Guru Online (Holdings) Limited
超凡網絡(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8121

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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*This annual report, for which the directors (collectively the "**Directors**" and each the "**Director**") of Guru Online (Holdings) Limited (the "**Company**", and together with its subsidiaries, the "**Group**", "**we**", "**our**" or "**us**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this annual report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this annual report misleading.*

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Yip Shek Lun
(Chairman and Chief Executive Officer)
Mr. Ng Chi Fung
Ms. Wan Wai Ting

Non-executive Directors

Mr. Wang Zhong Lei
Ms. Cheung Laam

Independent non-executive Directors

Mr. Tso Ping Cheong, Brian
Mr. David Tsoi
Mr. Hong Ming Sang
Mr. Lam Tung Leung

AUTHORISED REPRESENTATIVES

Mr. Yip Shek Lun
Mr. Tsui Siu Hung, Raymond *(FCCA, FCPA)*

COMPLIANCE OFFICER

Mr. Ng Chi Fung

COMPANY SECRETARY

Mr. Tsui Siu Hung, Raymond *(FCCA, FCPA)*

AUDIT COMMITTEE

Mr. Tso Ping Cheong, Brian *(Chairman)*
Mr. David Tsoi
Mr. Hong Ming Sang

REMUNERATION COMMITTEE

Mr. Hong Ming Sang *(Chairman)*
Mr. Yip Shek Lun
Mr. Lam Tung Leung

NOMINATION COMMITTEE

Mr. Lam Tung Leung *(Chairman)*
Mr. Yip Shek Lun
Mr. Tso Ping Cheong, Brian

REGISTERED OFFICE

Clifton House
75 Fort Street, PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

4/F., KOHO
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Kwun Tong
Hong Kong

PRINCIPAL BANKER

Hang Seng Bank Limited
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Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Estera Trust (Cayman) Limited
Clifton House, 75 Fort Street, PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
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183 Queen's Road East
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LEGAL ADVISERS TO THE COMPANY

As to Hong Kong law:

ONC Lawyers
Solicitors, Hong Kong
19th Floor, Three Exchange Square
8 Connaught Place
Central
Hong Kong

As to PRC law:

Beijing Pacific ZhongZheng Law Firm
PRC attorneys-at-law
West 6-5D, Century Jin Yuan Hotel
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PRC

As to Cayman Islands law:

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Cayman Islands attorneys-at-law
2206-19 Jardine House
1 Connaught Place
Central
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AUDITOR

SHINEWING (HK) CPA Limited
Certified Public Accountants
43rd Floor, Lee Garden One
33 Hysan Avenue, Causeway Bay
Hong Kong

STOCK CODE

8121

COMPANY'S WEBSITE ADDRESS

www.guruonline.hk

CHAIRMAN'S STATEMENT

CHAIRMAN’S STATEMENT

Dear Shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Directors**” and each a “**Director**”) of Guru Online (Holdings) Limited (the “**Company**”), I am pleased to present the annual report of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 March 2019 (the “**Year**”).

The digital marketing industry has continued to welcome a range of marketing solutions during the Year under review. As one of the industry leaders, the Group has integrated technology into its marketing projects through the adoption of programmable tools and technologies such as artificial intelligence, and thereby has succeeded in providing more personalised and customised solutions to customers. According to market research data, traditional advertising spending and online advertising spending by advertising customers were roughly at the same level in 2018, and the proportion is expected to be maintained in 2019. To enlarge market share, digital marketing service providers have to be creative and present their marketing solutions in innovative solution packages so as to enhance the interaction with consumers and help customers to turn their advertising investment into greater sales.

The Group’s creative and technology services focus on providing innovative solutions to its customers. In the previous financial year, the Group has incorporated facial expression and lip recognition functions in the offline activities that it has arranged in the shops of its customers. During the Year, the Group has further upgraded the technology to also incorporate a smile recognition function into the marketing project of a leading mobile payment transfer platform in Hong Kong. The Group has also supported that platform’s first large unmanned store at Olympian City, a major shopping mall in Hong Kong. Through the integration of various technologies, the platform can offer diversified services for consumers to experience the convenience offered by the new applications of mobile payment platform. The project has received high praise from the platform’s customers. In addition, the Group launched an online “Chatbot” for a customer last year which facilitated direct interaction with its target customers through mobile communication tools on the world’s most popular social media platform. This innovative service has won the patronage of a larger number of customers. In addition, the Group has also adopted highly effective programmes to add automation functions such as voice recognition and facial expression recognition which both upgrade user experience and enable deeper interaction with the brands.

During the Year, revenue from the China market recorded growth of 48.43%. The Group has built high brand awareness in China’s Internet tourism market as it has diversified its customer base to capture more tourism-related customers and at the same time secured a broader horizontal segment of commercial consumers. Through integrating online and offline promotions in one of its key projects, the Group assisted a tourism customer from a provincial capital city in China to collaborate on a marketing project with a film studio and theme park in the US and a major US financial TV broadcaster. The project marked the first marketing campaign organised by a Chinese brand in an Online-to-Offline format in the film studio and theme park in Los Angeles, as well as the launch of digital marketing advertising on the financial TV broadcaster and a large outside display adjacent to Nasdaq MarketSite Tower. This breakthrough, plus the promotion through other social media, has helped shatter online and offline barriers and created all-round and multi-dimensional cross-media marketing projects.

In addition to business development, the Group has continued to maintain a good reputation in the industry as evidenced by the industry awards it has garnered during the Year, including the 2018 Best Concept – Customer Engagement, Best Concept – Experiential, Best Concept – Influencer and Best Use of Technology by Marketing. The Group was also the winner of the LinkedIn Award, becoming the first digital marketing company in Hong Kong to receive this award and solid testimony to the recognition of the Group's strengths across various sectors. Looking ahead, the Group will continue to apply its expertise and creativity to create more innovative solutions addressing different needs of the market.

With the digital marketing industry progressing at a tremendous pace, companies not only need to thoroughly understand customers' needs, but also have to create new and innovative solutions while maintaining the essence of the original products and services. In addition, they must implement new technologies in their business and devise new models so they can keep abreast of the latest trends and stand out in the market. New technologies such as Big Data[#], the Internet-of-Things and AI will remain as the main drivers boosting the growth of the digital marketing industry, while technologically-oriented marketing projects will be the next major trend. As such, the Group will continue to enhance its competitiveness and closely monitor the market trend in order to seize opportunities for expansion and create value for shareholders.

Last but not least, on behalf of the Board and the management of the Group, I wish to express my heartfelt appreciation to all of our staff for their hard work and also to our shareholders for their steadfast support in the past year. I also wish to thank all of our shareholders, investors, customers, suppliers and business partners for their constant endorsement of and collaboration with the Group.

Big Data: the information assets characterised by such a high volume, velocity and variety to require specific technology and analytical methods for its transformation into value.

Yip Shek Lun
Chief Executive Officer, Chairman of the Board and Executive Director
20 June 2019

* *For identification purpose only*

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

The Group is principally engaged in the provision of integrated digital marketing services in Hong Kong. To formulate and implement marketing strategies and launch marketing campaigns for its customers, the Group mainly utilises digital media such as social media platforms, apps, mobile sites and websites. The goal of the Group is to become a sizable and influential Internet enterprise and to enable our customers to promote their businesses in different areas of the world through the power and reach of the Internet.

BUSINESS REVIEW

The Group offers a range of integrated digital marketing services mainly including (i) social media management services; (ii) digital advertisement placement services; and (iii) creative and technology services.

The Group's integrated digital marketing business has continued to steadily grow. More and more customers are adding digital marketing to their budgets when they plan their marketing solutions, mainly because they are realising that they can both monitor the return on advertising spending more precisely and reach their target customers more easily. Besides, new technologies including Big Data*, the Internet-of-Things and artificial intelligence can facilitate the development of digital marketing and include the information about customers' markets, thus improving the chance of reaching their target customers and, ultimately, receiving orders.

