OOH Holdings Limited
奧傳思維控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8091

ANNUAL REPORT 2016 / 17

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This report will remain on the Stock Exchange's website at www.hkexnews.hk, the GEM website at www.hkgem.com, on the "Latest Company Announcements" page for at least seven days from the date of its posting. This report will also be published on the Company's website at www.ooh.com.hk.

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BOARD OF DIRECTORS

Executive Directors

Ms. CHAU Wai Chu Irene
(Chairlady and Chief Executive Officer)
Ms. CHEUNG Kit Yi
Mr. LEAN Chun Wai

Non-Executive Director

Mr. DA SILVA Antonio Marcus

Independent Non-Executive Directors

Ms. AU Shui Ming Anna
Mr. LIANG Man Kit Jerry
Mr. HO Alfred Chak Wai

AUDIT COMMITTEE

Ms. AU Shui Ming Anna *(Chairlady)*
Mr. LIANG Man Kit Jerry
Mr. HO Alfred Chak Wai

REMUNERATION COMMITTEE

Ms. AU Shui Ming Anna *(Chairlady)*
Mr. LIANG Man Kit Jerry
Ms. CHAU Wai Chu Irene

NOMINATION COMMITTEE

Mr. HO Alfred Chak Wai *(Chairman)*
Ms. AU Shui Ming Anna
Ms. CHEUNG Kit Yi

CORPORATE GOVERNANCE COMMITTEE

Mr. LIANG Man Kit Jerry *(Chairman)*
Mr. HO Alfred Chak Wai
Mr. DA SILVA Antonio Marcus

COMPANY SECRETARY

Mr. YAU Siu Yeung

AUTHORISED REPRESENTATIVES

Ms. CHEUNG Kit Yi
Mr. YAU Siu Yeung

COMPLIANCE ADVISER

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Hong Kong

AUDITOR

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Certified Public Accountants
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Cayman Islands

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Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Nanyang Commercial Bank Ltd.

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
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KYI-1111, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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COMPANY WEBSITE

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PLACE OF LISTING

The Stock Exchange of Hong Kong Limited

STOCK CODE

8091

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of Directors (the "**Board**"), I am pleased to present the first annual report and the audited consolidated financial statements of OOH Holdings Limited (the "**Company**") together with its subsidiaries (the "**Group**") for the year ended 31 March 2017.

The shares of the Company were successfully listed on the Growth Enterprise Market at The Stock Exchange of Hong Kong Limited on 5 January 2017 (the "**Listing**"), representing a significant milestone for the Company. On behalf of the Group, I would like to express my deepest gratitude towards all parties who have helped us in building our business over the past years, as well as during the preparation process of the Listing. The Listing provides the Company with access to capital markets and enhanced the Group's profile and its reputation. The fund raised from the placing of Company's shares will be used to promote the future development of the Group and increase its competitiveness in the out-of-home advertising market.

We are a leading out-of-home advertising company with focuses in minibus advertising; hospital, clinic, and health & beauty retail store advertising, of which we provides advertising space and services to our customers in Hong Kong. We continue to licence advertising spaces from licensors which are owners or operators of the said medium and we licence a majority of these spaces on an exclusive and long-time basis. During the year ended 31 March 2017 ("**FY2017**"), the market conditions were volatile even though the Group has maintained its business in minibus advertising in the latter part of FY2017. In the past year, the Group has been expanding its business in minibus advertising through expanding our network coverage of exclusive advertising spaces. We delivered a rapid growth of up to 35.1% increase in our exclusive advertising spaces in our minibus network, representing 990 minibus advertising spaces exclusively as at 31 March 2017 compared with 733 minibus advertising spaces as at 31 March 2016, hence increased our market share in the business. Minibus advertising continues to contribute a major part of our revenue for the year ended 31 March 2017. The Group also managed to maintain a reasonable profit margin at approximately 44.7% despite intense competition in the industry, therefore gross profit margin of the Group decreased slightly compared with the year ended 31 March 2016. The non-recurring listing expenses of approximately HK$12.5 million were recorded for the year ended 31 March 2017, which have an effect on the Group's profit.

Looking forward, the Group will continue to adhere to its strategy of growing its market share in Hong Kong's out-of-home advertising arena by working with the major customers and targeting major advertising projects in town. We expect our minibus advertisement business to continue to be a major growth driver and a long term sustainable source of revenue of the Group.

Lastly, on behalf of the Board and management of the Group, I would like to express my sincere gratitude to all our staff for their unremitting efforts in 2016 and 2017; and to all the shareholders for their full support of the Board. I would also like to express my heartfelt thanks to all shareholders, investors, customers, suppliers, and business partners for their valuable support.

For and on behalf of the Board,

CHAU Wai Chu Irene
Chairlady

Hong Kong, 27 June 2017

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is a leading out-of-home advertising space and service provider in Hong Kong. During the year ended 31 March 2017, the Group continued to engage in the operation of advertising business on minibuses, taxis and in hospitals, clinics, health and beauty retail stores.

BUSINESS REVIEW

During the year, the Group continued its principal business in provision of out-of-home advertising spaces and services to its customers. Since 2004, the Group strived to develop into a leading out-of-home advertising company in Hong Kong with a focus on advertising on minibuses, taxis, and inside hospitals, clinics, health and beauty retail stores for its customers.

As a leader in the field, the revenue generated from our advertising spaces and services was primarily minibus advertising. Our principal business is the provision of out-of-home advertising spaces and services to our customers, which comprise end-users aiming to promote their brands, products or services, and advertising agents acting for such advertisers. We also offer our customers convenient design and production, advertisement logistics, installation and dismantling services on the different advertising platforms.

Non-exclusive Advertising Space Booking Services

Leveraging on our success in providing our own advertising spaces to our customers, and depending on the requirements of our customers, we may also procure advertising spaces from other advertising space owners on a non-exclusive basis. In respect of these services, we only license these non-exclusive spaces on an as-needed basis upon receiving our customers' request.

During the year, we continued to strategically focus on expanding our advertising spaces coverage on minibus bodies and taxi bodies of which we can offer our customers a wider range of advertising spaces in different locations at competitive pricing based on their occupancy rates. In addition, the management team has been focusing on our strategy to diversify and increase our coverage of our advertising network and working to secure more exclusive licenses to advertising spaces on minibuses and taxis, as well as health related service providers.

FINANCIAL REVIEW

Revenue and Other Income and Gains

Total revenue of the Group increased by 6.6% from approximately HK$55.8 million for the year ended 31 March 2016 to approximately HK$59.5 million for that of 2017. The increase was mainly due to more advertising campaigns by political parties in Hong Kong, in both minibus and taxi advertising, due to the 2016 Hong Kong Legislative Council election. The revenue generated from minibus advertising increased by 4.8% from approximately HK$41.3 million for the year ended 31 March 2016 to approximately HK$43.3 million for that of 2017. Revenue generated from taxi advertising increased from approximately HK$0.6 million for the year ended 31 March 2016 to approximately HK$1.9 million for that of 2017. In addition, revenue generated from hospital and clinics advertising increased by 29.9% from approximately HK$7.7 million for the year ended 31 March 2016 to approximately HK$10.0 million for that of 2017. Such increase was mainly due to higher advertising revenue generated from our advertising agency customers and the improvement of occupancy for the year ended 31 March 2017. However, the Group recorded a drop of revenue generated from the provision of others types of advertising (for example providing advertising spaces in MTR stations and other miscellaneous advertising services such as arranging public relation campaign for clients). Its revenue decreased from approximately HK$2.7 million for the year ended 31 March 2016 to approximately HK$1.5 million for that of 2017.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Unfortunately, the revenue generated from the health and beauty retail stores advertising decreased by 20% from approximately HK$3.5 million for the year ended 31 March 2016 to approximately HK$2.8 million for that of 2017. It was mainly due to the slowdown in the retail market in Hong Kong, which led to our customers placing less advertisements in the health and beauty retail stores.

Other income and gains decreased by 80% from approximately HK$2.0 million for the year ended 31 March 2016 to approximately HK$0.4 million for that of 2017. Such decrease was mainly due to the decrease of dividend income received and gain on disposals of our available-for-sale financial assets which we had disposed of from approximately HK$1.4 million to approximately HK$0.2 million during the year, and also the decrease in rental income from leasing media boxes to customers from approximately HK$0.7 million for the year ended 31 March 2016 to approximately HK$0.1 million for that of 2017.

Cost of Sales and Gross Profit Margin

Cost of sales mainly comprised (i) license fees paid/payable to our licensors for licensing their advertising spaces; and (ii) artwork and production costs.

In general, cost of sales increased by 12.3% from approximately HK$29.3 million for the year ended 31 March 2016 to approximately HK$32.9 million for that of 2017. The increase of the cost of sales was due to the increase of (i) revenue from HK$55.8 million for the year ended 31 March 2016 to HK$59.5 million for that of 2017; (ii) license fees paid/payable to our licensors for licensing their advertising spaces; and (iii) artwork and production cost which mainly include printing and installation dismantling charges.

The increase of the license fees paid/payable to our licensors for licensing their advertising spaces was mainly caused by the increase of the exclusive advertising spaces in the minibus network. Our total number of exclusive advertising spaces in our minibus network increased significantly from 733 for the year ended 31 March 2016 to 990 for the year ended 31 March 2017 more than the Group's expansion plan in the prospectus of the Company dated 23 December 2016 (the "**Prospectus**").

Our artwork and production cost increased in parallel with our revenue. The Group has also demanded value added services from our suppliers to cope with our customers' needs and the competitive outdoor advertising sector.

The gross profit margin decreased by 2.9 percentage points from approximately 47.6% for the year ended 31 March 2016 to approximately 44.7% for that of 2017. It was mainly due to (i) the decrease of gross profit margin in minibus sub-segment from approximately 52.3% for the year ended 31 March 2016 to approximately 46.8% for that of 2017 because of an increase in number of exclusive advertising spaces in the minibus network and its respective license fees that our sales team has to familiarize with the clientele of the new exclusive advertising spaces; and (ii) increase in artwork and production costs from approximately HK$1.9 million for the year ended 31 March 2016 to approximately HK$3.6 million for that of 2017 to maintain a higher standard of service.

Moreover, the Group recorded a decrease in revenue from health and beauty retail stores and an increase in minimum guaranteed license fees paid/payable to health and beauty retail stores since July 2016 pursuant to the contractual terms that year-on-year growth guaranteed license fee to be paid to the said health and beauty retail stores. As a result, this sub-segment recorded a gross loss margin of 42.0% for the year ended 31 March 2017 as compared to a gross loss margin of 21.9% for that of 2016. The Group recorded an increase of gross profit margin from hospitals and clinics sub-segment from approximately 64.4% for the year ended 31 March 2016 to approximately 68.2% for that of 2017 due to the increase of revenue with a fixed minimum guaranteed fee paid to our licensor.

Selling Expenses

Selling expenses increased by 14.9% from approximately HK$4.7 million for the year ended 31 March 2016 to approximately HK$5.4 million for that of 2017. It was mainly because of the increase in staff costs of our sales team corresponding to our increase in revenue together with our non-recurring one-off marketing expenses in relation to our listing application, offset by the decrease in overseas travelling and sponsorship expenses. Our staff costs increased by approximately HK$0.5 million as compared to the year ended 31 March 2016 mainly due to the increase in sales revenue for the year ended 31 March 2017. Marketing expenses increased by approximately HK$0.3 million as compared to the year ended 31 March 2016, which was mainly due to the increase of marketing activities for the year ended 31 March 2017.

Administrative Expenses

Administrative expenses increased by 39.3% from approximately HK$6.1 million for the year ended 31 March 2016 to approximately HK$8.5 million for that of 2017. It was mainly due to (i) an increase of the staff costs from approximately HK$4.0 million for the year ended 31 March 2016 to HK$4.8 million for that of 2017 mainly due to the increase of manpower for the preparation of listing application during the year ended 31 March 2017; (ii) an increase of audit fee, charitable donation and consultancy fee with approximately HK$0.9 million for the year ended 31 March 2017; and (iii) an increase of administrative and professional fees of approximately HK$0.5 million after the Listing including company secretarial fee, share registration fee, insurance, compliance adviser and annual listing fee.

Listing Expenses

The Group recorded non-recurring listing expenses of approximately HK$18.7 million during the year ended 31 March 2017 for the preparation of the Listing, of which approximately HK$12.5 million and HK$6.2 million were charged to profit or loss for the year and debited against the share premium account respectively.

Other Operating Expenses

Other operating expenses represented the annual guaranteed license fee paid/payable to our hospitals and clinics advertising space licensor pursuant to a digital media advertising contract entered into on 1 January 2013 for a term of three years for the placing of advertisements on digital posters. Such expenses amounted to approximately HK$0.9 million for the year ended 31 March 2016 and nil for that of 2017 since the contract was not renewed after expiry. We did not generate any revenue from this digital media advertising contract.

Finance Costs

Finance costs represented interest on our bank borrowings. It decreased from approximately HK$90,000 for the year ended 31 March 2016 to approximately HK$28,000 for that of 2017 due to full repayment made during the year.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Loss/Profit for the Year

As disclosed in the Prospectus, the non-recurring reported listing expenses have a significant financial impact on our financial performance. We recorded a net profit of approximately HK$14.2 million for the year ended 31 March 2016 as compared to the net loss of approximately HK$1.9 million for the year ended 31 March 2017. Such decrease was mainly due to (i) the non-recurring listing expenses of approximately HK$12.5 million as mentioned above; (ii) decrease of other income and gains including dividend income received, gain on disposals from available-for-sale financial assets which had been disposed of and rental income from leasing media boxes to customer; and (iii) increase in administrative expenses including staff costs, audit fee, charitable donation, administrative and professional fees after the Listing including company secretarial fee, share registration fee, insurance, compliance adviser and annual listing fee. Before taking into account the listing expenses, our adjusted net profit for the year ended 31 March 2017 would be approximately HK$10.6 million.

Capital Structure

Details of changes in the Company's share capital are set out in note 26 to the consolidated financial statements in this annual report.

Liquidity and Financial Resources

During the year ended 31 March 2017, the Group mainly financed its operations with its own working capital and the net proceeds from placing. As at 31 March 2017 and 31 March 2016, the Group had net current assets of approximately HK$59.1 million and approximately HK$28.4 million respectively, including cash and bank balances of approximately HK$59.8 million and approximately HK$26.3 million respectively. The Group's pledged bank deposits of approximately HK$1.9 million as at 31 March 2017 (2016: approximately HK$0.5 million) represented cash at bank held by the Group and pledged for letters of guarantee issued by bank.

As at 31 March 2017, the gearing ratio was 0% (2016: approximately 3.5%), calculated on the Group's bank borrowings over the Group's total equity. As of 31 March 2017, the Group had no bank borrowing, the bank borrowings of approximately HK$1 million as of 31 March 2016 had been repaid during the year, while total equity of the Group as at 31 March 2017 was amounted to approximately HK$59.3 million (2016: approximately HK$28.7 million). The lower in gearing ratio is mainly due to the repayment of all bank borrowings and the increase in cash balances.

Significant Investments Held, Performance and Future Prospects

As at 31 March 2016, our available-for-sale financial assets represented our investments in listed debt securities and unlisted debt or equity portfolio funds, comprising certain high yield bonds and funds that were rated as non-investment grade, i.e. medium to high risk. The Group held available-for-sale financial assets of approximately HK$3.8 million as at 31 March 2016 and none as at 31 March 2017.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Material Acquisitions or Disposals of Subsidiaries and Affiliated Companies

On 30 November 2016, the Group completed the reorganization, details of which are set out in the Prospectus. Subsequent to the completion of the reorganization and up to 31 March 2017, the Group did not have any acquisitions or disposals of subsidiaries and affiliated companies.

