prospects

With the rising Internet penetration rate and the expansion of the mobile commerce market, the advertising industry has become a key driver of global economic growth. In particular, ongoing innovations in social media and video content marketing continue to propel the growth of the industry. We anticipate a steady increase in demand for digital marketing services. Leveraging on our strengths, the Group will continue to provide assistance to clients in fulfilling their market needs, especially in the digital media services segment.

Looking ahead, given the challenging market conditions, the Group is committed to aligning its service delivery with fast-evolving technologies to ensure our competitiveness. We will continue to develop our core business while actively exploring suitable new business opportunities, keeping pace with ever-changing technologies and consumer behaviours in order to maintain our competitive edge in the dynamic commercial environment.

Financial Review

Revenue

Revenue of the Group increased by approximately HK\$38.4 million or 70% from approximately HK\$55.2 million for the year ended 31 March 2024 to approximately HK\$93.6 million for the Year. The increase was mainly attributable to the increase in number of clients and higher marketing spending from the clients of digital media services segment and increase in revenue derived from provision of matching, dating and marriage consultancy and agent services and sale of tickets of live action role-playing game and performance events organised by the Group from OM and other 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, royalties and other production costs) and OM and other services (mainly include staff costs, costs of production and other costs incurred during the organisation of events). The cost of sales increased to approximately HK\$50.3 million for the Year from approximately HK\$35.2 million for the year ended 31 March 2024, representing an increase of approximately HK\$15.1 million or 43% during the Year which was resulted from the increment in revenue.

Gross Profit and Gross Profit Margin

The gross profit of the Group increased by approximately HK\$23.3 million or 117% from approximately HK\$20.0 million for the year ended 31 March 2024 to approximately HK\$43.3 million for the Year. The large increase was mainly attributable to the increase in number of clients and higher marketing spending from the clients of digital media services segment and derived from provision of matching, dating and marriage consultancy and agent services and sale of tickets of live action role-playing game and performance events organised by the Group in OM and other services segment.

The overall gross profit margin of the Group was approximately 36% and 46% for the years ended 31 March 2024 and 2025, respectively. The increase in gross profit margin was mainly attributable to the improvement of production cost controlling during the Year.

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 were approximately HK\$11.5 million and approximately HK\$17.0 million for the years ended 31 March 2024 and 2025 respectively, representing an increase by approximately HK\$5.5 million or 48% which was mainly attributable to the additional selling and distribution expenses increased in line with the increased revenue in the Year.

Administrative Expenses

Administrative expenses of the Group increased from approximately HK\$19.8 million for the year ended 31 March 2024 to approximately HK\$22.6 million for the Year, representing an increase by approximately HK\$2.8 million or 14%. The increase was mainly due to an increase in employee benefit expenses, rental expenses and depreciation from property, plant and equipment acquired for the expansion of the new business.

Profit/(Loss) before Income Tax

During the years ended 31 March 2024 and 2025, the loss before income tax was approximately HK\$9.3 million and the profit before income tax was approximately HK\$6.5 million, respectively. During the Year, the turn from loss before income tax to profit before income tax was mainly due to the combined effects of the increase in (i) the number of clients and marketing spending from clients in the digital media services segment; (ii) revenue, primarily due to performance events organised by the Group during the Year and (iii) the fair value gain from the step acquisition in relation to the acquisition of 31% of To Be Honest Limited (details of which were set out in the announcement of the Company dated 11 July 2024) during the Year.

Income Tax Expense

The income tax expense was approximately HK\$0.1 million for the year ended 31 March 2025 (2024: nil).

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 2024 and 2025, the Group had net current assets of approximately HK\$43.1 million and HK\$47.2 million, respectively, including cash and cash equivalents of approximately HK\$42.8 million and HK\$43.9 million respectively. The Group's current ratio (current assets divided by current liabilities) decreased from approximately 4.2 as at 31 March 2024 to approximately 3.7 as at 31 March 2025. Such decrease was mainly due to the increase in trade and other payables and accruals and contract liabilities for the Year. The Group's gearing ratio 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 2025, the Group's gearing ratio was nil (2024: nil).

Treasury Policies

The Group adopts prudent treasury policies. The Group has been monitoring its procedures to ensure that follow-up actions are taken to recover overdue debts. In addition, the Group's management regularly 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 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 2025, 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

With the view of providing synergy to the Group and benefiting its market position in the advertising and media industries, on 11 July 2024, Most Company C Limited (an indirect wholly-owned subsidiary of the Company) acquired 31% of the issued share capital of To Be Honest Limited at the consideration of HK\$2,908,152. Upon completion of the transaction on 11 July 2024, To Be Honest Limited became an indirect non-whollyowned subsidiary of the Company. For further details, please refer to the announcement of the Company dated 11 July 2024.