During the Year under review, the demand for innovative, customised digital marketing solutions from customers has steadily risen, so the Group's creative and technological services have performed particularly well. The Group has secured more tourism-related customers from provinces and cities across China, as well as general consumer business customers domestically. One major project involved an online-to-offline (O2O) promotion. Here, the Group helped a tourism customer from a provincial capital city of China organise a marketing project with a film production company, a theme park and a major financial TV station from the United States. This marked the first time that the Group has held a marketing activity with Chinese branding elements at a film production company and theme park in Los Angeles, and digital advertisements were also run on the financial TV station and outside the Nasdaq building, together with the promotion on other social media. This project shattered the barrier between online and offline media, achieving a successful multi-dimensional cross-media marketing project.

In addition, the Group has used a facial expression recognition and lip recognition application as part of an offline activity at the stores of its customers since the previous financial year. In the Year under review, the Group has further upgraded the technology to include a smile recognition feature, and introduced the application into a marketing project for a leading mobile payment and transfer platform in Hong Kong. Various technologies and services including smile recognition and a robotic preparation and serving coffee function were added at the first unmanned store in Hong Kong organised by the customer, allowing more consumers to appreciate the convenience of this brand new mobile payment platform. The project has gained high praise from the customers. Furthermore, the Group introduced an online "Chatbot" with application automation and AI technology for a customer last year, achieving direct interaction with target groups through a mobile communication tool within the most popular social platform in the world. The "Chatbot" will gradually replace traditional customer services enabling more effective customer relationship management and marketing activities. This service has been well-received by more customers. To maintain its industry-leading presence, the Group has added the upgraded features into the solution such as voice and facial expression recognition to provide a truly unique experience for consumers.

The Group has strived to integrate innovative technologies into its marketing projects in order to provide more customised solutions with a personal touch for customers. In the Year under review, the Group has launched marketing projects that complement customer's internal data analysis for a luxury vehicle brand from Germany and a famous indoor amusement park for a company with headquarters in Finland. The designs of these projects included a data system that allows real-time management, such as observing the response of marketing activities in real-time and conducting multi-dimensional analysis comprising data optimisation, sorting and classification. This capability enables the company to launch individualised special offers based on the habits and preferences of target customers, improve customer interaction, enhance their spending sentiment effectively and, ultimately, achieve the objective of increasing orders.

In addition to innovation and technology services, the Group's digital advertisement placement service has also achieved significant business advances. In the Year under review, the Group's wholly-owned subsidiary has engaged in strategic cooperation with the New York Times to become its advertising agency (including online advertisements) in China. Overseas media is one of the main channels for Mainland enterprises to reach their target customers. The New York Times is major newspaper and media with international influence and boasts a huge and loyal reader base with more than 172 million users and more than 3 million paid readers globally, so it is believed that the strategic partnership will benefit the long-term development of both parties.

FINANCIAL REVIEW

Revenue

The Group's revenue was generated from the integrated digital marketing business which divided from the provision of (i) social media management services; (ii) digital advertisement placement services; and (iii) creative and technology services. During the Year, total revenue of the Group grew by approximately 17.18% from approximately HK$176.76 million for the year ended 31 March 2018 to approximately HK$207.13 million for the Year.

For the Year, revenue generated from (i) social media management services amounted to approximately HK$79.45 million (2018: approximately HK$79.54 million), accounting for approximately 38.36% of our total revenue (2018: approximately 45.00%); (ii) digital advertisement placement services for the Year amounted to approximately HK$30.11 million (2018: approximately HK$37.73 million), representing approximately 14.53% of our total revenue (2018: approximately 21.34%); (iii) creative and technology services amounted to approximately HK$97.57 million (2018: approximately HK$59.50 million), constituting approximately 47.11% of our total revenue (2018: approximately 33.66%).

Overall, the increase in revenue generated from creative and technology services outweighed the decrease in revenue generated from digital advertisement placement services. The revenue generated from creative and technology services has significantly increased by around 64% for the Year because of higher demands on the integrated digital marketing consultancy services in the PRC market.

Other Income, gains or losses

Other income, gains or losses of the Group increased by approximately 6.25% from approximately HK$1.28 million for the year ended 31 March 2018 to approximately HK$1.36 million for the Year, which was mainly attributable to the increase in gain on disposal of investment properties during the Year.

SELLING EXPENSES

Staff costs

Our staff costs mainly comprised the salaries and performance bonus payable to the Directors, service teams, executives and staff of the Group, as well as payments to the Mandatory Provident Fund Scheme.

For the two years ended 31 March 2018 and 2019, our staff cost under selling expenses amounted to approximately HK$8.21 million and HK$10.08 million, representing approximately 4.64% and 4.87% of our revenue, respectively.

Sales commission

For the two years ended 31 March 2018 and 2019, our sales commission amounted to approximately HK$5.18 million and HK$6.59 million, representing approximately 2.93% and 3.18% of our revenue, respectively.

Marketing-related expenses

For the two years ended 31 March 2018 and 2019, our marketing-related expenses amounted to approximately HK$3.45 million and HK$4.25 million, representing approximately 1.95% and 2.05% of our revenue, respectively.

ADMINISTRATIVE EXPENSES

The Group's administrative expenses decreased by approximately 8.77% from approximately HK$72.04 million for the year ended 31 March 2018 to approximately HK$65.72 million for the Year. The administrative expenses mainly comprised rental expenses, utility expenses, building management fees, recruitment-related expenses, legal and professional fees and listing-related expenses. The decrease in administrative expenses for the Year was mainly due to the decrease in contribution to development of blockchain projects.

FINANCE COSTS

The Group did not incur any finance costs for the Year as the Group did not have any loans, borrowings or balances due to related companies or financial institutions (2018: Nil).

INCOME TAX EXPENSES

The income tax expenses decreased from approximately HK$0.58 million for the year ended 31 March 2018 to nil for the Year, which was mainly attributable to the decrease in PRC Enterprise Income Tax for the Year.

LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY

For the Year, loss attributable to owners of the Company was approximately HK$27.58 million, as compared to approximately HK$28.89 million of loss attributable to owners of the Company for the year ended 31 March 2018. The decrease in loss attributable to owners of the Company was mainly due to continue implementing the expenses control policy.

LIQUIDITY AND CAPITAL RESOURCES

As at 31 March 2019, the Group's current ratio was 1.78, compared to 1.96 as at 31 March 2018. The decrease in current ratio was mainly due to decrease in held-to-maturity investments. As at 31 March 2019, the Group's bank balances and cash totalled approximately HK$7.96 million (2018: approximately HK$18.57 million).

The total interest-bearing loans and borrowings (interest-bearing bank borrowings and bank overdrafts) of the Group as at 31 March 2019 were nil (2018: nil).

During the Year, the Group did not experience any withdrawal of facilities, default in payment of trade and other payables, bank borrowing or breach of financial covenants. As at 31 March 2019, there was no amount due to related parties (2018: Nil). The Group does not have a foreign currency hedging policy. However, we monitor our exposure to foreign currency risk on an ongoing basis and would consider hedging against significant foreign currency exposure should it be necessary. The Group's financial position remained solid and we have sufficient bank balances and cash denominated in RMB to meet our foreign exchange liabilities as they become due.

Our contractual commitments mainly involve leases of office properties. As at 31 March 2019, the total commitment for future minimum lease payments under non-cancellable operating lease was approximately HK$7.15 million (2018: approximately HK$14.83 million).

CAPITAL STRUCTURE

On 29 May 2015 (the "**Listing Date**"), the shares of the Company (the "**Shares**") were successfully listed on GEM of the Stock Exchange (the "**Listing**"). Since then, the Group's capital structure has not changed. Our equity consists only of ordinary shares. As at the date of this annual report, the Company's issued share capital amounted to HK$16,672,000 and the number of issued ordinary shares is 1,667,200,000 with a par value of HK$0.01. Our contract commitments mainly involve leases of office properties.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save for the business plan disclosed in the prospectus of the Company dated 22 May 2015 (the "**Prospectus**") or otherwise disclosed in this annual report, the Group did not have any future plans for material investments or capital assets as at 31 March 2019.