Future Plans for Material Investments and Capital Assets

Save as those disclosed in the Prospectus, the Group currently has no other plan for material investments.

Contingent Liabilities

The Group did not have material contingent liabilities as at 31 March 2017 and 2016.

Commitments

The Group's contractual commitments primarily related to the leases of its office equipment, advertising spaces and office premises. The Group's operating lease commitments amounted to approximately HK$38.1 million and approximately HK$26.1 million as at 31 March 2017 and 31 March 2016 respectively. As at 31 March 2017, the Group did not have any capital commitments (31 March 2016: nil).

Charge on Group's Asset

As at 31 March 2017, save for the pledged bank deposits, the Group did not pledge any of its assets (2016: nil) as securities for any facilities granted to the Group.

Foreign Exchange Exposure

The Group mainly operated in Hong Kong with most of the transactions settled in HK$ and did not have significant exposure to risk resulting from changes in foreign currency exchange rates.

Use of Net Proceeds from Listing

The net proceeds from the issue of a total of 180,000,000 new ordinary shares of the Company at the placing price of HK$0.27 per share under the placing as set out in the Prospectus, after deducting underwriting commission and other expenses relating to the Listing, amounted to approximately HK$29.9 million. The net proceeds were intended to be applied in the same proportion and in the same manner as shown in the Prospectus with estimated net proceeds amounted to HK$26.4 million, which was made under the assumption that the placing price would be HK$0.25 per share, being the mid-point of the indicative placing price range. Accordingly, approximately 69.7% (HK$20.9 million), 18.2% (HK$5.4 million), 9.8% (HK$2.9 million) and 2.3% (HK$0.7 million) will be applied for (i) expanding our coverage in the minibus advertising network; (ii) expanding our coverage in other transportation advertising platform; (iii) expanding our coverage in the healthcare-related advertising platform; and (iv) enhancing our information management system respectively. An analysis of the utilization of the net proceeds during the period from 5 January 2017 (the "**Listing Date**") to 31 March 2017 is set out below:

	Amount of usage of net proceeds from the Listing Date to 31 March 2017	
	Estimated*	**Actual**
	HK$ million	HK$ million
Expand our coverage in the minibus media	5.2	2.1
Expand our coverage in other transportation	1.7	0.1
Total	6.9	2.2

Note: Business strategies are as set out in the Prospectus.

In a nutshell, we have allocated resources in accordance with the Group's future plan and use of proceeds. In particular, we have expanded our exclusive advertising spaces on minibus from 733 units as of 31 March 2016 to 990 units as of 31 March 2017. We have also initiated the trial run of "Taxiboard" advertising format in June 2017 and contracted with 1 of the major taxi operators in Hong Kong for the provision the advertising spaces for the "Taxiboard" advertising format.

The remaining unused net proceeds as at 31 March 2017 were placed as bank balances with licensed bank in Hong Kong and will be applied according to the intended usage stated in the Prospectus.

* The estimated amount of usage of net proceeds as at 31 March 2017 has been adjusted in the same proportion and in the same manner as stated in the Prospectus due to the above-mentioned difference between the estimated net proceeds and the actual net proceeds received.

Employees and Remuneration Policies

As at 31 March 2017, the Group had 23 employees (2016: 26 employees). The staff costs (including Directors' emoluments) amounted to approximately HK$9.5 million for the year ended 31 March 2017 (2016: approximately HK$8.3 million).

Remuneration is determined with reference to market standard and individual employees' responsibilities, qualification, experience and performance. The Group has also adopted a share option scheme as an added incentive for the employees.

OUTLOOK

The majority of our business is on minibus advertising and our minibus advertising spaces are on green (fixed routes) minibuses. As set out in the Prospectus, the Hong Kong Government has encouraged red minibuses owners to convert to green minibuses through their plans and by introducing new green minibus routes; therefore the market for minibus advertising should still have room for expansion with more minibus routes running in different parts of Hong Kong. Despite that the Mass Transit Railway ("**MTR**") system in Hong Kong expanded its lines and coverage in Hong Kong, the minibus lines are often adjusted accordingly (including addition of new lines connecting to new MTR stations, cancellation of lines overlapping with new MTR lines, and adjustment of certain routes), the total number of minibuses in Hong Kong had remained stable. Further, the main attractiveness of minibus advertising is the large advertising spaces on the exterior of the vehicles visible by the pedestrians and passengers on other vehicles; therefore, while the number of passengers on minibuses may be affected by new MTR lines in short term, our Directors believe, based on their experience, the demand for minibus advertising will not be affected by it. Moreover, according to the statement of the Secretary for Transport and Housing in the Legislative Council, new green minibus routes will serve complementarily with new MTR lines, operating as connections between MTR stations and residential areas.

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Ms. CHAU Wai Chu Irene (周慧珠), aged 67, is our Chairlady, an Executive Director, the Chief Executive Officer of the Company and a controlling shareholder of the Company. Ms. Chau is responsible for providing leadership to our Board and advising on the business strategies of our Group. She was appointed as a Director on 28 June 2016. Ms. Chau had been a director of our subsidiaries, Media Savvy Limited ("**MSL**") and Meida Savvy Marketing Limited ("**MSML**") since July 2007 and December 2012, respectively. Ms. Chau was a co-founder of the Group and prior to becoming a director of MSL, Ms. Chau was a senior management of the Group responsible for managing the relationships with minibus route operators and taxi owners, and the securing of advertising space with these operators. Ms. Chau also holds directorships in a number of the other subsidiaries within the Group, namely Media Savvy Marketing International Limited, Media Savvy In-Store Media Limited, Media Savvy Healthcare Media Limited and Medic Savvy Media Limited. Ms. Chau has over 17 years of experience in the outdoor media advertising industry. She has obtained up to Form 5 education level, and she has gained experience in the marketing field since the late 90's where she has held a senior role in the commercial field and also worked in non-profit organizations.

Ms. CHEUNG Kit Yi (張潔怡), aged 38, is an Executive Director and the Financial Controller of the Group. She was appointed as a Director on 28 June 2016. Ms. Cheung joined the Group in June 2011 and was appointed as a director of our subsidiaries, MSL and MSML, in December 2013. Ms. Cheung is in charge of the finance and accounts department of the Group. She has over 18 years of accounting and finance experience. Ms. Cheung obtained her advanced diploma in accounting from HKU School of Professional and Continuing Education in 2016 and has enrolled in a part-time bachelor degree programme in accounting from the University of Hull in which the course is being held at the University of Hong Kong.

Mr. LEAN Chun Wai (梁俊威), aged 46, is an Executive Director. He was appointed as a Director on 28 June 2016. Mr. Lean is responsible for providing leadership in our operation department and managing the relationships and securing advertising space with the Group's advertising space providers in the healthcare media platform. Mr. Lean supervises the information management system of advertising spaces in the healthcare media platform of the Group and also manages the design department of the Group, responsible for production and installation of advertising materials, procurement and supplier's relationship. Mr. Lean joined the Group in June 2011 and served as our marketing consultant. He was appointed as a director of our subsidiaries, MSL and MSML in December 2012. He was later appointed as a director of one of our subsidiaries, A1 Advertising & Production Company Limited on 15 August 2014. Mr. Lean has over 20 years of marketing experience. Mr. Lean attended the City College of San Francisco from 1990 to 1995.

Non-Executive Director

Mr. DA SILVA Antonio Marcus (施冠駒), aged 45, is a Non-Executive Director and a substantial shareholder of the Company. Mr. Da Silva was appointed as a Director on 28 June 2016. Mr. Da Silva is responsible for providing corporate governance guidance to our Board and advising on the business strategies of the Group. Mr. Da Silva is the co-founder of the Group and has been a director of MSL and MSML since April 2014. Mr. Da Silva graduated from Carnegie Mellon University in the United States with the degrees of Bachelor of Science and Master of Information Systems, double majors in Information and Decision Systems and Industrial Management in 1996. Mr. Da Silva is now a business development director of Jet-Speed Air Cargo Forwarders (Hong Kong) Limited and is responsible for business development. Mr. Da Silva has over 15 years of business experience.

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

Independent Non-Executive Directors

Ms. AU Shui Ming Anna (區瑞明), aged 53, was appointed as an Independent Non-Executive Director with effect from 19 December 2016. She is the chairlady of the Audit Committee and the Remuneration Committee. She is also a member of the Nomination Committee. Ms. Au holds a bachelor degree in Commerce, majoring in Accounting, from the University of Wollongong in Australia. She is a Certified Practicing Accountant of CPA Australia and a fellow member of the Hong Kong Institute of Certified Public Accountants. Ms. Au has extensive experience in the finance and accounting fields. She is currently the chief financial officer of New Horizon Capital (Group) Limited. In addition, Ms. Au is currently a director of i-Craftsmen Limited and Smart Education Company Limited, which are wholly-owned subsidiaries of Newtree Group Holdings Limited (HKSE stock code: 1323). She was appointed as an independent non-executive director of Mitsumaru East Kit (Holdings) Limited (HKSE stock code: 2358) from May 2012 to September 2015.

Mr. LIANG Man Kit Jerry (梁文傑), aged 43, was appointed as an Independent Non-Executive Director with effect from 19 December 2016. He is the chairman of the Corporate Governance Committee and a member of the Audit Committee and the Remuneration Committee. In September 2014, Mr. Liang was appointed as the director and the chief operation officer at RT Management Limited to oversee the daily operation of the company. Mr. Liang is also a director of Media Venture Company Limited, an advertising and promotion agency. Mr. Liang was formerly the Editor-in-Chief of Precious Magazine.

Mr. HO Alfred Chak Wai (何澤威), aged 46, was appointed as an Independent Non-Executive Director with effect from 19 December 2016. He is also the chairman of the Nomination Committee and a member of the Audit Committee and the Corporate Governance Committee. Mr. Ho was appointed as a director and a shareholder of Acemax Development Limited in April 1999 and since then until present, is responsible for the management of its business. Acemax Development Limited is a food and beverage management and consulting company. Through its subsidiary, Acemax Development Limited has established food courts within residential and commercial complexes in Hong Kong and also invests in lounge and bar business.

Senior Management

Mr. HUNG Kay Man (洪啟文), aged 52, is the Sales and Marketing Director of the Group. He joined the sales and marketing department of the Group in December 2011. He is responsible for providing leadership in our sales and marketing department, as well as building relationships with customers for all our media platforms to promote our advertising platforms to clients. Together with Ms. Chau, our Chairlady and Executive Director, Mr. Hung is responsible for setting up annual advertising rates for all media platforms as well as setting annual sales targets for the Group’s sales team. He began his career as a junior floor manager at Television Broadcasts Limited in 1986. He has over 20 years of sales experience.

Ms. HO Hei Man (何希文), aged 28, is our Operation & Marketing Manager. She joined the operation and administration department of the Group in March 2012, and was later promoted to the assistant manager position in January 2014. Ms. Ho obtained a Bachelor of Arts (Hons) degree in marketing and management from the University of Hull, which is a part-time course held and conducted at the University of Hong Kong. Ms. Ho is responsible for the minibus operation where she oversees and manages daily operation and supports the sales team for achieving company goals.

Company Secretary

Mr. YAU Siu Yeung (游紹揚), aged 31, was appointed as our Company Secretary on 19 August 2016. He graduated with a bachelor degree of social sciences in public policy and administration from The City University of Hong Kong in 2009. He later obtained a master degree of arts in social policy from The Chinese University of Hong Kong in 2010. Mr. Yau obtained a juris doctor degree and postgraduate certificate in laws from The Chinese University of Hong Kong in 2012 and 2013 respectively. He is a member of The Law Society of Hong Kong. Mr. Yau has been admitted as a solicitor of the High Court of Hong Kong and is currently holding a valid practicing certificate of a solicitor of the High Court of Hong Kong. Mr. Yau is currently employed at a law firm in Hong Kong.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The board of directors of the Company (the "**Board**") is committed to uphold a high standard of corporate governance practices appropriate to the conduct and growth in its business in accordance with all applicable rules and regulations. The Board believes that good corporate governance is important in balancing the interests of shareholders, customers and employees and the success of business. The Board will continue to review and improve the Company's corporate governance practices from time to time.

The Company has adopted the principles and code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 15 to the Growth Enterprise Market of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**"). Save for the deviation as disclosed under the section headed "Chairman and Chief Executive" below, the Board viewed that the Company has complied with the CG Code during the period from the date of the listing on 5 January 2017 to 31 March 2017 (the "**Period**").

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors and the directors of its subsidiaries and holding companies, who may likely possess inside information on the Company or its securities, on terms no less exacting than the required standard of dealings set out in rules 5.48 to 5.67 of the GEM Listing Rules. The Company had also made specific enquiry of all the Directors and the Company was not aware of any non-compliance with the required standard of dealings regarding securities transactions by the Directors during the Period.

BOARD OF DIRECTORS

Composition

As at 31 March 2017, the Board comprised three Executive Directors, one Non-Executive Director and three Independent Non-Executive Directors. The composition of the Board is as follows:

Executive Directors:

Ms. CHAU Wai Chu Irene *(Chairlady and Chief Executive Officer)*
Ms. CHEUNG Kit Yi
Mr. LEAN Chun Wai

Non-Executive Director:

Mr. DA SILVA Antonio Marcus

Independent Non-Executive Directors:

Ms. AU Shui Ming Anna
Mr. LIANG Man Kit Jerry
Mr. HO Alfred Chak Wai

Functions, Roles and Responsibilities of the Board

The Board is responsible for leadership and control of the Group and is collectively responsible for promoting the success of the Group by directing and supervising the Group's affairs. The Board focuses on formulating the Group's overall strategies, authorizing the development plan and budget; monitoring financial and operating performance; reviewing the effectiveness of the internal control system; supervising and managing management's performance of the Group; and setting the Group's values and standards. The Board delegates the day-to-day management, administration and operation of the Group to the chief executive officer and senior management. The delegated functions are reviewed by the Board periodically to ensure that they accommodate the needs of the Group. The abovementioned personnel should report back and obtain prior approval from the Board before making any significant decisions or entering into any significant commitments on the Company's behalf, and they may not exceed any authority given to them by resolutions of the Board or the Company.

The Non-Executive Director does not involve general management and day-to-day operation of the Group. However, he will provide advice on strategic direction for the Group in the Board meetings.

The Independent Non-Executive Directors bring a wide range of business and financial expertise, experience and independent judgement to the Board, on issues of strategic direction, policies, development, performance and risk management. Through active participation in Board meetings, taking the lead in managing issues involving potential conflict of interests and serving on Board committees, they scrutinize the Company's performance in achieving corporate goals and objectives and monitor performance reporting. By doing so, they are able to contribute positively to the Company's strategy and policies through independent, constructive and informed comments at Board and committee meetings.

Each Director has confirmed that he can give sufficient time and attention to the Company's affairs, and has regularly provided information on the number and nature of offices held in public companies or organizations and other significant commitments, including the identity of such companies or organizations and an indication of the time involved.

The Company has arranged appropriate insurance cover for Directors' liabilities in respect of legal actions against them for corporate activities.

Board/Board Committee Meetings

The Board is scheduled to meet in person or through other electronic means of communication at least four times a year to, among other matters, review past financial and operating performance and discuss the Group's direction and strategy. An agenda and accompanying papers together with all appropriate information will be sent to all Directors at least three days before each Board or committee meeting so as to ensure timely access to relevant information. Appropriate notice of at least 14 days for regular Board meetings and reasonable notice for other Board committee meetings will be given to all Directors, who will all be given an opportunity to attend and include matters in the agenda for discussion. Senior management will be invited to join all Board meetings to enhance communication between the Board and management; the Board and each Director will also have separate and independent access to senior management whenever necessary. The Company Secretary will take minutes of the meetings and keep records of matters discussed and decisions resolved at the meetings, including any concerns raised or dissenting views expressed by Directors, and the voting results of Board meetings fairly reflect Board consensus. Both draft and final versions of the minutes will be sent to all Directors for their comments and records respectively, within a reasonable time after each meeting, and such minutes will be open for inspection with reasonable advance notice by any Director. Directors are entitled to have access to board papers and related materials, and any queries will be responded to fully. During the Period, one Board meeting was held.