Save as disclosed above in other section of this announcement, 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 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 2025.

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 2025, none of the Group's assets were pledged.

Employees and Remuneration Policies

The total number of full-time employees were 81 and 90 as at 31 March 2024 and 2025, respectively. The Group's employee benefit expenses mainly include salaries, discretionary bonuses, commissions, medical insurance coverage, other staff benefits and contributions to retirement schemes. For the years ended 31 March 2024 and 2025, the Group's total employee benefit expenses (including Directors' emoluments) amounted to approximately HK\$31.3 million and HK\$35.2 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 announcement.

Business strategies as stated in the Prospectus	Actual business progress up to the date of this announcement
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. The Group completed one acquisition target, To Be Honest Limited, during the Year.
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 were hired during the Year, it is expected that more sales executives will be hired to boost 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.
Strengthen the efforts in events organisation to further extend the Group's marketing channels	Held ten events in total in the form of live performance since the Listing.

USE OF PROCEEDS

The Shares have been successfully listed on the Main Board of the Stock Exchange on 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. As disclosed in the annual report of the Company for the year ended 31 March 2023, the Board extended the expected timeline for the application of the unutilised proceeds to a date falling on or before 31 March 2025 in view of the dynamic changes in the global and local economic environment since the onset of COVID-19 in 2020 and the associated demand uncertainty. Save for the update in expected timeline for application of the unutilised proceeds, there was no other change for the plan for use of the unutilised proceeds. The Actual Net Proceeds have been fully utilised as at 31 March 2025. The table below sets out the actual use of the Actual Net Proceeds up to 31 March 2025.

Business strategies as stated in the Prospectus	Original allocation of Actual Net Proceeds from the Listing	Revised allocation of Actual Net Proceeds after Change in Allocation of Proceeds as at 17 March 2021	Actual uses of the Actual Net Proceeds from Listing Date to 31 March 2024	Unutilised proceeds as at 31 March 2024	Actual uses of the Actual Net Proceeds from 1 April 2024 to 31 March 2025	Unutilised proceeds as at 31 March 2025	Expected timeline for the application of the unutilised proceeds
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	
Pursue growth through mergers and acquisitions and/or strategic alliance	15.19	5.35	1.97	3.38	3.38	–	N/A
Expand the customer base and business operations through sales and marketing efforts	11.72	10.70	10.70	–	–	–	N/A
Upgrade IT infrastructure and procure equipment with advanced technologies to facilitate production efficiency	11.13	2.68	2.68	–	–	–	N/A
Strengthen the efforts in events organisation to further extend the Group’s marketing channels	10.11	16.05	16.05	–	–	–	N/A
As working capital and for general corporate purposes	5.35	18.72	18.72	–	–	–	N/A
Total	53.50	53.50	50.12	3.38	3.38	–	

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the Year (2024: nil).

CLOSURE OF REGISTER OF MEMBERS

To determine the entitlement to attend and vote at the annual general meeting of the Company (“AGM”) to be held on Tuesday, 19 August 2025, the register of members of the Company will be closed from Thursday, 14 August 2025 to Tuesday, 19 August 2025, 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, 13 August 2025.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

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

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.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted the principles and complied with the code provisions (the “Code Provisions”) as set out under the Corporate Governance Code (the “CG Code”) in Appendix C1 to the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange. The Company has complied with all the Code Provisions of the CG Code throughout the Year.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 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 and they have all confirmed that they had fully complied with the required standard set out in the Model Code throughout the Year.

AUDIT COMMITTEE

The audit committee of the Company (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 paragraph D3 in part 2 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 Audit Committee has reviewed the Group’s audited consolidated financial statements for the Year.

REVIEW OF PRELIMINARY RESULTS ANNOUNCEMENT BY INDEPENDENT AUDITORS

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2025 as set out in the preliminary announcement have been agreed by the Group’s auditors, Baker Tilly Hong Kong Limited (“Baker Tilly”), to the amounts set out in the Group’s audited consolidated financial statements for the Year. The work performed by Baker Tilly in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements as issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Baker Tilly on the preliminary announcement.

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

The results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the Company’s website at www.mostkwaichung.com. The annual report of the Company will be dispatched to the shareholders of the Company and published on above websites in due course.

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

Hong Kong, 26 June 2025

As at the date of this announcement, the Board comprises Mr. Iu Kar Ho (Chairman), Mr. Luk Ka Chun and Ms. Leung Hoi Yui as executive Directors, and Mr. Leung Wai Man, Mr. Ho Kwong Yu and Mr. Leung Ting Yuk as independent non-executive Directors.