SIGNIFICANT INVESTMENT HELD

Held-to-maturity investments

As at 31 March 2019, the Group does not have any held-to-maturity investments.

As at 31 March 2018, the Group had held-to-maturity investments in the aggregate initial investment cost of approximately HK$6.64 million, which consists of 2 corporate bonds. The amortised cost of the held-to-maturity investments as at 31 March 2018 was approximately HK$6.61 million. The details of held-to-maturity investments are set out in note 19 to the consolidated financial statements.

Available-for-sale investments

As at 31 March 2018, the Group had available-for-sale investments in the aggregate initial investment cost of approximately HK$28.21 million, which consists of 4 unlisted investment funds domiciled in Luxembourg and Hong Kong, 26 listed investment funds domiciled in Luxembourg, the Ireland, the United States, the United Kingdom, the Cayman Islands and Hong Kong and 2 unlisted equity securities investment in Hong Kong. The Group had available-for-sale investments, amounted to approximately HK$27.65 million as non-current assets of which HK$26.15 million was measured at fair value for fund investments and HK$1.50 million was measured at cost for unlisted equity securities. Upon adoption of HKFRS 9, the Group had reclassified the available-for-sale investments to Financial Asset at Fair Value Through Other Comprehensive Income ("**FVTOCI**") and Financial Asset at Fair Value Through Profit or Loss ("**FVTPL**"), therefore no available-for-sale investments as at 31 March 2019. The details of available-for-sale investments are set out in note 20a to the consolidated financial statements.

FVTOCI

As at 31 March 2019, the Group had unlisted fund investment at fair value of approximately HK$2.50 million which had been classified as non-current assets (2018: Nil). The details of FVTOCI are set out in note 20b to the consolidated financial statements.

FVTPL/Held for trading investments

As at 31 March 2019, the Group had the following investments which are classified as FVTPL in current assets: (i) 5 (2018: 6) equity securities listed in Hong Kong with a fair value of approximately HK$2.37 million (2018: HK$4.34 million); (ii) 9 listed investment funds domiciled in Luxembourg and Hong Kong with a fair value of approximately HK$6.34 million and (iii) 2 unlisted investment funds domiciled in Luxembourg and Hong Kong with a fair value of approximately HK$2.06 million. For (ii) and (iii), those fund investments were classified as available-for-sale investments as at 31 March 2018 and reclassified as FVTPL upon adoption of HKFRS 9. Further information held for trading investments are set out in note 25 to the consolidated financial statements.

Investment properties

As at 31 March 2019, the Group had investment properties measured at cost less depreciation and impairment, the aggregate carrying amount of which was approximately HK$26.76 million (2018: approximately HK$21.32 million), which consisted of 8 car parks spaces and 3 leasehold premises (2018: 10 car parks spaces and 1 leasehold premises). The investment properties were purchased from different parties at consideration ranging from approximately HK$3.89 million to HK$6.08 million. The fair value of the investment properties as at 31 March 2019 was approximately HK$32.52 million (2018: approximately HK$26.65 million). The Group intends to hold the investment properties for capital appreciation. The details of investment properties are set out in note 17 to the consolidated financial statements.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 March 2019 (2018: Nil).

CHARGE OF ASSETS

The Group did not have any charges on its assets as at 31 March 2019 (2018: Nil).

FOREIGN EXCHANGE EXPOSURE

As at 31 March 2019, the Group had a portion of its bank deposits denominated in RMB. The Group does not have a foreign currency hedging policy but the management of the Group monitors the Group's exposure to foreign currency risk and would consider taking appropriate actions when necessary. The above-mentioned bank deposits denominated in RMB amounted to approximately HK$0.67 million as at 31 March 2019 (31 March 2018: approximately HK$2.79 million).

GEARING RATIO

As at 31 March 2019, the Group did not have any interest-bearing debt and hence gearing ratio was not applicable (2018: Nil).

DIVIDEND

The Board has resolved not to recommend a final dividend for the financial year ended 31 March 2019 (2018: Nil).

TREASURY POLICIES

The Group has adopted a conservative approach towards its treasury policies. The credit risk facing the Group is primarily attributable to trade receivables, rental deposits, amounts due from associates, pledged bank deposits, bank balances and held for trading investments. In order to minimise the credit risk, the management of the Group regularly reviews the recoverable amount of each individual trade debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. Through these actions, the Directors considered that the Group's credit risk on trade debts has been significantly reduced. Our concentration of credit risk by geographical locations is mainly in Hong Kong, which accounted for approximately 76% and 75% of the total trade receivables as at 31 March 2019 and 2018, respectively.

Amounts due from associates of the Company are continuously monitored by assessing the creditworthiness of the counterparties, taking into account their financial position, payment history and other factors. Where necessary, an impairment loss is made for estimated irrecoverable amounts. The credit risk on bank balances and held for trading investments is considered to be limited because the counterparties were banks and large corporations, respectively, with high credit ratings assigned by international credit-ratings agencies. Save and except for the pledged bank deposit mentioned above, none of the Group's financial assets were secured by collateral or other credit enhancements.

FINANCIAL KEY PERFORMANCE INDICATORS

For the Year, the Group's total revenue was approximately HK$207.13 million (2018: approximately HK$176.76 million). Loss attributable to owners of the Company was approximately HK$27.58 million (2018: HK$28.89 million). Loss per share attributable to owners of the Company for the Year was HK1.65 cents (2018: HK1.73 cents).

During the Year, the Group resulted a decrease in loss due to the decrease in contribution to development of blockchain projects. The Company targets to continue implementing the expenses control policy and to show reduction in loss.

As at 31 March 2019, the current ratio was approximately 1.78 (2018: approximately 1.96). The Group did not have any interest-bearing debt and hence gearing ratio was not applicable as at 31 March 2019 (2018: Nil). The Group's financial position remained solid.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2019, the Group employed 241 full-time employees (2018: 262). For the Year, staff costs of the Group (including Directors' emoluments) were approximately HK$99.46 million (2018: approximately HK$92.08 million). Remuneration is determined with reference to market terms and the performance, qualification and experience of the employees aiming at attracting and retaining eligible employees to contribute to the Group. Apart from basic remuneration, share options may be granted under the share option scheme of the Company to eligible employees by reference to the Group's performance as well as the individual's contribution.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's key risk and uncertainty are summarised as follows:

(i) The Group's ongoing operations and growth could be affected if it fails to attract, recruit or retain key personnel including the executive Directors, senior management and key employees;

(ii) The Group rely on a major supplier, Viral Digital Studio Limited ("**VDS**") for the provision of online monitoring services, and any disruption in the provision of services from VDS or the Group's inability to identify alternative service providers may affect the Group's business operations and financial results;

(iii) The Group's clients may delay in settlement of its bills, which may result in material adverse impact on the Group's business, financial conditions and results of operations;

(iv) The Group's reputation, brand name and business could be adversely affected by instances of misconduct by third parties, including the Group's partner websites, apps, mobile sites, service providers and advertising agencies, all of whom being independent entities and hence the Group does not have direct control on these third parties in relation to the contents shown on their websites, app and mobile sites or their activities;

(v) The Group's business and financial performance may be adversely affected and the business sustainability may also be adversely affected if the Group are unable to secure engagements from clients through the tendering process.

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

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Directors believe that the digital marketing service industry in which the Group operates its integrated digital marketing business is not a major source of environmental pollution, and the impact of the Group's operations on the environment is minimal.

The Group is committed to establishing itself as an environmentally-friendly corporation that pays close attention to conserving natural resources, the Group strives to minimise the environmental impact by, *inter alia*, saving electricity and encouraging recycle of office supplies and other materials.

During the Year, the Group is not subject to any major environmental claims, lawsuits, penalties or disciplinary actions.