Upon reasonable request to the Board, the Directors can seek independent professional advice in performing their duties at the Company's expense, if necessary. According to the current Board's practice, should a potential conflict of interest involving a substantial shareholder or Director of the Company arise, the matter will be discussed in a Board meeting, as opposed to being dealt with by written resolution. Independent Non-executive Directors with no conflict of interest will be present at such meetings. When the Board considers any proposal or transaction in which a Director has a conflict of interest, the Director concern will declare his/her interest and abstains from voting.

Confirmation of Independence of Independent Non-Executive Directors

Each of the Independent Non-Executive Directors has made an annual confirmation of independence pursuant to rule 5.09 of the GEM Listing Rules. The Company is of the view that all existing Independent Non-Executive Directors meet the independence guidelines set out in rule 5.09 of the GEM Listing Rules and are independent in accordance with the terms of the guidelines.

Meetings Held and Attendance

The composition of the Board and the committees, and the individual attendance records of each Director at the Board and committees' meeting during the Period are set out below:

	Meetings attended/Meetings held					
Name of Directors	**Board Meeting**	**Audit Committee Meeting**	**Remuneration Committee Meeting**	**Nomination Committee Meeting** *(Note)*	**Corporate Governance Committee Meeting** *(Note)*	**Annual General Meeting** *(Note)*
Executive Directors:						
Ms. CHAU Wai Chu Irene *(Chairlady and Chief Executive Officer)*	1/1	N/A	1/1	N/A	N/A	N/A
Ms. CHEUNG Kit Yi	1/1	N/A	N/A	N/A	N/A	N/A
Mr. LEAN Chun Wai	1/1	N/A	N/A	N/A	N/A	N/A
Non-Executive Director:						
Mr. DA SILVA Antonio Marcus	1/1	N/A	N/A	N/A	N/A	N/A
Independent Non-Executive Directors:						
Ms. AU Shui Ming Anna	1/1	1/1	1/1	N/A	N/A	N/A
Mr. LIANG Man Kit Jerry	1/1	1/1	1/1	N/A	N/A	N/A
Mr. HO Alfred Chak Wai	1/1	1/1	N/A	N/A	N/A	N/A

Note: No Nomination Committee Meeting, Corporate Governance Committee Meeting and Annual General Meeting were held during the Period.

Continuing Professional Development

Pursuant to code provision A.6.5 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. Reading materials on relevant topics will be issued to Directors where appropriate. All Directors are encouraged to attend relevant training courses. During the Period, all Directors have participated in continuing professional development by attending training courses organised by the Company and reading relevant materials on topics related to corporate governance and regulatory matters.

CHAIRMAN AND CHIEF EXECUTIVE

Ms. CHAU Wai Chu Irene ("**Ms. Chau**") is the Chairlady of the Board who is primarily responsible for formulating overall corporate strategies. Ms. Chau is also the Chief Executive Officer of the Company who is primarily responsible for day-to-day management of the Group. Pursuant to code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual and the division of responsibilities between the chairman and the chief executive should be clearly established and set out in writing. In view of her experience and familiarity with the business of the Group, the Board considers that the roles of Chairlady and the Chief Executive Officer being performed by Ms. Chau would be appropriate to maintain the efficiency in the overall strategic planning, management and business development of the Group. The Board with the Corporate Governance Committee will review the Group's corporate governance policies and compliance with the CG Code each financial year.

Code provision A.2.7 of the CG Code requires the chairman of the Board to hold meetings at least annually with the Non-Executive Directors (including Independent Non-Executive Directors) without the Executive Directors present. During the Period, a meeting between the Chairlady of the Board and the Non-Executive Directors was held.

NON-EXECUTIVE DIRECTORS

Each of the Non-Executive Directors (including the Independent Non-executive Directors) has entered into a letter of appointment with the Company for an initial term of three years commencing from 19 December 2016, subject to the retirement by rotation and re-election at the annual general meeting at least once every three years pursuant to the articles of association of the Company, provided that with the Company or the Non-Executive Director and the Independent Non-Executive Directors may such appointment at any time by giving notice in writing to the other.

BOARD COMMITTEES

The Board has established four committees, namely, the Audit Committee, the Remuneration Committee, the Nomination Committee and the Corporate Governance Committee, to oversee particular aspects of the Company's affairs. All Board committees are established with written terms of reference, which have complied with the CG Code and are available on the Stock Exchange website at www.hkexnews.hk and the Company's website at www.ooh.com.hk and are also available to the shareholders upon request. The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense. The Board committees will report back to the Board on their decisions or recommendations.

Audit Committee

The Company established the Audit Committee on 5 January 2017 with written terms of reference in compliance with the relevant CG Code from time to time. The Audit Committee consists of all the Independent Non-Executive Directors, namely, Ms. AU Shui Ming Anna, Mr. LIANG Man Kit Jerry and Mr. HO Alfred Chak Wai. Ms. AU Shui Ming Anna is the chairlady of the Audit Committee. The primary responsibilities of the Audit Committee include but without limitation the following: (i) assisting the Board in providing an independent view of the effectiveness of our Group's financial reporting process, internal control and risk management systems; (ii) overseeing the audit process; and (iii) performing other duties and responsibilities as assigned by the Board.

During the Period, one Audit Committee's meeting was held.

Remuneration Committee

The Company established the Remuneration Committee on 5 January 2017 with written terms of reference in compliance with the relevant CG Code from time to time. The Remuneration Committee consists of three members, namely, Ms. AU Shui Ming Anna, Mr. LIANG Man Kit Jerry and Ms. CHAU Wai Chu Irene. Ms. AU Shui Ming Anna is the chairlady of the Remuneration Committee. The primary duties of the Remuneration Committee are, among other matters, to review and make recommendations to the Board on the terms of remuneration packages of the Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy.

During the Period, one Remuneration Committee's meeting was held.

Nomination Committee

The Company established the Nomination Committee on 5 January 2017 with written terms of reference in compliance with the relevant CG Code from time to time. The Nomination Committee consists of three members, namely, Mr. HO Alfred Chak Wai, Ms. AU Shui Ming Anna and Ms. CHEUNG Kit Yi. Mr. HO Alfred Chak Wai is the chairman of the Nomination Committee. The primary duties of the Nomination Committee are, among other matters, to review the structure, size and composition of the Board, to identify individuals suitably qualified to become Directors, to assess the independence of Independent Non-Executive Directors and to make recommendations to the Board on appointment and re-appointment of Directors.

During the Period, no meeting was being held for Nomination Committee.

Corporate Governance Committee

The Company established the Corporate Governance Committee on 5 January 2017 with written terms of reference in compliance with the relevant CG Code from time to time. The Corporate Governance Committee consists of three members, namely, Mr. LIANG Man Kit Jerry, Mr. HO Alfred Chak Wai and Mr. DA SILVA Antonio Marcus. Mr. LIANG Man Kit Jerry is the chairman of the Corporate Governance Committee. The primary duties of the Corporate Governance Committee are, among other matters, to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board; to review and monitor the training and continuous professional development of Directors and senior management and to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements.

During the Period, no meeting was being held for the Corporate Governance Committee.

Board Diversity Policy

The Company adopted the board diversity policy on 19 December 2016 (the "**Board Diversity Policy**"). The Board Diversity Policy is available on the Company's website at www.ooh.com.hk under the section of "Investor Relations". According to the Board Diversity Policy, in designing the Board's composition and selecting candidates to the Board, board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Nomination Committee monitors the implementation of the Board Diversity Policy and carries out review of the Board Diversity Policy to ensure its effectiveness.

ACCOUNTABILITY AND AUDIT

The Directors are responsible for the preparation of financial statements for each financial period with a view to ensuring such financial statements give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. The Company's financial statements are prepared in accordance with all relevant statutory requirements and suitable accounting standards. The Directors are responsible for ensuring that appropriate accounting policies are selected and applied consistently; judgements and estimates made are prudent and reasonable; and the financial statements are prepared on a going concern basis.

The responsibility of the Company's auditor, BDO Limited, is set out in the section headed "Independent Auditor's Report" on pages 42 to 91 of this annual report. For the year ended 31 March 2017, the fees in respect of the audit and non-audit services provided to the Group by BDO Limited, is set out as follows:

Nature of services	**For the year ended 31 March 2017 (HK$)**
Audit services	**555,000**
Non-audit services — Acting as reporting accountant in relation to the Listing	**1,550,000**
Total:	**2,105,000**

RISK MANAGEMENT AND INTERNAL CONTROL

The main features of the risk management and internal control systems are to provide a clear governance structure, policies and procedures, as well as reporting mechanism to facilitate the Group to manage its risks across business operations. The Group has established a risk management framework, which consists of the Board, the Audit Committee and the senior management. The Board determines the nature and extent of risks that shall be taken in achieving the Group's strategic objectives, and has the overall responsibility for monitoring the design, implementation and the overall effectiveness of risk management and internal control systems. At least on an annual basis, the senior management should identify risks that would adversely affect the achievement of the Group's objectives, and assess and prioritize the identified risks according to a set of standard criteria. Risk mitigation plans and risk owners should then be established for those risks considered to be significant.

In addition, the Group has engaged an independent internal control consultant (the "**Internal Control Consultant**") in May 2016 to assist the Board and the Audit Committee to review the internal control system and provide the recommendations for improving our internal control system. The Internal Control Consultant has performed follow-up assessment in July 2016. During the internal control review, the Internal Control Consultant has provided some recommendations for our management's consideration to enhance our internal control system. Such recommendations have been implemented. As the business continues to expand, the Group will refine and enhance the internal control systems to respond to the evolving requirements of the expanded operations as appropriate.

The Board had performed annual review on the effectiveness of the Group's risk management and internal control systems, including but not limited to the Group's ability to cope with its business transformation and changing external environment; the scope and quality of management's review on risk management and internal control systems; result of internal audit work; the extent and frequency of communication with the Board in relation to result of risk and internal control review; significant failures or weaknesses identified and their related implications; and status of compliance with the Listing Rules. The Board considers the Group's risk management and internal control systems are effective.

Procedures and internal controls for the handling and dissemination of inside information

The Group complies with requirements of Securities & Futures Ordinance ("**SFO**") and the GEM Listing Rules. The Group discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the Safe Harbours as provided in the SFO. Before the information is fully disclosed to the public, the Group ensures the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensure that information contained in announcements is not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

COMPANY SECRETARY

Mr. YAU Siu Yeung is the Company Secretary of the Company. He reports to the Executive Directors and is responsible for advising the Board on corporate governance and other company secretarial matters. Please refer to his biographical details as set out on page 15 of this annual report.

For the year ended 31 March 2017, Mr. Yau has undertaken not less than 15 hours of relevant professional training in accordance with rule 5.15 of the GEM Listing Rules.

COMPLIANCE OFFICER

Ms. Chau is the compliance officer of the Company. Please refer to her biographical details as set out on page 13 of this annual report.

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting ("**EGM**").

Right to Convene EGMs and Procedures

Pursuant to article 58 of the Company's articles of association, the Board may whenever it thinks fit call an EGM. Any one or more member(s) holding at the date of the deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Company's principal place of business in Hong Kong at Suite A5, 9/F., Jumbo Industrial Building, 189 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong for the attention of the Company Secretary of the Company, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed duly to convene such EGM, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

Right to Put Enquiries to the Board

Shareholders have the right to put enquiries to the Board. All such enquiries shall be in writing and sent by post to the principal place of business of the Company in Hong Kong for the attention of the Company Secretary of the Company.

Shareholders may also make enquiries with the Board at the general meetings of the Company.

Right to Put forward Proposals at General Meetings

There are no provisions allowing shareholders to propose new resolutions at the general meetings under the Companies Law (as revised) of the Cayman Islands, as amended, modified and supplemental from time to time.

However, pursuant to the Company's articles of association, Shareholders who wish to move a resolution may by means of requisitions convene an EGM following the procedures set out above.

Right to Propose a Person for Election as a Director

If a shareholder of the Company (the "**Shareholder**") wishes to propose a person other than a Director retiring for election as a Director at a general meeting ("**GM**"), the shareholder should deposit a written notice (the "**Notice**") of nomination at the head office of the Company or at the office of the Company's branch Share Registrar within a period of at least seven (7) days commencing from the day after the dispatch of the notice of such GM and ending no later than seven (7) days prior to the date of such GM. The relevant procedures will be set out in the circular regarding, among others, the forthcoming annual general meeting of the Company, which will be delivered together with this annual report to the shareholders of the Company.

The Notice must state clearly the name, the contact information of the Shareholder and his/her/their shareholding, the full name of the person proposed for election as a Director, including the person's biographical details as required by rule 17.50(2) of the GEM Listing Rules, and be signed by the Shareholder concerned (other than the person to be proposed). The Notice must also be accompanied by a written notice of consent (the "**Consent letter**") signed by the person proposed to be elected on his/her willingness to be elected as a Director.

The Notice will be verified with the Company's branch share registrar and upon their confirmation that the request is proper and in order, the Company Secretary of the Company will ask the Nomination Committee of the Company and the Board to consider to include the resolution in the agenda for the general meeting proposing such person to be elected as a Director.

COMMUNICATION WITH SHAREHOLDERS

The Company has established a range of communication channels between itself and its shareholders, investors and other stakeholders. These include the general meetings, the annual, interim and quarterly reports, notices, announcements and circulars and the Company's website at www.ooh.com.hk.

The Board encourages shareholders to attend general meetings to communicate any concerns they might have with the Board or management directly. The Company has also maintained a shareholders' communication policy, details of which are available on the Company's website under the section of "Investor Relations".

INVESTOR RELATIONS

During the Period, there had been no significant change in the Company's constitutional documents.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The board of directors (the "**Board**") of the Company and its subsidiaries (collectively the "**Group**") would like to present the first environmental, social and governance ("**ESG**") report for the year ended 31 March 2017 (the "**Reporting Period**"), in accordance with Appendix 20 — Environmental, Social and Governance Reporting Guide published by the Hong Kong Exchanges and Clearing Limited. This report aims to provide the Group's stakeholders with an overview of the Group's efforts regarding ESG impacts arising from its daily operations.

The Group is dedicated to cultivating a green, health and safety culture through the concerted efforts of all staff. Aiming to promote environmental, health and safety culture in the workplace, the Board has provided a balanced framework for the ESG measures in order to achieve the following objectives:

— Ensure compliance with all applicable ESG legislation;

— Reduce quantities of waste and pollutants reaching the sea, land and atmosphere;

— Promote ESG awareness among staff through training, workshops and programs;

— Provide a green, healthy and safe workplace for staff, visitors and contractors;

— Optimise energy use efficiency; and

— Continuously improve ESG performance.

The Board is responsible for nurturing employee ESG participation in the workplace. It also plays a vital role in the development of ESG policies and programs.

KEY RELATIONSHIPS WITH KEY STAKEHOLDERS

The Group continues to engage with its employees, customers, suppliers, investors, Shareholders, and other stakeholders through different channels to develop mutually beneficial relationships and promote sustainability.

Employees are remunerated equitably and competitively. Details of continuing training and development opportunities provided to them are set out in the "Development and Training" section below.

The Group is committed to delivering excellent customer services to its customers. For details, please refer to the "Product Responsibilities/Customer Services" section below.

The Group partners with service providers that reflect its values and commitment. For details, please refer to the "Supply Chain Management" section below.

The Company maintains ongoing dialogues with its investors and Shareholders. For details, please refer to the section "Communication with Shareholders" of the Corporate Governance Report as set out on page 24 of this annual report.