For more details of the Group's environmental policies and performance, please refer to the section headed "Environmental, Social and Governance Report" in this annual report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group's operations are mainly carried out by the Company's subsidiaries in Hong Kong and the PRC while the Company itself is an investment holding company listed on GEM of the Stock Exchange. Our establishment and operations accordingly shall comply with the relevant laws and regulations in Hong Kong and the PRC. During the Year and up to the date of this annual report, the Group has complied with all the relevant laws and regulations in Hong Kong and the PRC in all material respects for the business operations of the Group.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Directors are of view that employees, customers and suppliers are the keys to the sustainable development of the Group. The Directors believe that the Group maintains good working relations with its employees and suppliers and there has not been any labour strike within the Group during the Year, and it endeavours to improve the quality of services to the customers.

Employees are regarded as the most important and valuable assets of the Group. The Group provides various types of trainings and interest groups to its employees, which include (i) conducting weekly in-house market and company updates and development seminars; (ii) providing weekly customer relationship-related training programmes; (iii) subsidising its staff for pursuing further studies in related fields; and (iv) organising several interest groups for encouraging work-life balance.

The Group also stays connected with its customers and suppliers and has ongoing communication with its customers and suppliers through various channels such as telephone, electronic mails and physical meetings to obtain their feedback and suggestions.

OUTLOOK AND PROSPECTS

Looking ahead, the digital marketing industry still has enormous room for development. We have maintained close communications with our customers, many of which have allocated resources to digital marketing in their annual marketing budget. Coupled with uncertainties in the macro-economic environment, the customers tend to use more effective marketing solutions to gain greater exposure. To seize the market opportunity, the Group has to keep abreast of the market trends. The Group believes that the success of technology-driven marketing projects will further promote overall development of the digital marketing business, and thus it will continue to allocate resources to drive business growth in a bid to boost the total revenue.

The Group has invested resources in the past two years to incorporate innovative technologies such as facial expression, lip, smile and voice recognition functions in our solutions. In view of the popularity among our customers, we will continue to strengthen the online "Chatbot" function and provide more innovative round-the-clock and automated system marketing activities to meet the preference of our target customers, thereby enhancing the loyalty of our target customers to our brand.

Digital marketing practices have changed rapidly. With respect to the new media, short videos have recorded explosive growth in 2018, becoming an important highlight in the market. The Group believes that short video is an emerging trend in social media with huge development potential, thus we have endeavoured to penetrate that market. Consequently, the Group has successfully signed a cooperation agreement with one of China's most popular video social platforms with 680 million active users. The Group believes that the cooperation agreement will help the brand to achieve effective communication with the users and bring more new opportunities and, ultimately, a new income source.

Leveraging its established reputation in China and Hong Kong, the Group intends to expand to other geographical locations. We believe that Taiwan has significant demand for digital marketing, in particular from the general consumers and commercial customers. The capability to explore new customer sources can tremendously benefit the Group's overall long-term development.

To summarise, the management has high confidence in the Group's prospects for long-term development. The Group will continue to grasp the opportunities within the Internet industry as it creates greater value for shareholders.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Yip Shek Lun (葉碩麟), aged 37, was appointed as an executive Director on 6 February 2014 and has been holding this position since then. He is also the chief executive officer and chairman of the Board. Mr. Yip is one of the founders of the Group and one of the controlling shareholders of the Company. Mr. Yip is primarily responsible for the day-to-day management of the Group, formulating overall business development strategies and overseeing the PRC operations of the Group. He is a member of the remuneration committee and nomination committee of the Board. Mr. Yip is the spouse of Ms. Wan Wai Ting.

Mr. Yip graduated from The Chinese University of Hong Kong in Hong Kong in December 2004, with a degree of bachelor of business administration. From July 2004 to April 2006, Mr. Yip was the assistant account manager of Procter & Gamble Hong Kong Ltd, a consumer goods company. From May 2006 to April 2007, he worked as the marketing manager of La Souhait Cosmetic Limited, the principal business of which was the trading of cosmetic products, and was later appointed as its marketing director serving the Greater China region.

Mr. Yip is also a director of AdBeyond Holdings Limited ("**AdBeyond BVI**"), AdBeyond (Group) Limited ("**AdBeyond HK**"), COMO Group Holding Limited ("**COMO BVI**") and Glo Media Limited (formerly known as COMO Group Limited) ("**Glo Media HK**"); a supervisor of 廣州超帆信息科技有限公司 (AdBeyond (Group) Limited*) ("**AdBeyond GZ**"), 北京超帆文化傳播發展有限公司 (Beijing AdBeyond Culture Media Development Limited*) ("**AdBeyond BJ**") and 南京高訊文化傳媒有限公司 (Nanjing Glo Media Limited*) (formerly known as 南京看團信息科技有限公司 (Nanjing Travel Information Technology Limited*)) ("**Glo Media NJ**"), respectively, all of which are wholly-owned subsidiaries of the Company. In addition, Mr. Yip is a director of Cooper Global Capital Limited ("**Cooper Global**") which is one of the controlling shareholders of the Company.

Mr. Ng Chi Fung (伍致豐), aged 36, was appointed as a Director on 10 January 2014 and was re-designated as an executive Director on 6 February 2014. He has been an executive Director since then. Mr. Ng is also one of the founders of the Group and one of the controlling shareholders of the Company. Mr. Ng is primarily responsible for the overall business administration, sales and marketing and management of the Group.

Mr. Ng graduated from The Wharton School of Finance and Commerce at the University of Pennsylvania in the United States of America (the "**United States**"), with a degree of bachelor of science in economics majoring in finance and accounting in May 2004. Mr. Ng has successfully completed all three levels of the CFA Program organised by the CFA Institute in June 2006.

* *For identification purpose only*

From August 2004 to December 2005, Mr. Ng worked in McKinsey & Company, a management consulting firm, as a business analyst. In June 2005, Mr. Ng founded a health care company, Home of the Elderly Consultancy Limited, which specialises in providing elderly home referral services to the elderly and their families and has been acting as its chairman and non-executive director since then. Mr. Ng was a non-executive director of AMOS Enterprises Limited, a technology company which focuses on providing and developing innovative solutions on electrical, electronic and information technology. Mr. Ng is the 2014 president of Junior Chamber International Peninsula (Hong Kong), an international organisation for young professionals and entrepreneurs which aims to foster youngsters' leadership skills, social responsibility, enhance international friendship and build business network. Mr. Ng was a screening committee member of Hong Kong Business Angel Network, a non-profit making organisation with the mission to foster angel investment in Hong Kong.

Mr. Ng is also a director of AdBeyond BVI, AdBeyond HK, COMO BVI, Glo Media HK, iMinds Interactive Holdings Limited ("**iMinds BVI**") and iMinds Interactive Limited ("**iMinds HK**"), respectively, all of which are wholly-owned subsidiaries of the Company.

Ms. Wan Wai Ting (尹瑋婷), aged 36, was appointed as an executive Director on 6 February 2014 and has been holding this position since then. Ms. Wan is also one of the founders of the Group and one of the controlling shareholders of the Company. Ms. Wan is the chief creative director of AdBeyond HK, a wholly-owned subsidiary of the Company. She is responsible for supervising our PRC business development and projects. Ms. Wan is the spouse of Mr. Yip Shek Lun, an executive Director, chief executive officer and chairman of the Board.

Ms. Wan obtained her degree of bachelor of business administration from The Chinese University of Hong Kong in Hong Kong in December 2004. From December 2004 to October 2006, she worked as the marketing executive of AOM Sun Ltd, the sole agent of CITIZEN electronic products, where she was responsible for liaising with advertising agencies, organising promotional activities and analysing marketing strategies.

Ms. Wan led the Group in winning several awards throughout the markets in Asia-Pacific and Hong Kong, such as the Marketing Magazine's Marketing Events Award 2016 and the ROI Festival 2016.

Ms. Wan is also a director of AdBeyond BVI, AdBeyond HK, COMO BVI and Glo Media HK and the supervisor of AdBeyond GZ, AdBeyond BJ and Glo Media NJ, respectively, all of which are wholly-subsidiaries of the Company. In addition, Ms. Wan is a director of Cooper Global which is one of the controlling shareholders of the Company.