A. ENVIRONMENTAL PROTECTION

Environmental Policies and Performance

During the Reporting Period, the Group has continued to make its best endeavors to protect the environment from its business activities and workplace. Although the Group's principal business will not generate hazardous emissions, wastes or pollutants, the Board recognizes that as a world citizen, we should combat climate change and adopt green practices in our operations and activities. The Group educates its employees on their awareness of promoting a "green" environment. The Group seeks to identify and manage environmental impacts attributable to its operation, in order to minimize these impacts if possible. Various measures have been adopted to reduce energy and other resource use, minimize waste and increase recycling, and promote environmental protection in its supply chain and marketplace. These measures are discussed in the "Use of Resources" and "The Environment and Natural Resources" sections below.

Use of Resources

The Group aims to maximize energy conservation by promoting efficient use of resources and adopting green technologies. For instance, for our transportation media platform, we have encouraged our suppliers to use solvent-based ink and recyclable sticker/backsheet to minimize the impact to the environment. To minimize the wastage of the materials, we have given directions to our design department to maximize to usage of the printable area of each sticker and to reduce the test-print outputs by encouraging the advertisers to approve the design layout via electronic copies rather than physical hardcopies.

For our healthcare media platform, apart from adopting the same principle mentioned above to minimize the use of materials, the Group has considered to adopt the Guidelines and Procedures for Environmental Impact Assessment of Government Projects and Proposals (Technical Circular (Works) No. 13/2003) issued by the Environment, Transport and Works Bureau. In particular, the Group has considered using low-energy consumption light in our lightbox and energy efficient LCD Panels installed at our designated hospitals.

To identify energy efficiency opportunities, the Group measures and records the energy consumption intensity from time to time.

The Environment and Natural Resources

Creating a paperless working environment not only reduces environmental damage but also fits commercial goals, as it can save physical space, facilitate information sharing via online networks, and reduce complicated documentation procedures. In recent years, the Group has implemented paperless processing in its internal communications, including for employee time sheets, payrolls and memorandum, etc. Moreover, duplex printing and copying has become the norm within the Group, greatly reducing paper consumption and saving costs. Usage data of office printing machines is regularly collected and assessed, to monitor the efficiency of a paperless environment.

B. WORKPLACE QUALITY

Workforce

The Group believes that a motivated and balanced workforce is crucial for building a sustainable business model and delivering long-term returns. The employees of the Group are the most valuable resources. As at 31 March 2017, the Group has 23 employees, who are all located in Hong Kong.

We aim to provide a harmonious working environment for our employees through competitive remuneration packages that are comparable to the market standard and structured to commensurate with individual responsibilities, qualifications, experiences and performance. Annual review on staff performance is conducted and the appraisal result provides basis for salary review. We treasure staff who share the same values and aspirations with the Company, and provide adequate development opportunities accordingly.

During the Reporting Period, the Group has complied with all applicable laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, holiday, equal opportunity, diversity, anti-discrimination, benefits and welfare, and preventing child and forced labor.

Health and Safety

The Group values the health and well-being of staff. In order to provide employees with health coverage, staff are entitled to benefits including medical subsidies, provident funds and other competitive fringe benefits.

The Group believes that maintaining a work-life balance is essential for sustainability and a sound body and mind for every employee. To support employees in maintaining work-life balance, the Group actively provides a variety of staff activities including weekly team lunch and quarterly sales dinner for employees. These activities are enhanced to strengthen relationships between employees, and foster a healthy and harmonious working environment.

Development and Training

The Group recognizes the importance of skilled and professionally trained employees to its business growth and future success. The Group encourages and provides subsidies to employees at all levels to pursue educational or training opportunities that achieve personal growth and professional development.

The Group provides regular weekly meeting and also provide training to our sales staff including training on sales technique, advertisement content vetting for regulatory compliance and intellectual property-related issue.

C. OPERATING PRACTICE

Supply Chain Management

The Group values mutually beneficial and longstanding relationships with its suppliers. The Group works closely with a number of suppliers in providing services for enabling our media platforms such as the printers for our advertising materials; LCD panel providers and the media system integrators; contractors for the installation and removal of advertising materials, etc. The selection of suppliers is based on criteria such as price, stability of manpower dedicated to the Group, customer service team responsiveness, capability and experience, with preference given to potential suppliers that demonstrate their commitment to the environment.

Product Responsibilities/Customer Services

The Group has earned trusted relationships with its broad customer base through providing dedicated customer services.

The Group makes every effort to promptly and fairly investigate and resolve all disputes and complaints lodged by customers, according to clearly written internal procedures.

The Group has set up designated channels — including hotline, facsimile and email — for clients to lodge complaints. All complaints received through these channels are diverted to and handled by the head of the department. The hotline numbers and email address are shown on the daily and monthly client statements, to ensure clients are aware of the communication channels for lodging complaints. Upon receipt of a complaint, the department head will investigate in a timely manner and report the findings to senior management. Senior management shall review the complaint and determine whether internal controls and procedures need to be enhanced or other appropriate action is required to be taken.

The Group places its utmost importance on protecting the privacy of its customers, partners and staff in the collection, processing and use of their personal data. The Group adheres to the applicable data protection regulations and ensures appropriate technical measures are in place to protect personal data against unauthorized use or access. The Group also ensures that customers' personal data is securely kept and processed only for the purposes for which it has been collected. Staff are provided with adequate training in compliance with the Personal Data (Privacy) Ordinance, to strengthen their knowledge regarding safeguarding of personal data.

Protection of Intellectual Property

The Group builds up and protects its intellectual property rights by prolonged use and registration of domain names and various trademarks. The Group has registered trademarks in various classes in Hong Kong. In addition, the Group's trademarks and domain names are constantly monitored and renewed upon their expiration.

Anti-corruption/Anti-money Laundering

The Group believes that integrity is one of our core values. The staff handbook provides in details of our policies towards anti-corruption, bribery, blackmail, money laundering and other related fraudulent activities as well as preventive measures.

The Group has also invited ICAC to arrange a seminar with the employees of the Group to ensure that they are well-informed of the up-to date information on anti-corruption, bribery, blackmail, money laundering.

During the Reporting Period, no legal case regarding corrupt practices was brought against the Group or its employees. Also, no whistleblowing concerning a criminal offence or misconduct was reported.

Compliance with Laws and Regulations

During the Reporting Period, the Group has complied with the requirements under the Companies Ordinance in Hong Kong and the applicable laws in the Cayman Islands, the GEM Listing Rules and the Securities and Futures Ordinance for, among others, the disclosure of information and corporate governance.

Updates on the applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units from time to time.

The management must ensure that business is conducted in accordance with the applicable laws and regulations.

D. COMMUNITY INVESTMENT

The Group is committed to the improvement of community well-being and social services. As a good corporate citizen, the Group strives to improve society through community commitment. We continue to find ways to align citizenship initiatives on our platform and we take an active role in participating in various communities and charitable events in Hong Kong to help and support the local communities.

DIRECTORS’ REPORT

The directors of the Company (the “**Directors**”) have pleasure in presenting their annual report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 March 2017 (the “**Consolidated Financial Statements**”).

CORPORATE REORGANISATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 28 June 2016. In preparation for the Listing, pursuant to the Group Reorganisation with details set out in the prospectus of the Company dated 23 December 2016 (the “**Prospectus**”), the Group underwent the Group Reorganisation (as defined under note 2 to the Consolidated Financial Statements) and the Company became the holding company of the companies comprising the Group upon the completion of the Group Reorganisation. Details of the Group Reorganisation are set out in the Prospectus. The shares of the Company were listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited on 5 January 2017 (the “**Listing Date**”).

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and those of the principal subsidiaries of the Company are set out in note 30 to the Consolidated Financial Statements.

SEGMENT INFORMATION

An analysis of the Group’s revenue and contribution to the loss from operations by principal activities and geographical area of operations for the year ended 31 March 2017 is set out in note 7 to the Consolidated Financial Statements.

BUSINESS REVIEW

The business review of the Group for the year ended 31 March 2017 and its future business development as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) can be found in the “Management Discussion and Analysis” as set out on pages 6 to 12 of this annual report. These discussions form part of this Directors’ Report. Description of the principal risks and uncertainties facing the Group are set out in the section headed “Risk and Uncertainties” below.

The Board has not identified any important events affecting the Group that have occurred since the year ended 31 March 2017 and up to the date of this annual report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group has complied with the relevant laws and regulations that have significant impact of the Group, which are provided in the “Corporate Governance Report” on pages 16 to 24 of this annual report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

A discussion on the Company's environmental policies and performance is set out in the "Environmental, Social and Governance Report" on pages 25 to 29 of this annual report.

RISK AND UNCERTAINTIES

The Group's financial condition, results of operations, and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to the Group's businesses. The following are the key risks and uncertainties identified by the Group.

Economic risks

- A sever or prolonged downturn of the global economy; and
- Fluctuations in foreign currency exchange rate, inflation and fluctuations of interest rates would adversely affect the customers' spending sentiment and the Group's profit margin.

Operational risks

- Failure to compete in the competitive environment which the Group operated in;
- Unable to maintain or expand the operations if the license agreements for advertising spaces are terminated or not renewed or if failing to obtain additional spaces; and
- Failure to attract, train, retain, and motivate qualified managerial, sales, marketing, operating, and technical personnel, the loss of key personnel, or the inability to find additional qualified personnel.

Regulatory risks

- Failure to adhere to laws, regulations and rules, or to obtain or maintain all applicable permits and approvals;
- Infringement of valid patents, copyrights or other intellectual property rights held by third parties; and
- Any change in laws and regulations in different customers' and suppliers' countries.

Financial risks

- Details of financial risks are set out in note 35 to the Consolidated Financial Statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2017 are set out in the Consolidated Financial Statements on pages 46 to 91 of this annual report.

An interim dividend of HK$10.0 million was declared by the Board on 19 August 2016 and was paid to the shareholders on 16 December 2016.

The Board does not recommend the payment of final dividend for the year ended 31 March 2017 (2016: Nil).

FINANCIAL SUMMARY

A summary of the published results, assets and liabilities of the Group for the last three financial years is set out on page 92 of this annual report. The summary does not form part of the Consolidated Financial Statements.

SHARE CAPITAL

Details of movements in share capital of the Company during the year are set out in note 26 to the Consolidated Financial Statements.

RESERVES

Details of movements in reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity and in note 28 to the Consolidated Financial Statements respectively.

DISTRIBUTABLE RESERVES

As at 31 March 2017, the Company had no distribution reserves available for distribution to the shareholders of the Company.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2017, sales to the Group's five largest customers accounted for approximately 23.6% of the total sales for the year and sales to the largest customer included therein amounted to approximately 6.7%.

For the year ended 31 March 2017, purchases from the Group's five largest suppliers accounted for approximately 44.7% of the total purchases for the year and purchases from the largest supplier included therein amounted to approximately 11.8%.

To the best knowledge of the Directors, none of the Directors, their respective close associates or any shareholders of the Company who owned more than 5% of the Company's issued share capital, had any beneficial interest in any of the Group's five largest customers or suppliers during the year ended 31 March 2017.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment during the year are set out in note 17 to the Consolidated Financial Statements.

BORROWINGS

Particulars of borrowings of the Group as at the balance sheet date are set out in note 25 to the Consolidated Financial Statements. As at 31 March 2017, the Group did not have any charges on its assets (2016: HK$942,000).

DIRECTORS

The Directors during the year and up to the date of this annual report are:

Executive Directors:

Ms. CHAU Wai Chu Irene *(Chairlady and Chief Executive Officer) (appointed on 28 June 2016)*
Ms. CHEUNG Kit Yi *(appointed on 28 June 2016)*
Mr. LEAN Chun Wai *(appointed on 28 June 2016)*

Non-Executive Director:

Mr. DA SILVA Antonio Marcus *(appointed on 28 June 2016)*

Independent Non-Executive Directors:

Ms. AU Shui Ming Anna *(appointed on 19 December 2016)*
Mr. LIANG Man Kit Jerry *(appointed on 19 December 2016)*
Mr. HO Alfred Chak Wai *(appointed on 19 December 2016)*

Pursuant to the Company’s articles of association, all the Directors will retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

DIRECTORS’ SERVICE CONTRACTS

Each of the Executive Directors has entered into a service agreement with the Company for a term of three years commencing from 19 December 2016, subject to the retirement by rotation and re-election at the annual general meeting at least once every three years pursuant to the articles of association of the Company, and continuing thereafter until terminated by either party by giving not less than three months’ notice in writing to the other.

The Non-Executive Director and each of the Independent Non-Executive Directors has entered into a letter of appointment with the Company for an initial term of three years commencing from 19 December 2016, subject to the retirement by rotation and re-election at the annual general meeting at least once every three years pursuant to the articles of association of the Company, provided that either the Company or the Non-Executive Director and the Independent Non-Executive Directors may terminate such appointment at any time by giving notice in writing to the other.

Save as disclosed above, none of the Directors has or is proposed to enter into a service contract or letter of appointment with the Company or any of its subsidiaries (other than contracts expiring or determinable by the Group within one year without the payment of compensation (other than statutory compensation)).

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received annual confirmation of independence from each of its existing Independent Non-Executive Directors pursuant to rule 5.09 of the GEM Listing Rules and all of them are considered to be independent.

PERMITTED INDEMNITY PROVISIONS

Pursuant to the Company's articles of association, every Director shall be entitled to be indemnified out of assets of the Company against all losses or liabilities incurred or sustained by him/her about the execution of the duties of his/her office or otherwise in relation thereto. The Company has arranged appropriate Directors' and Officers' liability insurance coverage for the Directors and officers of the Group.

DIRECTORS' INTERESTS IN CONTRACTS

Save as aforesaid, there was no contract of significance 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 interests, whether directly or indirectly, subsisted during or at the end of the year.

DIRECTORS AND SENIOR MANAGEMENT

The biographical details of the Directors and senior management are disclosed in the section headed "Profile of Directors and Senior Management" on pages 13 to 15 of this annual report.

EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the five highest paid individuals of the Group are set out in notes 14(a) and 14(b) to the Consolidated Financial Statements respectively.

MANAGEMENT CONTRACTS

No management contracts concerning the whole or any substantial part of the business of the Company were entered into or existed during the year.

EXEMPTED CONTINUING CONNECTED TRANSACTION

During the year, the Group entered into certain transactions with "related parties" as defined under the applicable accounting standards and the details of the material related party transactions (the "**Transactions**") are disclosed in note 31 to the Consolidated Financial Statements.

The Transactions falls under the definition of "connected transactions" or "continuing connected transactions" under Chapter 20 of the GEM Listing Rules, but are fully exempted from shareholders' approval, annual review and all disclosure requirements under Chapter 20 of the GEM Listing Rules.

SHARE OPTION SCHEME

The Company's share option scheme (the "**Scheme**") was conditionally adopted by a resolutions in writing passed by the shareholders of the Company on 19 December 2016. The principal terms of the Scheme were summarized in the sections headed "Share Option Scheme" in Appendix IV to the prospectus of the Company dated 23 December 2016.

The purpose of the Scheme is to enable the Company to grant options to selected participants as incentives or rewards for their contribution to the Group. Pursuant to the Scheme, the Board is authorized, at its absolute discretion and subject to the terms of the Scheme, to grant options to subscribe the Shares to any employees (whether full-time or part-time including any executive director but excluding any non-executive director), non-executive directors, consultants or advisers of the Group, or any substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of the Group.

The Scheme shall be valid and effective for a period of ten years commencing on 19 December 2016, subject to early termination provisions contained in the Scheme.

An option may be accepted by a participant within 21 days from the date of the offer for the grant of options. A nominal consideration of HK$1 is payable by the grantee of an option to the Company on acceptance of the grant of an option. The subscription price for the Shares under the Scheme shall 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 for trade in one or more board lots of the Shares on the date of the offer for the grant, which must be a business day; (ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations for the five business days immediately preceding the date of the offer for the grant; and (iii) the nominal value of a Share.

The total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Scheme and any other share option scheme of the Company must not in aggregate exceed 10% of the Shares in issue on the Listing Date. The Company may at any time refresh such limit, subject to the shareholders' approval and issue of a circular in compliance with the GEM Listing Rules, provided that the total number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under all the share option schemes of the Company does not exceed 30% of the Shares in issue from time to time.

The total number of Shares which issued and which may fall to be issued upon exercise of the options granted under the 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 Shares in issue unless approved by the shareholders of the Company and issue of a circular and all other information in compliance with the GEM Listing Rules.

An option may be exercised in accordance with the terms of the Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence from the date of 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 subject to the provisions of early termination thereof.

No share option has been granted, exercised, cancelled or lapsed under the Scheme since its adoption.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 March 2017, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "**SFO**")) which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO), or as recorded in the register maintained by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long positions in the Ordinary Shares

Name of Director	Nature of interest	Number and class of securities[1]	Approximate percentage of shareholding interest
CHAU Wai Chu Irene ("**Ms. Chau**")	Beneficial owner	278,640,000 ordinary shares (L)	38.70%
Ms. Chau[2]	Interest in a controlled corporation	278,640,000 ordinary shares (L)	38.70%
Mr. DA SILVA Antonio Marcus ("**Mr. Da Silva**")	Beneficial owner	93,960,000 ordinary shares (L)	13.05%
Mr. Da Silva[3]	Interest in a controlled corporation	93,960,000 ordinary shares (L)	13.05%

Notes:

(1) The letter "L" denotes the entity/person's long position in the shares of the Company (the "**Shares**").

(2) The Company was directly owned as to 38.70% (being 278,640,000 Shares) by Goldcore Global Investments Limited ("**Goldcore**"). By virtue of her 100% shareholding of Goldcore, Ms. Chau is deemed to be interested in the same number of Shares held by Goldcore.

(3) The Company was directly owned as to 13.05% (being 93,960,000 Shares) by Silver Pro Investments Limited ("**Silver Pro**"). By virtue of his 100% shareholding of Silver Pro, Mr. Da Silva is deemed to be interested in the same number of Shares held by Silver Pro.

Long Position in Shares of Associated Corporation

Name of Director	Name of associated corporation	Nature of Interest	Percentage of Interest
Ms. Chau	Goldcore	Beneficial owner	100%
Mr. Da Silva	Silver Pro	Beneficial owner	100%

All issued shares in Goldcore are solely owned by Ms. Chau. Accordingly, Ms. Chau is deemed to by interested in all the ordinary shares held by Goldcore.

All issued shares in Silver Pro are solely owned by Mr. Da Silva. The spouse of Mr. Da Silva is Ms. Chu Sau Kuen Jeanny. Accordingly, Mr. Da Silva and Ms. Chu Sau Kuen Jeanny are both deemed to be interested in all the ordinary shares held by Silver Pro by virtue of the SFO.

Save as disclosed above, as at 31 March 2017, none of the Directors and chief executives of the Company had any interests or short positions in any shares, underlying shares and debenture of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have 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 which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as is known to the Directors, immediately following the Listing on 5 January 2017, the following persons/entities had an interest or a short position in the shares or the underlying shares which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or as recorded in the register of the Company required to be kept under Section 336 of the SFO as follows:

Long Position in Ordinary Shares

Name of Shareholder	Nature of interest	Number and class of securities(1)	Approximate percentage of shareholding interest
Goldcore	Beneficial owner	278,640,000 ordinary shares (L)	38.70%
Ms. Chau(2)	Interest in a controlled corporation	278,640,000 ordinary shares (L)	38.70%
AL Capital Limited(3) ("**AL Capital**")	Beneficial owner	145,800,000 ordinary shares (L)	20.25%
Mr. Lau Anthony Chi Sing(3) ("**Mr. Anthony Lau**")	Interest in a controlled corporation	145,800,000 ordinary shares (L)	20.25%
Silver Pro(4)	Beneficial owner	93,960,000 ordinary shares (L)	13.05%
Mr. Da Silva(4)	Interest in a controlled corporation	93,960,000 ordinary shares (L)	13.05%
Ms. Chu Sau Kuen Jeanny(4)	Interest of spouse (spouse of Mr. Da Silva)	93,960,000 ordinary shares (L)	13.05%

Notes:

(1) The letter "L" denotes the entity/person's long position in the Shares.

(2) All issued shares in Goldcore are solely owned by Ms. Chau. Accordingly, Ms. Chau is deemed to be interested in all the Shares held by Goldcore by virtue of the SFO.

(3) The entire issued share capital of AL Capital is solely owned by Mr. Anthony Lau. Accordingly, Mr. Anthony Lau is deemed to be interested in all the ordinary shares held by AL Capital by virtue of the SFO.

(4) All issued shares in Silver Pro are solely owned by Mr. Da Silva. The spouse of Mr. Da Silva is Ms. Chu Sau Kuen Jeanny. Accordingly, Mr. Da Silva and Ms. Chu Sau Kuen Jeanny are both deemed to be interested in all the ordinary shares held by Silver Pro by virtue of the SFO.

Save as disclosed above and so far as is known to the Directors, as at 31 March 2017, no other interests or short positions in the shares or underlying shares of the Company which were required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO or were recorded in the register required to be kept by the Company under section 336 of the SFO.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective associates, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

COMPETITION INTERESTS

The Directors are not aware of any business or interest of the Directors nor the controlling shareholders of the Company nor any of their respective close associates (as defined under the GEM Listing Rules) that competes or may compete, either directly or indirectly, with the business of the Group, or of any other conflicts of interest which any such person has or may have with the Group during the period from the Listing Date to 31 March 2017.

INTERESTS OF THE COMPLIANCE ADVISER AND ITS DIRECTORS, EMPLOYEES AND ASSOCIATES

Neither the Compliance Adviser nor its directors, employees or associates had any interests in relation to the Company as at 31 March 2017 which is required to be notified to the Company pursuant to rule 6A.32 of the GEM Listing Rules.

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

During the period from the Listing Date to 31 March 2017, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

PRE-EMPTIVE RIGHTS

There is no provision for the pre-emptive rights under the Company's Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, the Company has maintained the prescribed public float under the GEM Listing Rules.

AUDIT COMMITTEE

The Consolidated Financial Statements have been reviewed by the audit committee of the Company (the “**Audit Committee**”). The Audit Committee is of the opinion that the Consolidated Financial Statements comply with applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

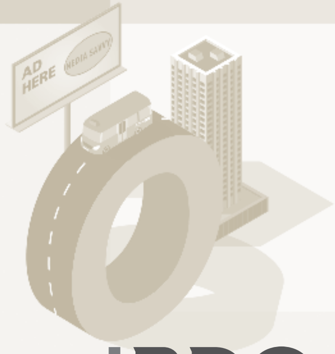
AUDITOR

The Consolidated Financial Statements have been audited by BDO Limited, who will retire, being eligible, offer themselves for reappointment at the forthcoming annual general meeting of the Company. A resolution will be proposed at the forthcoming annual general meeting of the Company to reappoint BDO Limited as the auditor of the Company.

On behalf of the Board of
OOH HOLDINGS LIMITED

CHAU Wai Chu Irene
Chairlady

Hong Kong, 27 June 2017



INDEPENDENT AUDITOR'S REPORT

BDO

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www.bdo.com.hk

TO THE SHAREHOLDERS OF OOH HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of OOH Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 46 to 91, which comprise the consolidated statement of financial position as at 31 March 2017, 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 2017, and of its consolidated financial performance and its 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.

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was 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 this matter.

Recognition of Advertising Display Service Income

(refer to notes 5.7 on the significant accounting policies, 7, 8 and 24 to the consolidated financial statements)

The Group's revenue from advertising display service is recognised as described in note 5.7 to the consolidated financial statements and payments of such service fee income are generally received in advance before the commencement of the display period.

INDEPENDENT AUDITOR’S REPORT (CONTINUED)

During the year, the Group recognised revenue from the advertising display services rendered of approximately HK$59,528,000 (2016: HK$55,824,000) in total. As at 31 March 2017, the Group had receipts in advance of approximately HK$9,210,000 (2016: HK$9,907,000) relating to such services.

We have identified revenue recognition as a significant audit area because revenue is one of the key performance indicators of the Group and because it involves manual procedures to identify and calculate the amounts of revenue and deferred revenue that should be recognised during the year and at the end of the reporting period respectively, based on the terms of the contracts, giving rise to risks of misstatements for revenue for the year and deferred revenue at the end of the reporting period.

Our Responses

Our procedures in relation to this key audit matter included:

— Conducting analytical procedures on revenue;

— Scrutinising manual journals related to revenue; and

— Testing the revenue on sampling basis by (i) checking the accounting records against relevant sales contracts; (ii) tracing sales receipts to relevant supporting information; and (iii) scruntinising the contract lists, as prepared by the Group’s management, for the year and subsequent to the end of the reporting period.

OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises the information included in the Company’s 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, 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.

DIRECTORS’ RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with 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.

INDEPENDENT AUDITOR’S REPORT (CONTINUED)

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.

The directors are also responsible for overseeing the Group’s financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

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, in accordance with the terms of our engagement, 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 judgment 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 the Audit Committee 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 the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine the matter that was of most significance in the audit of the consolidated financial statements of the current period and is therefore the key audit matter. We describe this matter 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.

BDO Limited
Certified Public Accountants
Chiu Wing Cheung Ringo
Practising Certificate Number P04434

Hong Kong, 27 June 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2017

	Notes	2017 HK$'000	2016 HK$'000
Revenue	7, 8	**59,528**	55,824
Cost of sales		**(32,941)**	(29,269)
Gross profit		**26,587**	26,555
Other income and gains, net	9	**360**	2,025
Selling expenses		**(5,424)**	(4,742)
Administrative expenses		**(8,530)**	(6,100)
Listing expenses		**(12,522)**	—
Other operating expenses		**—**	(917)
Finance costs	10	**(28)**	(90)
Profit before income tax expense	11	**443**	16,731
Income tax expense	12	**(2,327)**	(2,535)
(Loss)/Profit for the year		**(1,884)**	14,196
Other comprehensive income			
Item that may be reclassified to profit or loss:			
Available-for-sale financial assets:			
Change in value		**—**	(65)
Reclassification adjustments for gains included in the consolidated statement of profit or loss		**—**	17
Realised fair value loss on disposals		**94**	—
Other comprehensive income for the year, net of tax		**94**	(48)
Total comprehensive income for the year		**(1,790)**	14,148
		HK cents	HK cents
(Loss)/Earnings per share			
Basic and diluted	15	**(0.32)**	2.63

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 March 2017

	Notes	2017 HK$'000	2016 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	17	210	296
		210	296
Current assets			
Available-for-sale financial assets	18	—	3,803
Trade receivables	19	4,724	5,306
Deposits, prepayments and other receivables	20	4,137	4,044
Amounts due from directors	21	—	1,786
Tax recoverable		149	—
Pledged bank deposits	22	1,908	468
Cash and bank balances	22	59,787	26,305
		70,705	41,712
Current liabilities			
Trade payables	23	569	1,127
Accruals, deposits received and other payables	24	10,424	10,846
Amount due to a director	21	575	—
Bank borrowings	25	—	1,017
Tax payable		—	352
		11,568	13,342
Net current assets		59,137	28,370
Net assets		59,347	28,666
CAPITAL AND RESERVES			
Share capital	26	7,200	10
Reserves	28	52,147	28,656
Total equity		59,347	28,666

On behalf of the board of directors

Ms. Chau Wai Chu Irene
Director

Mr. Lean Chun Wai
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2017

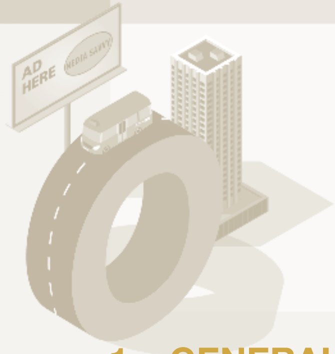
	Share capital *(note 26)* HK$'000	**Share premium*** *(note 28(a))* HK$'000	**Other reserve*** *(note 28(b))* HK$'000	**Available-for-sale financial assets reserve*** *(note 28(c))* HK$'000	**Retained earnings*** HK$'000	**Total** HK$'000
At 1 April 2015	10	–	–	(46)	22,554	22,518
Profit for the year	–	–	–	–	14,196	14,196
Other comprehensive income						
Change in value of available-for-sale financial assets	–	–	–	(48)	–	(48)
Total comprehensive income for the year	–	–	–	(48)	14,196	14,148
Interim dividend *(note 16)*	–	–	–	–	(8,000)	(8,000)
At 31 March and 1 April 2016	10	–	–	(94)	28,750	28,666
Loss for the year	–	–	–	–	(1,884)	(1,884)
Other comprehensive income						
Realised fair value loss on disposals of available-for-sale financial assets	–	–	–	94	–	94
Total comprehensive income for the year	**–**	**–**	**–**	**94**	**(1,884)**	**(1,790)**
Effect of group reorganisation *(note 26 (c))*	**90**	**–**	**(90)**	**–**	**–**	**–**
Issue of shares upon capitalisation *(note 26 (e))*	**5,300**	**(5,300)**	**–**	**–**	**–**	**–**
Issue of shares upon placing of shares *(note 26 (f))*	**1,800**	**40,671**	**–**	**–**	**–**	**42,471**
Interim dividend *(note 16)*	**–**	**–**	**–**	**–**	**(10,000)**	**(10,000)**
At 31 March 2017	**7,200**	**35,371**	**(90)**	**–**	**16,866**	**59,347**

* The total of these accounts represents "Reserves" in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2017

	Note	2017 HK$'000	2016 HK$'000
Cash flow from operating activities			
Profit before income tax expense		443	16,731
Adjustments for:			
Bad debts directly written off on trade receivables		—	23
Provision for impairment of trade receivables		57	—
Bank interest income		(40)	(63)
Depreciation of property, plant and equipment		173	203
Finance costs		28	90
Investment income		(165)	(917)
Gain on disposals of available-for-sale financial assets, net		(1)	(437)
Operating profit before working capital changes		495	15,630
Decrease/(Increase) in trade receivables		525	(621)
Increase in deposits, prepayments and other receivables		(93)	(663)
Decrease in amounts due from directors		1,786	91
Decrease in trade payables		(558)	(161)
(Decrease)/Increase in accruals, deposits received and other payables		(422)	1,276
Increase/(Decrease) in amount due to a director		575	(184)
Cash generated from operations		2,308	15,368
Income tax paid		(2,828)	(3,647)
Net cash (used in)/generated from operating activities		(520)	11,721
Cash flows from investing activities			
Purchases of property, plant and equipment		(87)	(90)
Purchases of available-for-sale financial assets		—	(2,923)
Proceeds from disposals of available-for-sale financial assets		3,898	7,833
(Increase)/Decrease in pledged bank deposits		(1,440)	2,228
Decrease/(Increase) in fixed deposits with original maturity of over three months		903	(601)
Investment income		165	894
Interest received		40	63
Net cash generated from investing activities		3,479	7,404
Cash flows from financing activities			
Proceeds from placing of shares		42,471	—
Repayments of bank borrowings		(1,017)	(1,437)
Interim dividend paid		(10,000)	(13,840)
Interest paid		(28)	(90)
Net cash generated from/(used in) financing activities		31,426	(15,367)
Net increase in cash and cash equivalents		34,385	3,758
Cash and cash equivalents at beginning of the year		25,402	21,644
Cash and cash equivalents at end of the year	22	59,787	25,402



1. GENERAL INFORMATION

OOH Holdings Limited (the "Company") was incorporated in the Cayman Islands on 28 June 2016 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as revised and consolidated) of the Cayman Islands and its shares had been listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 5 January 2017 ("Listing Date"). The address of its registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business is Suite A5, 9/F, Jumbo Industrial Building, 189 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong.