NON-EXECUTIVE DIRECTORS

Mr. Wang Zhong Lei (王忠磊), aged 49, was appointed as a non-executive Director on 9 December 2015 and has been holding this position since then. Mr. Wang graduated from Beijing Youth Politics College. He has nearly 20 years of management experience in marketing and is a well-known film producer in the PRC.

* *For identification purpose only*

Mr. Wang has successively served as an employee of 中國機電設備總公司 (China Mechanical and Electrical Equipment Corporation*), the chief executive officer of 北京華誼展覽廣告公司 (Beijing Huayi Exhibition & Advertising Company*), the vice-general manager of 北京華誼兄弟廣告有限公司 (Beijing Huayi Brothers Advertising Co., Ltd.*) and the vice-general manager of 北京華誼兄弟影業投資有限公司 (Beijing Huayi Brothers Film Investment Co., Ltd.*). Mr. Wang co-founded Beijing Huayi Brothers Advertising Co., Ltd. with Mr. Wang Zhong Jun in 1994. He is currently a director and the general manager of 華誼兄弟傳媒股份有限公司 (Huayi Brothers Media Corporation*) (a company listed on the ChiNext of the Shenzhen Stock Exchange, stock code: 300027), a substantial shareholder of the Company; a director of 華誼兄弟國際有限公司 (HUAYI BROTHERS INTERNATIONAL LIMITED*) (a wholly-owned subsidiary of Huayi Brothers Media Corporation), a substantial shareholder of the Company; an executive director of Huayi Tencent Entertainment Company Limited (a company listed on the Stock Exchange, stock code: 419); and a director of Huayi Brothers Korea Co., Ltd., (a company listed on the Korea Exchange, KOSDAQ: 204630).

Ms. Cheung Laam (張嵐), aged 44, was appointed as a non-executive Director on 6 February 2014 and has been holding this position since then. Ms. Cheung is the sister of Mr. Cheung Wing Hon, a former Director.

Ms. Cheung attended The College Economics of The University of Chicago in the United States, and graduated with a degree of bachelor of arts in June 1996. Since December 2010, Ms. Cheung has been the executive director of 諾心食品(上海)有限公司 (Nouxin Food and Production Co. Ltd.*), the principal business of which is production, sale and delivery of bakery products in the PRC.

Ms. Cheung is also a director of AdBeyond BVI and AdBeyond HK, respectively, both of which are wholly-owned subsidiaries of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tso Ping Cheong, Brian (曹炳昌), aged 39, was appointed as an independent non-executive Director on 28 May 2014 and has been holding this position since then. He is the chairman of the audit committee and a member of the nomination committee of the Board.

Mr. Tso graduated from The Hong Kong Polytechnic University in Hong Kong, with a degree of bachelor of arts in accountancy in November 2003 and a degree of master of corporate governance in October 2013. Mr. Tso has over 14 years of accounting and financial experience. From September 2003 to July 2007 and August 2007 to November 2008, Mr. Tso worked at the Hong Kong office and Shenzhen office, respectively, of Ernst & Young, a multinational accounting firm, with the last position as manager. From December 2008 to May 2010, Mr. Tso was the financial controller of Greenheart Group Limited, a company listed on the Stock Exchange (stock code: 94). From May 2010 to August 2012, Mr. Tso was the senior vice president of Maxdo Project Management Company Limited, a project management company. Since January 2013, Mr. Tso has been the sole proprietor of Teton CPA Company, a certified public accountants firm.

* *For identification purpose only*

Mr. Tso was admitted as (i) a member of the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") in September 2008 and advanced to fellowship status in October 2015; (ii) a member of The Association of Chartered Certified Accountants in October 2006 and advanced to fellowship status in October 2011; (iii) an associate of The Institute of Chartered Secretaries and Administrators in January 2014 and advanced to fellowship status in November 2015; and (iv) a member of The Hong Kong Institute of Chartered Secretaries in January 2014 and advanced to fellowship status in November 2015.

Mr. Tso is currently an independent non-executive director of the following companies listed on the Stock Exchange: Larry Jewelry International Company Limited (stock code: 8351) since October 2014, Newtree Group Holdings Limited (stock code: 1323) since February 2015 and Shenglong Splendecor International Limited (stock code: 8481) since June 2018.

Mr. David Tsoi (蔡大維), aged 72, was appointed as our independent non-executive Director on 28 May 2014 and has been holding this position since then. He is a member of the audit committee of the Board.

Mr. Tsoi obtained a master's degree in business administration from the University of East Asia, Macau (currently known as University of Macau) in the Macau Special Administrative Region of the PRC in October 1986. Mr. Tsoi currently practises as the managing director of Alliott, Tsoi CPA Limited, a certified public accountants firm. He was admitted as a member of the HKICPA and advanced to fellowship in December 1981 and October 1989, respectively, and is currently a fellow of the HKICPA. Mr. Tsoi was admitted as a fellow member in October 1986 and is currently a member of the Taxation Institute of Hong Kong. Mr. Tsoi was admitted as a member in 1992 and is currently a member of the Canadian Certified General Accountants Association of Hong Kong. Mr. Tsoi was admitted as a member of the Association of Chartered Certified Accountants in September 1981, advanced to fellowship status in September 1986, and is currently a member in good standing. Mr. Tsoi was admitted as a fellow of CPA Australia in November 2009 and is currently a fellow of the Institute of Chartered Accountants in England and Wales since May 2015.

Mr. Tsoi is currently an independent non-executive director of the following companies listed on the Stock Exchange: Universal Technologies Holdings Limited (stock code: 1026), VPower Group International Holdings Limited (stock code: 1608), Green International Holdings Limited (stock code: 2700), Everbright Grand Assets Limited (stock code : 3699) and Tianli Holdings Group Limited (stock code : 117).

Mr. Hong Ming Sang (項明生), aged 49, was appointed as an independent non-executive Director on 28 May 2014 and has been holding this position since then. He is a member of the audit committee and the chairman of the remuneration committee of the Board.

Mr. Hong graduated from The University of Hong Kong in Hong Kong, with a degree of bachelor of arts in December 1992. He obtained a diploma in marketing and international business from The Chinese University of Hong Kong in Hong Kong in October 1997. In June 2007, Mr. Hong co-founded Asia HD Association Limited, a non-profit making organisation on the promotion of high-definition technology development in Hong Kong, and has been one of its directors since then. From September 2011 to November 2013, Mr. Hong was one of the directors of Sony Computer Entertainment Hong Kong Limited, a video game company. From November 2013 to November 2015, Mr. Hong was the chief executive officer of Gameone Group Limited. Mr. Hong was a non-executive director of Gameone Holdings Limited (a company listed on the Stock Exchange, stock code: 8282) from 2 October 2015 to 1 March 2017.

Mr. Lam Tung Leung (林棟樑), aged 34, was appointed as an independent non-executive Director on 28 May 2014 and has been holding this position since then. He is a member of the remuneration committee and the chairman of the nomination committee of the Board.

Mr. Lam graduated from Oxford Brookes University in the United Kingdom, with a degree of bachelor of arts in law with accounting in June 2006. He subsequently obtained a postgraduate certificate in laws from The University of Hong Kong in Hong Kong in August 2007. Mr. Lam was admitted to practise law as a solicitor in Hong Kong in January 2010 and has been a member of The Law Society of Hong Kong since then. Mr. Lam has been practising as a solicitor in Hong Kong for over seven years and is currently working as a consultant with emphasis on corporate finance practice in Zhong Lun Law Firm, a law firm in Hong Kong.

SENIOR MANAGEMENT

Mr. Wong Yuet Fu, Alfred (黃越富), aged 34, joined the Group in October 2011 as the chief accountant of AdBeyond HK and is currently the chief financial officer of the Group. He is primarily responsible for the overall accounting and financial management of the Group.

Mr. Wong attended a student exchange programme at HES Amsterdam School of Economics and Business in the Netherlands from January 2006 to May 2006 and graduated from The Hong Kong Polytechnic University in Hong Kong, with a degree of bachelor of science in global supply chain management in December 2007. From January 2008 to September 2009 and October 2009 to February 2011, Mr. Wong worked at Lowe Bingham & Matthews PricewaterhouseCoopers (Macau) and PricewaterhouseCoopers Ltd. (Hong Kong), both being multinational accounting firms, respectively, with the last position as a senior associate. He was admitted in May 2011 and is currently a member of the HKICPA.