The principal activity of the Company (together with its subsidiaries as the "Group") is investment holding. The principal activity of the Group is provision of advertising display services (the "Business") in Hong Kong.

As at 31 March 2017, the directors of the Company consider Goldcore Global Investments Limited ("Goldcore"), a company incorporated in the British Virgin Islands ("BVI") with limited liability as the immediate and ultimate holding company.

The consolidated financial statements for the year ended 31 March 2017 were approved for issue by the board of directors on 27 June 2017.

2. BASIS OF PRESENTATION AND GROUP REORGANISATION

For the purpose of the listing of the Company's shares on GEM (the "Listing"), the Group underwent a group reorganisation ("Group Reorganisation") to rationalise its group structure. Prior to incorporation of the Company and the completion of the Group Reorganisation, the Business was carried out by the Company's principal operating subsidiary, Media Savvy Marketing Limited ("MSML"), which was wholly-owned by Media Savvy Limited ("MSL"), a company incorporated in Hong Kong with limited liability. Pursuant to the Group Reorganisation as more fully explained in the paragraph headed "Reorganisation" under the section headed "History, Development and Reorganisation" in the prospectus dated 23 December 2016, the Company has since 19 December 2016 become the holding company of its subsidiaries now comprising the Group. Pursuant to the Group Reorganisation, MSL together with the Business are transferred to and held by the Company indirectly through Media Savvy Marketing International Limited ("MSBVI"), a company incorporated in BVI. The Company has not been involved in any business prior to the Group Reorganisation. The Group comprising the Company and its subsidiaries resulting from the Group Reorganisation is regarded as a continuing entity. Accordingly, the consolidated financial statements have been prepared using merger basis of accounting.

The consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the years ended 31 March 2017 and 2016 have been prepared to present the results and cash flows of the companies now comprising the Group, as if the current group structure had been in existence throughout the years ended 31 March 2017 and 2016 or since their respective dates of incorporation, whichever is the shorter period. The consolidated statement of financial position of the Group as at 31 March 2017 has been prepared to present the assets and liabilities of the companies now comprising the Group as if the current group structure had been in existence, at that date, taken into account the respective dates of incorporation.

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new or amended HKFRSs — effective 1 April 2016

In the current year, the Group has applied for the first time the following new standards, amendments and interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are relevant to and effective for the Group's financial statements for the annual year beginning on 1 April 2016:

HKFRSs (Amendments)	Annual Improvements 2012–2014 Cycle
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 27	Equity Method in Separate Financial Statements

Amendments to HKAS 1 — Disclosure Initiative

The amendments are designed to encourage entities to use judgement in the application of HKAS 1 when considering the layout and content of their financial statements.

The adoption of the amendments has no impact on these financial statements.

Amendments to HKAS 27 — Equity Method in Separate Financial Statements

The amendments allow an entity to apply the equity method in accounting for its investments in subsidiaries, joint ventures and associates in its separate financial statements. The amendments are applied retrospectively in accordance with HKAS 8.

The adoption of the amendments has no impact on these financial statements as the Company has not elected to apply the equity method in its separate financial statements.

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

(b) New or amended HKFRSs that have been issued but are not yet effective

The following new or amended HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group:

HK (IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration[2]
Amendments to HKAS 7	Disclosure Initiative[1]
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[1]
HKFRS 9	Financial Instruments [2]
HKFRS 15	Revenue from Contracts with Customers [2]
Amendments to HKFRS 15	Revenue from Contracts with Customers (Clarifications to HKFRS 15) [2]
HKFRS 16	Leases [3]

[1] Effective for annual periods beginning on or after 1 January 2017

[2] Effective for annual periods beginning on or after 1 January 2018

[3] Effective for annual periods beginning on or after 1 January 2019

HK (IFRIC) — Int 22 — Foreign Currency Transactions and Advance Consideration

The interpretation addresses how to determine the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration in a foreign currency.

Amendments to HKAS 7 — Disclosure Initiative

The amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

Amendments to HKAS 12 — Recognition of Deferred Tax Assets for Unrealised Losses

The amendments relate to the recognition of deferred tax assets and clarify some of the necessary considerations, including how to account for deferred tax assets related to debt instruments measured of fair value.

HKFRS 9 — Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income ("FVTOCI") if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss ("FVTPL").

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

(b) New or amended HKFRSs that have been issued but are not yet effective (Continued)

HKFRS 9 — Financial Instruments (Continued)

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

HKFRS 15 — Revenue from Contracts with customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 — Revenue, HKAS 11 — Construction Contracts and related interpretations.

HKFRS 15 requires the application of a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to each performance obligation
Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

Amendments HKFRS 15 — Revenue from Contracts with Customers (Clarifications to HKFRS 15)

The amendments to HKFRS 15 included clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements.

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

(b) New or amended HKFRSs that have been issued but are not yet effective (Continued)

HKFRS 16 — Leases

HKFRS 16 — Leases supersedes HKAS 17 — Leases, HK(IFRIC) Int 4 — Determining whether an Arrangement contain a Lease, HK(SIC) Int 15 — Operating Lease — Incentives and HK(SIC) Int 27 — Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

HKFRS 16 eliminates the classification by a lessee of leases as either operating or finance. Instead all leases are treated in a similar way to finance leases in accordance with HKAS 17. Under HKFRS 16, leases are recorded on the statement of financial position by recognising a liability for the present value of its obligation to make future lease payments with an asset (comprised of the amount of lease liability plus certain other amounts) either being disclosed separately in the statement of financial position (within right-of-use assets) or together with property, plant and equipment. The most significant effect of the new requirements will be an increase in recognised lease assets and financial liabilities.

There are some exemptions. HKFRS 16 contains options which do not require a lessee to recognise assets and liabilities for (a) short term leases (i.e. lease of 12 months or less, after considering the effect of any extension options) and (b) leases of low value assets (for example, a lease of a personal computer).

HKFRS 16 clarifies that a lessee separates lease components and service components of a contract, and applies the lease accounting requirements only to the lease components.

HKFRS 16 substantially carries forward the lessor's accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

As set out in note 32 (a), total operating lease commitments of the Group in respect of advertising spaces and office equipment amounted to approximately HK$38 million (2016: HK$26 million). The management does not expect the adoption of HKFRS 16 as compared with the current accounting policy would result in significant impact on the Group's financial performance but it is expected that certain portion of these lease commitments will be required to be recognised in the consolidated statement of financial position of the Group as right-of-use assets and lease liabilities.

The Group is in the process of making an assessment of the impact of other new or amended HKFRSs but is not yet in a position to state whether these new or amended HKFRSs would have a significant impact on the Group's consolidated financial statements.

4. BASIS OF PREPARATION

4.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as the "HKFRS") issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange ("GEM Listing Rules").

4.2 Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for certain available-for-sale financial assets, which are measured at fair value as explained in the accounting policies in note 5.5.

4.3 Foreign currency translation

The consolidated financial statements are presented in Hong Kong Dollars ("HK$"), which is the same as the functional currency of the Company.

Transactions entered into by group entities in currencies other than the currency of the primary economic environment in which they operate (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period.

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

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

5.2 Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, interests in a subsidiary is stated at cost less impairment loss, if any. The result of subsidiary is accounted for by the Company on the basis of dividend received and receivable.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5.3 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item 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 costs, such as repairs and maintenance, are recognised as an expense in profit or loss during the financial period in which they are incurred.

Property, plant and equipment are depreciated so as to write off their cost over their estimated useful lives on a straight-line basis. The useful lives and depreciation method are reviewed, and adjusted if appropriate, at the end of the reporting period. The useful lives are as follows:

Display monitors and devices	5 years
Furniture and fixtures	5 years
Motor vehicle	5 years

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

Gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

5.4 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on the straight-line basis over the lease term.

The Group as lessee

The total rentals payable under the operating leases are recognised in profit or loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integrated part of the total rental expense, over the term of the lease.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5.5 Financial instruments

(i) Financial assets

The Group classifies its financial assets at initial recognition, depending on the purpose for which the asset was acquired. All financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. Regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade debtors), and also incorporate other types of contractual monetary asset. Subsequent to initial recognition, they are carried at amortised cost using effective interest method, less any identified impairment losses.

Available-for-sale financial assets

These are non-derivative financial assets that are designated as available-for-sale or are not included in other categories of financial assets. Subsequent to initial recognition, these assets are carried at fair value with changes in fair value recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary instruments, which are recognised in profit or loss.

(ii) Impairment loss on financial assets

The Group assesses, at the end of each reporting period, whether there is any objective evidence that financial asset is impaired. Financial asset is impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- granting concession to a debtor because of debtor's financial difficulty; and
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

For loans and receivables

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of financial asset is reduced through the use of an allowance account. When any part of financial asset is determined as uncollectible, it is written off against the allowance account for the relevant financial asset.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5.5 Financial instruments (Continued)

(ii) Impairment loss on financial assets (Continued)

For available-for-sale financial assets

Where a decline in the fair value constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognised in profit or loss.

Any impairment losses on available-for-sale debt investments are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For available-for-sale equity investment, any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

(iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at amortised cost

Financial liabilities at amortised cost including accruals, trade and other payables, amount due to a director and bank borrowings are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iv) Effective interest method

Effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. Effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(v) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(vi) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKAS 39.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5.6 Cash and cash equivalents

Cash and cash equivalents represent cash at bank and in hand, demand deposits with banks and short term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash which are subject to an insignificant risk of change in value.

5.7 Revenue and other income recognition

The Group's revenue is primarily derived from provision of advertising display services on the Group's media networks, primarily in Hong Kong.

Revenue comprises the fair value of the consideration received or receivable for the rendering of services, net of discounts. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised as follows:

Advertising display services

Revenue from advertising display services is recognised on a straight-line basis over the performance period for which the advertisements are displayed.

Rental income

Rental income is recognised on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on the straight-line basis over the lease term.

Bank interest income

Bank interest income is recognised on a time basis on the principals outstanding at the applicable interest rates.

5.8 Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5.8 Income taxes (Continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to temporary difference will not reverse in the foreseeable future.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

5.9 Employee benefits

(i) Short term employee benefits

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the year when the employees render the related service.

(ii) Defined contribution retirement plan

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity.

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. The Group has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. Contributions are made based on a percentage of the employees' basic salaries to the maximum mandatory contribution as required by the MPF Scheme. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in current liabilities or current assets, respectively, as they are normally of a short-term nature. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Contributions to the defined contribution retirement plan are recognised as an expense in profit or loss in the period when the services are rendered by the employees.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5.10 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of the property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased.

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

5.11 Borrowing costs

Borrowing costs attributable directly to the acquisition, construction or production of qualifying assets which require a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of those assets. Income earned on temporary investments of specific borrowings pending their expenditure on those assets is deducted from borrowing costs capitalised. All other borrowing costs are recognised in profit or loss in the period in which they are incurred

5.12 Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reliably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5.13 Related parties

(a) A person or a close member of that person's family is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of key management personnel of the Group or the Company's parent.

(b) An entity is related to the Group if any of the following conditions apply:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the group or to the group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

6. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Key sources of estimation uncertainty

In addition to information disclosed elsewhere in these financial statements, other key sources of estimation uncertainty that have significant risks of resulting in a material adjustment to the carrying amounts of assets and liabilities within next financial year are as follows:

(i) Impairment of trade and other receivables

Recoverability of trade and other receivables are reviewed by management based on the receivables' ageing characteristics, the current creditworthiness and past collection history of each customer. Judgement is required in assessing the ultimate realisation of these receivables, and the financial conditions of the debtors may undergo adverse changes since the last management evaluation. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional provision may be required in future accounting periods.

7. SEGMENT INFORMATION

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is defined on the basis of the internal management reporting information that is provided to and regularly reviewed by the executive directors in order to allocate resources and assess performance of the segment.

The executive directors considered the business from the perspective of advertising platforms available, and determined that the Group has the following reportable operating segments:

— Provision of advertising display services over the transportation media platforms ("Transportation Business"); and

— Provision of advertising display services over the healthcare media platforms ("Healthcare Business").

7. SEGMENT INFORMATION (Continued)

Segment revenue and results

Segment revenue below represents revenue from external customers. There was no inter-segment revenue during the year. The chief operating decision makers assess the performance of the operating segments mainly based on revenue and gross profit of each operating segment. Corporate and other unallocated expenses include selling expenses, administrative expenses, listing expenses and other expenses which are common costs incurred for the operating segments as a whole and therefore they are not included in the measure of the segments' performance that is used by the chief operating decision makers as a basis for the allocation of resources and assessment of segment performance. Other income and gains, net, finance costs and income tax expense are also not allocated to individual operating segment.

There were no segment assets and liabilities information provided to the chief operating decision makers.

The segment revenue and results, and the totals presented for the Group's operating segments reconciled to the Group's key financial figures as presented in the consolidated financial statements are as follows:

	Minibus HK$'000	Taxi HK$'000	Others HK$'000	Total Transportation Business HK$'000	Hospitals and clinics HK$'000	Health and beauty retail stores HK$'000	Total Healthcare Business HK$'000	Total HK$'000
Year ended 31 March 2017								
Revenue								
— from external customers	43,334	1,850	1,534	46,718	9,984	2,826	12,810	59,528
Cost of sales				(25,753)			(7,188)	(32,941)
Gross profit				20,965			5,622	26,587
Unallocated other income and gains, net								360
Corporate and other unallocated expenses								(26,476)
Finance costs								(28)
Profit before income tax expense								443

7. SEGMENT INFORMATION (Continued)

	Minibus HK$'000	Taxi HK$'000	Others HK$'000	Total Transportation Business HK$'000	Hospitals and clinics HK$'000	Health and beauty retail stores HK$'000	Total Healthcare Business HK$'000	Total HK$'000
Year ended 31 March 2016								
Revenue								
— from external customers	41,257	627	2,703	44,587	7,710	3,527	11,237	55,824
Cost of sales				(22,224)			(7,045)	(29,269)
Gross profit				22,363			4,192	26,555
Unallocated other income and gains, net								2,025
Corporate and other unallocated expenses								(11,759)
Finance costs								(90)
Profit before income tax expense								16,731

Geographical information

The Company is an investment holding company and the principal place of the Group's operation is in Hong Kong. For the purpose of segment information disclosures under HKFRS 8, the Group regarded Hong Kong as its place of domicile.

The Group's non-current assets are all based in Hong Kong. No geographical information is presented for the Group's business segment as the Group is principally engaged in provision of advertising display services in Hong Kong.

Information about major customers

No single customer contributed to 10% or more of the Group's revenue during the years ended 31 March 2017 and 31 March 2016.

8. REVENUE

Revenue is derived from provision of advertising display services during the year.

9. OTHER INCOME AND GAINS, NET

	2017 HK$'000	2016 HK$'000
Other income and gains, net		
Bank interest income	40	63
Exchange loss, net	(89)	(116)
Investment income	165	917
Gain on disposals of available-for-sale financial assets, net	1	437
Rental income	122	665
Others	121	59
	360	2,025

10. FINANCE COSTS

	2017 HK$'000	2016 HK$'000
Interest on bank borrowings	28	90

11. PROFIT BEFORE INCOME TAX EXPENSE

Profit before income tax expense is arrived at after charging the following:

	2017 HK$'000	2016 HK$'000
Auditor's remuneration	555	150
Bad debt directly written off on trade receivables	—	23
Provision for impairment of trade receivables	57	—
Depreciation of property, plant and equipment	173	203
Employee costs (including directors' emoluments) *(note 13)*	9,544	8,255
Operating lease rental in respect of:		
— Advertising spaces (included in cost of sales)	29,135	26,877
— Premises	289	201

12. INCOME TAX EXPENSE

The amount of taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	2017 HK$'000	2016 HK$'000
Current tax — Hong Kong Profits Tax		
— Tax for the year	**2,366**	2,847
— Over-provision in respect of prior years	**(39)**	(312)
	2,327	2,535

The Group companies incorporated in Cayman Islands and BVI are tax-exempted as no business is carried out in Cayman Islands and BVI under the laws of the Cayman Islands and BVI respectively.