The Directors are pleased to present this annual report together with the audited consolidated financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of the Group's subsidiaries are set out in note 35 to the consolidated financial statements.

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

The Company's principal place of business in Hong Kong is 4th Floor, KOHO, 73-75 Hung To Road, Kwun Tong, Hong Kong.

CLOSURE OF REGISTER OF MEMBER

In order to establish entitlements to attend and vote at the forthcoming annual general meeting of the Company to be held on Wednesday, 7 August 2019 (the "**2019 AGM**"), the register of members of the Company will be closed from Friday, 2 August 2019 to Wednesday, 7 August 2019 (both days inclusive), during which period no transfer of the Shares will be registered. Shareholders of the Company (the "**Shareholders**") are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 1 August 2019.

BUSINESS REVIEW

A business review of the Group for the Year as required by Schedule 5 to the Hong Kong Companies Ordinance (Chapter 622 of the laws of Hong Kong) (the "**Companies Ordinance**"), including a discussion of the principal risks and uncertainties facing the Group, environmental policies and performance of the Group, compliance with relevant laws and regulations by the Group, its financial key performance indicators, its key relationship with employees, customers and suppliers and an indication of likely future developments in the Group's business, can be found in the Management Discussion and Analysis section set out on pages 9 to 18 of this annual report. Such business review forms part of this annual report of the Directors.

SEGMENT INFORMATION

An analysis of the Group's performance for the Year by operating segment is set out in note 8 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The Group's results for the Year and the state of affairs of the Group as at 31 March 2019 are set out in the consolidated financial statements from pages 69 to 153 of this annual report.

The Board did not recommend the payment of a final dividend for the Year (2018: Nil).

SHARE PREMIUM AND RESERVES

Details of movements in the share premium and reserves of the Company and the Group during the Year are set out in note 34 to the consolidated financial statements and the consolidated statement of changes in equity, respectively.

PLANT AND EQUIPMENT

Details of movements in plant and equipment of the Group during the Year are set out in note 16 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the Company's share capital during the Year are set out in note 29 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company as at 31 March 2019, including the share premium, available for distribution, calculated in accordance with the provision of Companies Laws of Cayman Islands, amounted to approximately HK$6.92 million (2018: approximately HK$39.49 million).

CHARITABLE DONATIONS

Charitable and other donations made by the Group during the Year was nil. (2018: HK$5,000)

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association (the "**Articles**") or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 154 of this annual report.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any securities of the Company during the Year.

SHARE OPTION SCHEME

The Company's share option scheme (the "**Share Option Scheme**") was conditionally approved by the Company pursuant to the written resolutions of all the then shareholders of the Company dated 20 May 2015. The terms of the Share Option Scheme are in accordance with Chapter 23 of the GEM Listing Rules.

The following is a summary of the principal terms of the Share Option Scheme:

(a) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group. The Directors consider that the Share Option Scheme will enable the Group to reward the employees, the Directors and other selected participants for their contributions to the Group.

(b) Participants of the Share Option Scheme

The Directors may, at their absolute discretion, invite any person belonging to any of the following classes of participants, to take up options to subscribe for Shares:

(i) any employee (whether full-time or part-time, including a director) of the Company, any of its subsidiaries or any entity ("**Invested Entity**") in which any member of the Group holds an equity interest;

(ii) any directors (including non-executive Directors and independent non-executive Directors) of the Company, any of its subsidiaries or any Invested Entity;

(iii) any supplier of goods or services to any member of the Group or any Invested Entity;

(iv) any customer of any member of the Group or any Invested Entity;

(v) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity;

(vi) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;

(vii) any adviser (professional or otherwise), consultant, individual or entity who in the opinion of the Directors has contributed or will contribute to the growth and development of the Group; and

(viii) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group, and, for the purposes of the Share Option Scheme, an offer for the grant of options may be made to any company wholly owned by one or more persons belonging to any of the above classes of participants.

(c) Total number of Shares available for issue under the Share Option Scheme

The total number of Shares which may be allotted and issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Group (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Group) must not in aggregate exceed 10% of the total number of Shares in issue as at the Listing Date.

The Company may refresh this limit at any time, subject to the Shareholders' approval and the issue of a circular and in accordance with the GEM Listing Rules, provided that the total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Group must not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit and for such purpose, options (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other share option schemes of the Group) previously granted under the Share Option Scheme and any other share option schemes of the Group will not be counted. The above is subject to the condition that the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Group shall not exceed 30% of the share capital of the Company in issue from time to time.

(d) The maximum entitlement of each participant under the Share Option Scheme

The total number of Shares issued and to be issued upon the exercise of options granted to each participant (including both exercised or outstanding options) under the Share Option Scheme or any other share option schemes of the Group, in any 12-month period shall not exceed 1% of the Company's Shares in issue. Any further grant of share options in excess of this limit is subject to Shareholders' approval in a general meeting with such participant and his close associates (or his associates if the participant is a connected person) abstaining from voting.

(e) Timing for exercising option

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years after the date of grant of the option.

(f) Acceptance and payment on acceptance of option offer

An offer of the grant of the option may be accepted by a participant within such time as may be specified in the offer (which shall not be later than 21 days from the date of the offer of grant of the options).

HK$1 shall be payable by the grantee to the Company as consideration for the grant on acceptance of the option offer.

(g) The basis of determining the subscription price for Shares

The subscription price for Shares under the Share Option Scheme in respect of any option shall be at the discretion of the Directors, provided that it shall not be less than the highest of:

(i) the closing price of 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 of grant, which must be a business day;

(ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations sheet for the five trading days immediately preceding the date of the offer of grant; and

(iii) the nominal value of the Shares.

(h) Duration of the Share Option Scheme

The Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the Share Option Scheme is adopted.

Details of the share options granted and accepted under the Share Option Scheme during the Year and their movements during the Year are as follow:

Grantee	Position	Date of grant	Exercise period	Exercise price per Share HK$	Outstanding as at 1 April 2018	Granted during the Year	Lapsed during the Year	Exercised during the Year	Outstanding as at 31 March 2019
Mr. Yip Shek Lun ("**Mr. Alan Yip**")	Executive Director, chief executive officer	9 Dec 2015 (Note 1)	1 Jul 2016 to 30 June 2018	0.315	30,690,000	–	(30,690,000)	–	--
Ms. Wan Wai Ting ("**Ms. Karin Wan**")	Executive Director	9 Dec 2015 (Note 1)	1 Jul 2016 to 30 June 2018	0.315	5,490,000	–	(5,490,000)	–	--
Mr. Ng Chi Fung ("**Mr. Jeff Ng**")	Executive Director	9 Dec 2015 (Note 1)	1 Jul 2016 to 30 June 2018	0.315	5,490,000	–	(5,490,000)	–	–
Mr. Wang Zhong Lei	Non-executive Director	9 Dec 2015 (Note 1)	1 Jul 2016 to 30 June 2018	0.315	1,000,000	–	(1,000,000)	–	–
Mr. Cheung Wing Hon ("**Mr. Patrick Cheung**")	Former Non-executive Director	9 Dec 2015 (Note 1)	1 Jul 2016 to 30 June 2018	0.315	4,440,000	–	(4,440,000)	–	–
Ms. Wang Lai Man, Liza ("**Ms. Liza Wang**")	Former Non-executive Director	13 Jul 2015 (Note 2)	12 Oct 2015 to 11 Apr 2018	0.63	500,000	–	(500,000)	–	–
Employees and consultants		13 Jul 2015 (Note 2)	12 Oct 2015 to 11 Apr 2018	0.63	13,277,600	–	(13,277,600)	–	–
		9 Dec 2015 (Note 1)	1 Jul 2016 to 30 June 2018	0.315	7,880,000	–	(7,880,000)	–	–
Total					68,767,600	–	(68,767,600)	–	–

Notes:

1. The closing price of the Shares immediately before the date on which these share options were granted, that is 8 December 2015, was HK$0.315 per Share.