Hong Kong Profits Tax is calculated at 16.5% (2016: 16.5%) on the estimated profits of subsidiaries operating in Hong Kong for the year.

No deferred tax has been recognised as there were no material temporary differences during the year (2016: Nil).

Income tax expense for the year can be reconciled to the profit before income tax expense in the consolidated statement of profit or loss and other comprehensive income as follows:

	2017 HK$'000	2016 HK$'000
Profit before income tax expense	**443**	16,731
Tax calculated at the domestic tax rate of 16.5% (2016: 16.5%)	**73**	2,761
Tax effect of non-deductible items	**2,335**	322
Tax effect of non-taxable items	**(34)**	(234)
Tax effect of temporary differences not recognised	**12**	19
Over-provision in respect of prior years	**(39)**	(312)
Others	**(20)**	(21)
Income tax expense	**2,327**	2,535

13. EMPLOYEE COSTS

	2017 HK$'000	2016 HK$'000
Employee costs (including directors' emoluments) comprise:		
Salaries and other benefits in kind	9,271	8,009
Retirement scheme contributions	273	246
	9,544	8,255

14. DIRECTORS' EMOLUMENTS, HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

Directors' emoluments are disclosed as follows:

	Notes	Fees HK$'000	Salaries and other benefits in kind HK$'000	Retirement scheme contributions HK$'000	Total HK$'000
Year ended 31 March 2017					
Executive Directors					
Ms. Chau Wai Chu Irene	*(i), (iii)*	–	1,470	–	1,470
Ms. Cheung Kit Yi	*(i)*	–	311	15	326
Mr. Lean Chun Wai	*(i)*	–	430	18	448
Non-Executive Director					
Mr. Da Silva Antonio Marcus	*(i)*	–	–	–	–
Independent Non-Executive Directors					
Ms. Au Shui Ming Anna	*(ii)*	34	–	–	34
Mr. Liang Man Kit Jerry	*(ii)*	27	–	–	27
Mr. Ho Alfred Chak Wai	*(ii)*	27	–	–	27
		88	2,211	33	2,332

14. DIRECTORS' EMOLUMENTS, HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

(a) Directors' emoluments (Continued)

	Notes	Fees HK$'000	Salaries and other benefits in kind HK$'000	Retirement scheme contributions HK$'000	Total HK$'000
Year ended 31 March 2016					
Executive Directors					
Ms. Chau Wai Chu Irene	*(i), (iii)*	—	1,486	2	1,488
Ms. Cheung Kit Yi	*(i)*	—	252	13	265
Mr. Lean Chun Wai	*(i)*	—	422	18	440
Non-Executive Director					
Mr. Da Silva Antonio Marcus	*(i)*	—	—	—	—
		—	2,160	33	2,193

Notes:

(i) Appointed as executive directors or non-executive director on 28 June 2016. During the year ended 31 March 2016, they were directors of MSML.

(ii) Appointed as independent non-executive directors on 19 December 2016.

(iii) Ms. Chau Wai Chu Irene is also the chief executive of the Company and her emoluments disclosed above included those for services rendered by her as the chief executive.

(iv) There was no arrangement under which a director waived or agreed to waive any emoluments during the year ended 31 March 2017 (2016: Nil).

(v) During the year, no emolument was paid by the Group to the directors as an inducement to join or upon joining the Group, or as compensation for loss of office (2016: Nil).

14. DIRECTORS' EMOLUMENTS, HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

(b) The five highest paid individuals

Of the five individuals with the highest emoluments in the Group, one (2016: three) is a director of the Company whose emolument is included in the disclosures above. The emoluments of the remaining four (2016: two) individuals are as follows:

	2017 HK$'000	2016 HK$'000
Salaries and other benefits in kind	2,751	795
Retirement scheme contributions	71	30
	2,822	825

The emoluments paid or payable to the five individuals with the highest emoluments in the Group who are not directors are within the following bands:

	2017 Number of individuals	2016 Number of individuals
Nil – HK$1,000,000	4	2

15. (LOSS)/EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	2017 HK$'000	2016 HK$'000
(Loss)/Earnings		
(Loss)/Earnings for the purposes of basic and diluted earnings per share	(1,884)	14,196
Number of shares	'000	'000
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	582,411	540,000

15. (LOSS)/EARNINGS PER SHARE (Continued)

Weighted average of 540,000,000 ordinary shares for the year ended 31 March 2016, being the number of ordinary shares in issue immediately after the completion of capitalisation issue in December 2016 as detailed in note 26, deemed to have been issued throughout the year ended 31 March 2016 and up to 5 January 2017, immediately before the completion of the placing of the Company's new ordinary shares.

Weighted average of 582,411,000 ordinary shares for the year ended 31 March 2017 includes the weighted average of 180,000,000 ordinary shares issued immediately after the completion of placing, in addition to the aforementioned 540,000,000 ordinary shares for the year ended 31 March 2017.

Diluted earnings per share were the same as the basic earnings per share as the Group had no potential dilutive ordinary shares during the years ended 31 March 2017 and 2016.

16. DIVIDEND

	2017 HK$'000	2016 HK$'000
Interim dividend	**10,000**	8,000

No dividend has been paid or declared by the Company since its incorporation. The interim dividends for the years ended 31 March 2017 and 2016 represented interim dividends declared by a subsidiary of the Company to its then equity owners prior to the Group Reorganisation.

The rate of dividends and the number of shares ranking for dividends are not presented as information is not meaningful regard to the purpose of the consolidated financial statements.

17. PROPERTY, PLANT AND EQUIPMENT

	Display monitors and devices HK$'000	Furniture and fixtures HK$'000	Motor vehicle HK$'000	Total HK$'000
At 1 April 2015				
Cost	2,461	487	—	2,948
Accumulated depreciation	(2,088)	(451)	—	(2,539)
Net carrying amount	373	36	—	409
Year ended 31 March 2016				
Opening net carrying amount	373	36	—	409
Additions	20	50	20	90
Depreciation	(166)	(33)	(4)	(203)
Closing net carrying amount	227	53	16	296
At 31 March and 1 April 2016				
Cost	2,481	537	20	3,038
Accumulated depreciation	(2,254)	(484)	(4)	(2,742)
Net carrying amount	227	53	16	296
Year ended 31 March 2017				
Opening net carrying amount	**227**	**53**	**16**	**296**
Additions	**4**	**83**	**—**	**87**
Depreciation	**(139)**	**(30)**	**(4)**	**(173)**
Closing net carrying amount	**92**	**106**	**12**	**210**
At 31 March 2017				
Cost	**2,485**	**620**	**20**	**3,125**
Accumulated depreciation	**(2,393)**	**(514)**	**(8)**	**(2,915)**
Net carrying amount	**92**	**106**	**12**	**210**

18. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2017 HK$'000	2016 HK$'000
Listed debt securities	–	1,628
Unlisted debt or equity portfolio funds	–	2,175
	–	3,803

As of 31 March 2016, the available-for-sale financial assets represented certain quoted or unquoted debt securities and debt or equity portfolio funds. The fair value of these investments was based on the prices, which were considered as fair value, quoted on active markets provided by the brokers.

At 31 March 2016, the Group had debt or equity portfolio funds of approximately HK$942,000 that were pledged to the bank as securities for certain facilities granted to the Group. Management of the Group believed that the estimated fair value based on the statements provided by the brokers was reasonable, and that they were the most appropriate value at the end of the reporting period.

During the year, the Group had disposed of its available-for-sale financial assets. The gain on disposals on available-for-sale financial assets is set out in the note 9 to the consolidated financial statements.

Available-for-sale financial assets were denominated in the following currencies:

	2017 HK$'000	2016 HK$'000
Hong Kong dollar	–	1,230
United States dollar ("US$")	–	2,573
	–	3,803

The maximum exposure to credit risk as at 31 March 2016 was the carrying value of the available-for-sale financial assets.

19. TRADE RECEIVABLES

	2017 HK$'000	2016 HK$'000
Trade receivables	4,781	5,306
Provision of impairment of trade receivables	(57)	—
	4,724	5,306

Analysis of trade receivable that are not impaired as at of each reporting period based on revenue recognition date, is as follows:

	2017 HK$'000	2016 HK$'000
0–90 days	2,311	2,884
91–180 days	2,229	2,129
181–365 days	122	285
Over 365 days	62	8
	4,724	5,306

The Group has no specified credit terms for its customers. The ageing analysis of the Group's trade receivables that are not impaired, based on due date is as follows:

	2017 HK$'000	2016 HK$'000
Neither past due nor impaired	1,070	534
Past due less than 3 months	2,646	3,058
Past due more than 3 months but less than 6 months	881	1,439
Past due more than 6 months	127	275
	4,724	5,306

19. TRADE RECEIVABLES (Continued)

The following table reconciled the impairment loss of trade receivables for the year:

	2017 HK$'000	2016 HK$'000
At 1 April	—	—
Impairment loss recognised	57	—
At 31 March	57	—

At 31 March 2017, the Group had trade receivables of HK$3,654,000 (2016: HK$4,772,000) that were past due but not impaired as there was no recent history of default in respect of these trade debtors. Trade receivables that were neither past due nor impaired related to a large number of independent customers that had a good track record of credit with the Group. In general, the Group does not hold any collateral or other credit enhancements over these balances.

20. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2017 HK$'000	2016 HK$'000
Payments in advance	3,954	3,928
Deposits	95	63
Prepayments	78	43
Other receivables	10	10
	4,137	4,044

21. AMOUNTS DUE FROM/ (TO) DIRECTORS

			Maximum outstanding amount during	
	2017	2016	**2017**	2016
	HK$'000	HK$'000	**HK$'000**	HK$'000
Amounts due from directors				
Ms. Chau Wai Chu Irene	**–**	1,784	**1,919**	1,896
Mr. Lean Chun Wai	**–**	2	**379**	2
	–	1,786		
Amount due to a director				
Ms. Chau Wai Chu Irene	**575**	–		

The amounts were unsecured, interest free and repayable on demand.

22. PLEDGED BANK DEPOSITS AND CASH AND BANK BALANCES

	2017	2016
	HK$'000	HK$'000
Cash at banks and in hand	**57,689**	23,545
Fixed deposits	**4,006**	3,228
	61,695	26,773
Less: Pledged bank deposits	**(1,908)**	(468)
Cash and bank balances per consolidated statement of financial position	**59,787**	26,305
Less: Fixed deposits with original maturity of over three months	**–**	(903)
Cash and cash equivalents per consolidated statement of cash flows	**59,787**	25,402

The Group's cash and bank balances consist of bank deposits carrying interests at floating rates based on daily bank deposit rates. As at 31 March 2017 and 2016, certain deposits were restricted bank balances pledged to banks as securities mainly for letters of guarantee issued to certain third party suppliers on behalf of the Group.

23. TRADE PAYABLES

Based on the receipts of services and goods, which normally coincided with the invoice dates, ageing analysis of the Group's trade payables as at the end of each reporting periods is as follows:

	2017 HK$'000	2016 HK$'000
0–90 days	**512**	804
91–180 days	**11**	181
181–365 days	**19**	105
Over 365 days	**27**	37
	569	1,127

24. ACCURALS, DEPOSITS RECEIVED AND OTHER PAYABLES

	2017 HK$'000	2016 HK$'000
Accrued expenses	**757**	668
Advances received from customers	**9,210**	9,907
Other payables	**457**	271
	10,424	10,846

25. BANK BORROWINGS

	2017 HK$'000	2016 HK$'000
Current		
Secured and interest bearing, subject to repayment on demand clause		
Bank borrowings due for repayment within one year	**–**	868
Bank borrowings due for repayment after one year	**–**	149
	–	1,017

25. BANK BORROWINGS (Continued)

The balance as at 31 March 2016 included bank borrowings that were not scheduled to repay within one year after the end of the reporting period. They were classified as current liabilities as the related loan agreements contained a clause that provided the lenders with an unconditional right to demand repayment at any time at their own discretion. None of the portion of these bank borrowings due for repayment after one year which contained a repayment on demand clause and that were classified as current liabilities were expected to be settled within one year.

The bank borrowings of the Group as at 31 March 2016 were secured by:

(i) Personal guarantee by Ms. Chau Wai Chu Irene, an executive director; and

(ii) Loan guarantees issued by the Government of the Hong Kong Special Administrative Region.

All bank borrowings have been repaid in full during the year ended 31 March 2017.

26. SHARE CAPITAL

		2017 Number of shares '000	2017 Amount HK$'000
Authorised:			
Initial authorised share capital upon incorporation	*(b)*	**10,000**	**100**
Increase in authorised share capital	*(d)*	**7,190,000**	**71,900**
		7,200,000	**72,000**

		Number of shares '000	Amount HK$'000
At 1 April 2016	*(a)*	—	10
Issue of ordinary shares upon incorporation	*(b)*	1,000	—
Issue of ordinary shares upon Group Reorganisation	*(c)*	9,000	90
Issue of ordinary shares upon capitalisation	*(e)*	530,000	5,300
Issue of ordinary shares upon placing of shares	*(f)*	180,000	1,800
At 31 March 2017		720,000	7,200

26. SHARE CAPITAL (Continued)

(a) The issued capital of the Group as at 1 April 2016 represented the issued capital of its subsidiary, MSL as the Company had not been incorporated and the Group Reorganisation was not completed.

The following changes in the share capital of the Company took place during the period from 28 June 2016 (date of incorporation) to 31 March 2017:

(b) The Company was incorporated in the Cayman Islands under the Companies Law of the Cayman Islands as an exempted company with limited liability on 28 June 2016 with an initial authorised share capital of HK$100,000 divided into 10 million shares of HK$0.01 each. 1 share was allotted and issued nil-paid to the subscriber on 28 June 2016, and was subsequently transferred to Goldcore on the same day.

On 28 June 2016, the Company allotted and issued 999,999 shares, nil-paid, to Goldcore, AL Capital Limited, Silver Pro Investments Limited ("Silver Pro"), Mr. Yeung Chung Hang Patrick and Mr. Yau Siu Yeung.

(c) On 30 November 2016, pursuant to a share swap agreement made between (among other parties) Ms. Chau Wai Chu Irene, AL Capital Limited, Mr. Da Silva, Mr. Yeung Chung Hang Patrick and Mr. Yau Siu Yeung (collectively, the "Vendors"), MSBVI (a 100% subsidiary of the Company) as purchaser, and the Company, MSBVI acquired the entire share capital in MSL. In consideration of and in exchange for such acquisition, the Company (i) credited as fully paid the 1,000,000 nil-paid shares issued in note 26(b) above, and (ii) issued 9,000,000 shares as fully paid to Goldcore, Silver Pro and the Vendors. The Group Reorganisation was then completed.

(d) Pursuant to the written resolutions of the shareholders dated 19 December 2016, the Company increased its authorised share capital from HK$100,000 to HK$72,000,000 by the creation of an additional 7,190,000,000 ordinary shares.

(e) Pursuant to written resolutions passed on 19 December 2016, the directors were authorised to capitalise HK$5,300,000 from the amount to be standing to the credit of the share premium account of the Company upon the placing of ordinary shares and applied such amount to pay up in full at par of 530,000,000 ordinary shares.