2. The closing price of the Shares immediately before the date on which these share options were granted, that is 10 July 2015, was HK$0.55 per Share.

18,787,600 share options granted on 13 July 2015 shall be exercisable in three tranches and subject to the following vesting periods: (i) one third of the Shares shall be vested and exercisable from 12 October 2015; (ii) another one third of the Shares shall be vested and exercisable from 12 October 2016; and (iii) the remaining of the Shares shall be vested and exercisable from 12 October 2017. Those share options had been expired on 11 April 2018.

5,500,000 share options granted on 13 July 2015 shall be exercisable in two tranches and subject to the following vesting periods: (i) one half of the Shares shall be vested and exercisable from 12 October 2015; and (ii) the remaining of the Shares shall be vested and exercisable from 12 October 2016. Those share options had been expired on 11 April 2017.

56,000,000 share options granted on 9 December 2015 shall be exercisable in three tranches and subject to the following vesting periods: (i) one third of the Shares shall be vested and exercisable from 1 July 2016; (ii) another one third of the Shares shall be vested and exercisable from 1 January 2017; and (iii) the remaining of the Shares shall be vested and exercisable from 1 January 2018. Those share options had been expired on 30 June 2018.

During the Year, a total number of 68,767,600 share options lapsed in accordance with the terms of the Share Option Scheme. As at 31 March 2019, the outstanding number of share options available for grant under the Share Option Scheme was nil.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

Other than the Share Option Scheme disclosed above, at no time during the Year was the Company, or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS

The Directors during the Year and up to the date of this annual report were:

Executive Directors

Mr. Yip Shek Lun *(Chairman)*
Mr. Ng Chi Fung
Ms. Wan Wai Ting

Non-executive Directors

Mr. Wang Zhong Lei
Ms. Cheung Laam

Independent non-executive Directors

Mr. Tso Ping Cheong, Brian
Mr. David Tsoi
Mr. Hong Ming Sang
Mr. Lam Tung Leung

In accordance with the article 108 of Articles, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, are required to retire from office at each annual general meeting of the Company, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once in every three years. A retiring Director shall be eligible for re-election. The Directors to retire by rotation every year shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not offer himself for re-election, and any Director who has not been subject to retirement by rotation in the three years preceding the annual general meeting, and any further Directors who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

In accordance with article 108 of the Articles, Mr. Wang Zhong Lei, Mr. Tso Ping Cheong, Brian and Mr. David Tsoi will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming 2019 AGM.

The Company has received annual confirmation of independence from each of the independent non-executive Directors pursuant to Rule 5.09 of the GEM Listing Rules. As at the date of this annual report, the Board considers all of them independent.

CHANGES IN INFORMATION OF DIRECTORS

Mr. Tso Ping Cheong, Brian was appointed as an independent non-executive director of Shenglong Splendecor International Limited (stock code: 8481) since 1 June 2018.

DIRECTORS' SERVICE CONTRACTS

Each of our executive Director has entered into a service agreement with the Company for an initial term of one year, and shall be renewed and extended automatically by one year on the expiry of such initial term and on the expiry of every successive period of one year thereafter, subject to early termination by either party in accordance with the terms of the respective service agreement and retirement by rotation and re-election pursuant to the Articles.

Each of the non-executive Directors (including independent non-executive Directors) had been appointed under a letter of appointment for an initial term of one year, and renewable automatically for successive term of one year, subject to early termination by either party in accordance with the terms of the respective letter of appointment and retirement by rotation and re-election pursuant to the Articles.

None of the Directors proposed for re-election at the 2019 AGM has or is proposed to have a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No transactions, arrangements or contracts of significance in relation to the business of the Group to which the Company or any of its subsidiaries was a party, and in which a Director or an entity connected with the Director had a material interest, whether directly or indirectly, subsisted as at 31 March 2019 or at any time during the Year.

EMOLUMENT POLICY

The remuneration committee of the Board is responsible for making recommendations to the Board on the Company's policy and structure for all the Directors and senior management remuneration, having regard to market competitiveness, individual performance and achievement. The Company has adopted the Share Option Scheme as an incentive to the Directors and other relevant eligible participants, details of the scheme are set out in the paragraph headed "Share Option Scheme" above.

Details of the Directors' remuneration and the five highest paid individuals are set out in notes 12 and 13 to the consolidated financial statements, respectively.

No Director has waived or has agreed to waive any emoluments during the Year, save and except that Mr. Wang Zhong Lei, a non-executive Director, did not receive any remuneration (including director's fee, salaries, allowances, benefits in kind and employer's contribution to pension scheme) as a non-executive Director. Mr. Wang has been granted 1,000,000 share options by the Company under the Share Option Scheme. As at 31 March 2019, the outstanding number of share options available for grant under the Share Option Scheme was nil.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Biographical information of Directors and senior management of the Group are set out from pages 19 to 23 of this annual report.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2019, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the"**SFO**")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long position in the Shares and the underlying Shares of the Company

Name	Nature of interest	Total number of Shares held	Total number of underlying Shares held	Total interests	Percentage of shareholding
Mr. Alan Yip *(Chief executive officer and chairman of the Board)*	Interests held jointly with another person (Note 1)	349,460,000	5,990,000	355,450,000	21.32%
	Interest in controlled corporation (Note 2)/ Interest of spouse (Note 3)	249,120,000	5,490,000	254,610,000	15.27%
	Beneficial owner	–	30,690,000	30,690,000	1.84%
Ms. Karin Wan	Interests held jointly with another person (Note 1)	349,460,000	5,990,000	355,450,000	21.32%
	Interest in controlled corporation (Note 2)/ Interest of spouse (Note 3)	249,120,000	30,690,000	279,810,000	16.78%
	Beneficial owner	–	5,490,000	5,490,000	0.33%
Mr. Jeff Ng	Interests held jointly with another person (Note 1)	415,700,000	36,680,000	452,380,000	27.13%
	Beneficial owner	182,880,000	5,490,000	188,370,000	11.30%
Mr. Wang Zhong Lei	Beneficial owner	–	1,000,000	1,000,000	0.06%

Notes:

1. Mr. Alan Yip, Ms. Karin Wan, Mr. Jeff Ng and Ms. Liza Wang are persons acting in concert and accordingly each of them is deemed to be interested in the Shares held by the others. By a deed of confirmation and undertaking entered into among Mr. Alan Yip, Mr. Jeff Ng, Ms. Karin Wan and Ms. Liza Wang dated 2 January 2014 (the "**Acting in Concert Confirmation and Undertaking**"), each of Mr. Alan Yip, Ms. Karin Wan, Mr. Jeff Ng and Ms. Liza Wang confirmed, *inter alia*, that they had exercised their voting rights at the meetings of the shareholders and/or directors of members of the Group in unanimity since 1 April 2011 and had undertaken to continue to do so upon the execution of the Acting in Concert Confirmation and Undertaking and during the period they (by themselves or together with their associates) remain in control of the Group until the Acting in Concert Confirmation and Undertaking is terminated by them in writing .

2. These Shares are held by Cooper Global Capital Limited ("**Cooper Global**"), which is owned as to 50% by Mr. Alan Yip and 50% by Ms. Karin Wan. By virtue of the SFO, Mr. Alan Yip and Ms. Karin Wan are deemed to be interested in the Shares held by Cooper Global.

3. Mr. Alan Yip is the spouse of Ms. Karin Wan. Under the SFO, Mr. Alan Yip is deemed to be interested in all the Shares in which Ms. Karin Wan is interested. Ms. Karin Wan is the spouse of Mr. Alan Yip. Under the SFO, Ms. Karin Wan is deemed to be interested in all the Shares in which Mr. Alan Yip is interested.