(f) On 5 January 2017, 180,000,000 ordinary shares of HK$0.01 each of the Company were issued at a price of HK$0.27 by way of placing. On the same date, the Company's ordinary shares were listed on the Stock Exchange. The proceeds of HK$1,800,000 representing the par value of the ordinary shares of the Company were credited to the Company's share capital. The remaining proceeds of HK$46,800,000, before issuing expenses of approximately HK$6,129,000, were credited to share premium account (note 28).

27. SHARE OPTION SCHEME

A share option scheme (the "Scheme") was approved and adopted by the Company on 19 December 2016.

The Scheme is effective for a period of 10 years commencing on the Listing Date of the Company. Under the Scheme, the board of directors may in its absolute discretion determine at the time of grant of the relevant option but the subscription price shall not be less than whichever is 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 granting of the option; (ii) the average closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of the granting of the option; and (iii) the nominal value of a share. An offer of grant of an option may be accepted by a participant within the date as specified in the offer letter issued by the Company, being a date not later than 21 days from the date upon which it is made, by which the participant must accept the offer or be deemed to have declined it, provided that such date shall not be more than 10 years after the date of adoption of the Scheme. A consideration of HK$1.00 is payable on acceptance of the offer of grant of an option.

The period as the board of directors may in its absolute discretion determine and specify in relation to any particular option holder in his option agreement during which the option may be exercised (subject to such restriction on exercisability specified therein), which shall be not greater than the period prescribed by the GEM Listing Rules from time to time (which is, as at the date of adoption of the Scheme, a period of 10 years from the date of the granting of the option).

The limit on the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other schemes must not exceed 30% of the shares in issue from time to time. No options may be granted under any schemes of the Company if this will result in the limit being exceeded. The total number of shares which may be issued upon exercise of all options to be granted under the Scheme and any other schemes of the Company must not in aggregate exceed 10% of the shares in issue. Options lapsed in accordance with the terms of the Scheme or any other schemes will not be counted for the purpose of calculating the 10% limit.

No share options were granted under the Scheme during the year. Share options do not confer rights to the holders to dividends or to vote at shareholders' meetings.

28. RESERVES

The Group

Please refer to the consolidated statement of changes in equity on page 48 for reserves of the Group.

(a) Share premium

This represents the premium arising from the issue of shares, net of placing expenses.

(b) Other reserve

This represents the difference between the nominal value of the share capital of the subsidiaries acquired and the nominal value of the shares of the Company issued in exchange thereof pursuant to the Group Reorganisation.

(c) Available-for-sale financial assets reserve

This represents the fair change in available-for-sale investment as detailed in note 18.

The Company

	Notes	**Share premium** HK$'000	**Other reserve** HK$'000	**Accumulated losses** HK$'000	**Total** HK$'000
At 1 April 2016		—	—	—	—
Issue of ordinary shares upon incorporation	*26(b)*	—	—	—	—
Effect of Group Reorganisation	*26(c)*	—	(100)	—	(100)
Issue of ordinary shares upon capitalisation	*26(e)*	(5,300)	—	—	(5,300)
Issue of ordinary shares upon placing of shares	*26(f)*	40,671	—	—	40,671
Loss for the year		—	—	(13,062)	(13,062)
At 31 March 2017		35,371	(100)	(13,062)	22,209

29. HOLDING COMPANY STATEMENT OF FINANCIAL POSITION

	Notes	2017 HK$'000
ASSETS AND LIABILITIES		
Non-current assets		
Interests in a subsidiary	*30*	1
Current assets		
Prepayments		113
Cash and bank balances		46,409
		46,522
Current liabilities		
Accruals		144
Amount due to a subsidiary		16,970
		17,114
Net current assets		29,408
Net assets		29,409
CAPITAL AND RESERVES		
Share capital	*26*	7,200
Reserves	*28*	22,209
Total equity		29,409

On behalf of the board of directors

Ms. Chau Wai Chu Irene
Director

Mr. Lean Chun Wai
Director

30. INTERESTS IN SUBSIDIARIES

Details of the subsidiaries as at 31 March 2017 are as follows:

Name of company	Place of incorporation and operation	Particulars of issued and paid up capital	Percentage of effective interests held by the Company	Principal activities
MSBVI*	BVI	100 shares totalling US$100	100%	Investment holding
MSL	Hong Kong	10,000 shares totalling HK$10,000	100%	Investment holding
MSML	Hong Kong	100 shares totalling HK$100	100%	Provision of advertising display services
Media Savvy In-Store Media Limited	Hong Kong	10,000 shares totalling HK$10,000	100%	Inactive/no business operation
Media Savvy Healthcare Media Limited	Hong Kong	10,000 shares totalling HK$10,000	100%	Inactive/no business operation
Medic Savvy Media Limited	Hong Kong	10,000 shares totalling HK$10,000	100%	Inactive/no business operation
A1 Advertising & Production Company Limited	Hong Kong	10,000 shares totalling HK$10,000	100%	Inactive/no business operation

* Issued capital held directly by the Company

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

31. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, the following transactions were carried out with related parties:

(i) Significant related party transactions during the year

	2017 HK$'000	2016 HK$'000
Operating lease rental paid to a related company		
— Golden Billion Investment Limited ("Golden Billion")	289	201

Golden Billion was owned by Mr. Lau Hon Chung Tony ("Mr. Tony Lau"), a former member of MSL, the subsidiary, up to 23 March 2016. In March 2016, Tony Lau's shareholding in MSL has been transferred to AL Capital Limited, which is owned by Mr. Lau Anthony Chi Sing, the existing shareholder and the son of Mr. Tony Lau. Rental expenses paid to Golden Billion were conducted in the normal course of business.

(ii) Compensation of key management personnel

	2017 HK$'000	2016 HK$'000
Short-term benefits	3,415	2,956
Post-employment benefits	64	62
	3,479	3,018

32. COMMITMENTS AND CONTINGENT LIABILITIES

(a) Operating lease commitments

The Group leases office equipment and certain advertising spaces under non-cancellable operating leases. The leases run for an initial period of 1 to 5 years (2016: 1 to 4 years) during the reporting period.

	2017 **HK$'000**	2016 HK$'000
Office equipment:		
Not later than one year	**24**	17
Later than one year and not later than five years	**89**	—
	113	17
Advertising spaces:		
Not later than one year	**17,801**	13,451
Later than one year and not later than five years	**19,375**	12,653
	37,176	26,104
Leasing of premises:		
Not later than one year	**332**	—
Later than one year and not later than five years	**443**	—
	775	—
	38,064	26,121

(b) Operating lease arrangements

As at 31 March 2017 and 31 March 2016, the Group did not have any significant operating lease arrangements.

(c) Capital commitments

As at 31 Mach 2017 and 31 March 2016, the Group did not have any significant capital commitments.

(d) Contingent liabilities

As at 31 Mach 2017 and 31 March 2016, the Group did not have any significant contingent liabilities.

33. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group's capital management objectives include:

(i) to safeguard the Group's ability to continue as a going concern, so that it continues to provide returns;

(ii) for members and benefits for other stakeholders; and

(iii) to provide capital for the purpose of strengthening the Group's risk management capability.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and member returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, capital expenditures and strategic investment opportunities.

Management of the Group regards total equity as capital. The amount of capital as at 31 March 2017 amounted to HK$59,347,000 (2016: HK$28,666,000), which the management considers as optimal having considered the projected capital expenditures and the projected strategic investment opportunities.

The gearing ratios as at the end of the reporting period were as follows:

	2017 **HK$'000**	2016 HK$'000
Bank borrowings	**–**	1,017
Total equity	**59,347**	28,666
Gearing ratio	**N/A**	3.5%

34. RETIREMENT SCHEME

Under the Mandatory Provident Fund Schemes Ordinance regulated by the Mandatory Provident Fund ("MPF") Schemes Authority in Hong Kong, with effect from 1 December 2000, the Group participates in a MPF scheme operated by an approved trustee in Hong Kong and makes contributions for its eligible employees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income. The cap of monthly relevant income has been increased from HK$25,000 to HK$30,000 since 1 June 2014. Contributions to the MPF Scheme vest immediately. For the year ended 31 March 2017, the aggregate amounts of employer's contributions made by the Group were HK$273,000 (2016: HK$246,000). No forfeited contribution is available for offset against existing contributions during the year.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group is also exposed to price risk arising from its investments in debt or equity portfolio funds.

(a) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of which and cause a financial loss to the Group.

The Group's exposure to credit risk mainly arises from granting credits to customers in the ordinary course of its operations and is limited to the carrying amounts of financial assets recognised at the end of the reporting period, as summarised in note 35(g).

The Group's trade and other receivables are actively monitored to avoid significant concentrations of credit risk. The Group is not exposed to any significant credit risk from any single counterparty or any group of counterparties having similar characteristics. The Group's bank balances are deposited with major banks in Hong Kong. The Group has no other significant exposure to credit risk.

The credit policies have been followed by the Group during the year and are considered to be effective.

(b) Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or other financial assets.

The Group monitors and maintains a level of cash and bank balances deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The Group's policy is to regularly monitor current and expected liquidity requirements in the short and long terms. The liquidity of the Group is primarily dependent on its ability to maintain adequate cash inflows from operations to meet its debt obligations. The Group relies on internally generated funds as a significant source of liquidity.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Liquidity risk (Continued)

The maturity profile of the financial liabilities as at the end of the reporting period, based on the contracted undiscounted payments, was as follows:

	Carrying amount HK$'000	Total contractual undiscounted cash flows HK$'000	On demand HK$'000	Less than three months HK$'000	Three to twelve months HK$'000
At 31 March 2017					
Non-derivatives:					
Trade payables	**569**	**569**	**468**	**101**	**—**
Accruals and other payables	**826**	**826**	**242**	**218**	**366**
Amount due to a director	**575**	**575**	**575**	**—**	**—**
	1,970	**1,970**	**1,285**	**319**	**366**
At 31 March 2016					
Non-derivatives:					
Trade payables	1,127	1,127	1,122	5	—
Accruals and other payables	765	765	291	45	429
Bank borrowings	1,017	1,017	1,017	—	—
	2,909	2,909	2,430	50	429

The following table summarises the maturity analysis of the Group's bank borrowings as at 31 March 2016 with repayment on demand clause based on agreed scheduled repayments set out in the loan agreements. The amounts included interest payments computed using contractual rates. As a result, these amounts were greater than the amounts disclosed in the "on demand" time banding in the maturity analysis contained above. Taking into account the Group's financial position, the management did not consider it was probable that the banks would exercise their discretion to demand immediate repayment. The management believed that such bank borrowings would be repaid in accordance with the scheduled repayment dates set out in the loan agreements. During the year, all these borrowings have been fully repaid.

	Carrying amount HK$'000	Total contractual undiscounted cash flows HK$'000	Within 1 year or on demand HK$'000	More than 1 year but less than 5 years HK$'000
At 31 March 2016	1,017	1,049	899	150

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Interest rate risk

The Group's interest rate risk arises primarily from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively.

As of 31 March 2016, the Group had a bank borrowing amounting to HK$1,017,000, bearing floating rates exposed the Group to cash flow interest rate risk. It was estimated that a general increase/decrease of 1% in interest rates, with all other variables held constant, would decrease/increased the Group profits by approximately HK$8,000.

As of 31 March 2017, the Group had no bank borrowings. The interest rate risk on the bank balances are considered minimal as they are short-term instruments with maturities of less than three month.

(d) Currency risk

The Group mainly operated in Hong Kong with most of the transactions settled in HK$ and did not have significant exposure to risk resulting from changes in foreign currency exchange rates.

(e) Price risk

The Group was exposed to price changes arising from financial instruments classified as available-for-sale financial assets which have been disposed of during the year.

As of 31 March 2016, all of the Group's unquoted investments were held for short to medium term strategic purposes. Their performances were assessed against performance of similar listed entities, based on the limited information available to the Group, together with an assessment of their relevance to the Group's strategic plans. The sensitivity analysis on price risk included the Group's financial instruments, which fair value or future cash flows would fluctuate because of changes in their corresponding or underlying asset's price. If the prices of the respective financial instruments had been 1% higher/lower, profit for the year would increase/decrease by approximately HK$32,000.

As of 31 March 2017, no unquoted investments were held by the Group.

(f) Fair value

Certain assets included in the Group's consolidated financial statements require measurement at, and/or disclosure of, fair value.

Due to the short term nature, the carrying value of financial instruments not measured at fair value as detailed in note 35(g) approximates fair value.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(f) Fair value (Continued)

The fair value measurement of the Group's financial assets utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "Fair Value Hierarchy"):

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period in which they occur.

The following table provides an analysis of financial instruments carried at fair value at the reporting date on a recurring basis by level of the Fair Value Hierarchy:

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
At 31 March 2017				
Available-for-sale financial assets at fair value	–	–	–	–
At 31 March 2016				
Available-for-sale financial assets at fair value	1,628	2,175	–	3,803

The fair value of available-for-sale financial assets was determined based on the quoted prices, which are considered as fair value, provided by the brokers.

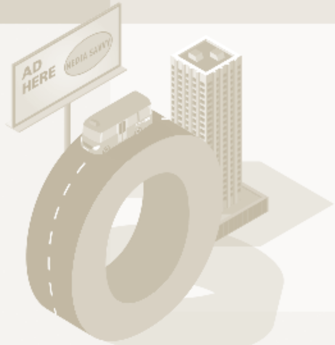
There were no transfers of financial asset or financial liability between Level 1 and Level 2 of the Fair Value Hierarchy during the year.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(g) Summary of financial assets and liabilities by category

The carrying amounts presented in the consolidated statement of financial position related to the following categories of financial assets and financial liabilities:

	2017 HK$'000	2016 HK$'000
Financial assets		
Available-for-sale financial assets:		
Available-for-sale financial assets at fair value	—	3,803
Loans and receivables (including cash and cash equivalents):		
Trade receivables	4,724	5,306
Deposits and other receivables	105	73
Amounts due from directors	—	1,786
Pledged bank deposits	1,908	468
Cash and bank balances	59,787	26,305
	66,524	37,741
Financial liabilities		
Financial liabilities measured at amortised cost:		
Trade payables	569	1,127
Accruals and other payables	826	765
Amount due to a director	575	—
Bank borrowings	—	1,017
	1,970	2,909



FINANCIAL SUMMARY

The summary of the consolidated results of the Group for each of the two years ended 31 March 2015 and 2016 and of the assets, liabilities and equity as at 31 March 2015 and 2016 have been extracted from the Prospectus. The consolidated results of the Group for the year ended 31 March 2017 and the consolidated assets, liabilities and equity of the Group as at 31 March 2017 are set out in the audited consolidated financial statements.

RESULTS

	Year ended 31 March		
	2017	2016	2015
	HK$'000	HK$'000	HK$'000
REVENUE	**59,528**	55,824	49,130
PROFIT BEFORE INCOME TAX EXPENSE	**443***	16,731	13,823
INCOME TAX EXPENSE	**(2,327)**	(2,535)	(2,164)
(LOSS)/PROFIT FOR THE YEAR	**(1,884)**	14,196	11,659
(LOSS)/PROFIT attributable to:			
Owners of the Company	**(1,884)**	14,196	11,659

* After deducting listing expenses of approximately HK$12.5 million for the year ended 31 March 2017.

ASSETS AND LIABILITIES

	As at 31 March		
	2017	2016	2015
	HK$'000	HK$'000	HK$'000
NON-CURRENT ASSETS	**210**	296	409
CURRENT ASSETS	**70,705**	41,712	42,909
TOTAL ASSETS	**70,915**	42,008	43,318
CURRENT LIABILITIES	**11,568**	13,342	20,800
TOTAL LIABILITIES	**11,568**	13,342	20,800
NET ASSETS	**59,347**	28,666	22,518
EQUITY			
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	**59,347**	28,666	22,518