Save as disclosed above, as at 31 March 2019, none of the Directors nor chief executive of the Company has registered any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

So far as the Directors are aware, as at 31 March 2019, the following persons (other than the Directors or chief executive of the Company) had or deemed or taken to have an interest and/or short position in the Shares or the underlying Shares which were required to be recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO, or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Long position in the Shares and the underlying Shares of the Company

Name	Nature of interest	Total number of Shares held	Total number of underlying Shares held	Total interests	Percentage of shareholding
Cooper Global	Beneficial owner	249,120,000	–	249,120,000	14.94%
Ms. Liza Wang	Interests held jointly with another person (Note 1)	432,000,000	41,670,000	473,670,000	28.41%
	Beneficial owner	166,580,000	500,000	167,080,000	10.02%
Mr. Luk Ting Kwan, Jerry	Interest of spouse (Note 2)	598,580,000	42,170,000	640,750,000	38.43%
Huayi Brothers International Investment Ltd. ("**Huayi Brothers**")	Beneficial owner	248,970,000	–	248,970,000	14.93%
HUAYI BROTHERS INTERNATIONAL LIMITED ("**Huayi Brothers International**")	Interest in controlled corporation (Note 3)	248,970,000	–	248,970,000	14.93%
Huayi Brothers Media Corporation ("**Huayi Brothers Media**")	Interest in controlled corporation (Note 3)	248,970,000	–	248,970,000	14.93%
HGI GROWTH CAPITAL LIMITED ("**HGI Growth**")	Beneficial owner	132,720,000	–	132,720,000	7.96%
Mr. Patrick Cheung	Interest in controlled corporation (Note 4)	132,720,000	–	132,720,000	7.96%
	Beneficial owner	–	4,440,000	4,440,000	0.27%
Ms. Lo Wai Kei	Interest of spouse (Note 5)	132,720,000	4,440,000	137,160,000	8.23%
PURE FORCE INVESTMENTS LIMITED ("**Pure Force**")	Beneficial owner	109,930,000	–	109,930,000	6.59%
Mr. Wong Yuet Yeung Harry ("**Mr. Harry Wong**")	Interest in controlled corporation (Note 6)	109,930,000	–	109,930,000	6.59%

Notes:

1. Mr. Alan Yip, Ms. Karin Wan, Mr. Jeff Ng and Ms. Liza Wang are persons acting in concert and accordingly each of them is deemed to be interested in the Shares held by the others. By the Acting in Concert Confirmation and Undertaking, each of Mr. Alan Yip, Ms. Karin Wan, Mr. Jeff Ng and Ms. Liza Wang confirmed, *inter alia*, that they had exercised their voting rights at the meetings of the shareholders and/or directors of members of the Group in unanimity since 1 April 2011 and had undertaken to continue to do so upon the execution of the Acting in Concert Confirmation and Undertaking and during the period they (by themselves or together with their associates) remain in control of the Group until the Acting in Concert Confirmation and Undertaking is terminated by them in writing .

2. Mr. Luk Ting Kwan, Jerry is the spouse of Ms. Liza Wang. Under the SFO, Mr. Luk Ting Kwan, Jerry is deemed to be interested in all the Shares in which Ms. Liza Wang is interested.

3. These Shares are held by Huayi Brothers, which is wholly owned by Huayi Brothers International, which is in turn wholly owned by Huayi Brothers Media. By virtue of the SFO, each of Huayi Brothers International and Huayi Brothers Media is deemed to be interested in all the Shares held by Huayi Brothers.

4. These Shares are held by HGI Growth, which is wholly owned by Mr. Patrick Cheung. By virtue of the SFO, Mr. Patrick Cheung is deemed to be interested in all the Shares held by HGI Growth.

5. Ms. Lo Wai Kei is the spouse of Mr. Patrick Cheung. Under the SFO, Ms. Lo Wai Kei is deemed to be interested in all the Shares in which Mr. Patrick Cheung is interested.

6. These Share are held by Pure Force, which is wholly owned by Mr. Harry Wong. By virtue of the SFO, Mr. Harry Wong is deemed to be interested in all the Shares held by Pure Force.

Save as disclosed above, as at 31 March 2019, the Directors were not aware of any other persons who had or deemed or taken to have any interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of interests required to be kept by the Company under Section 336 of the SFO.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the Year.

MAJOR SUPPLIERS

The percentages of cost of services, excluding staff costs, for the respective year ended 31 March attributable to the Group's major suppliers are as follows:

	2019	2018
– the largest supplier	**14.93%**	18.96%
– five largest suppliers combined	**39.43%**	42.81%

To the best of the knowledge of the Directors, save as disclosed below, save and except for the relationships in relation to VDS as disclosed below, none of the Directors, any of their respective close associates nor any Shareholders (who or which, to the knowledge of the Directors, owns more than 5% of the Company's issued share capital) had any interest in the five largest suppliers noted above.

Viral Digital Studio Limited ("**VDS**") was the Group's third largest supplier for the year ended 31 March 2019 (2018: second). VDS is a provider of social media monitoring services and related video production services. VDS is wholly-owned by Mr. Wong Chi Shing who is also the sole director of VDS and a cousin of Mr. Harry Wong, a significant shareholder of the Company, and Mr. Wong Yuet Fu, Alfred ("**Mr. Alfred Wong**"), the chief financial officer and senior management of the Group. Although Mr. Wong Chi Shing is a cousin of Mr. Harry Wong and Mr. Alfred Wong, and Mr. Harry Wong and Mr. Alfred Wong are brothers, the Directors consider that such relationships have not caused and were unlikely to cause any conflict of interest between the Group and Mr. Harry Wong and Mr. Alfred Wong, in particular in relation to the supplier selection process, because (i) the engagement of VDS has been approved by the Directors and Mr. Harry Wong has no decision-making power in the supplier selection process; and (ii) being our chief financial officer, Mr. Alfred Wong has no involvement in the supplier selection process.

The agreement dated 7 March 2014 entered into between AdBeyond HK and VDS in relation to the provision of online monitoring services and related video production services by VDS to AdBeyond HK (as amended by a supplemental agreement dated 28 January 2015 entered into between the same parties (together, the "**VDS Service Agreement**")) was renewed by the Board's approval, issue of announcement and independent Shareholders' approval on 8 August 2017 with a term of three years from 7 March 2017. In particular, under the VDS Service Agreement, before the Group places a purchase order, the Group and VDS shall negotiate in good faith for, and agree upon, the particular terms of such purchase order (such as the particulars and specifications of the online monitoring services and related video production services, the service fee to be charged by VDS, payment method and schedule, reimbursement of out-of-pocket expenses, time for completion and delivery of the online monitoring services and related video production services, etc.)

The aggregate service fees paid to VDS amounted to approximately HK$7.74 million and HK$6.73 million for the years ended 31 March 2019 and 2018, respectively, accounting for approximately 7.96% and 10.25%, respectively, of our total cost of services, excluding staff costs, for the respective period.

The independent non-executive Directors have reviewed the above transactions with VDS during the Year and confirmed that:

1. the transactions disclosed above were entered into in the Group's ordinary and usual course of business and conducted on normal commercial terms; and

2. the transactions disclosed above were conducted in accordance with the VDS Service Agreement governing them on terms that were fair and reasonable and in the interests of Shareholders as a whole.

MAJOR CUSTOMERS

The percentage of sales for the Year attributable to the Group's five largest customers accounted for approximately 24.78% (2018: 15.36%) of the Group's total revenue for the Year. The largest customer accounted for approximately 11.04% (2018: approximately 3.63%) of the Group's total revenue for the Year.

RELATED PARTY TRANSACTIONS

Details of the related party transactions entered into by the Group are set out in note 33 to the consolidated financial statements. The related party transactions as set out therein which are in respect of the remuneration of the Directors constitute connected transactions exempt from reporting, announcement and independent shareholders' approval requirements pursuant to the GEM Listing Rules.

Save as disclosed above, the related party transactions set out in note 33 to the consolidated financial statements do not fall under the definition of "connected transaction" or "continuing connected transaction" under Chapter 20 of the GEM Listing Rules.

CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION

During the Year, the Group has not entered into any connected transactions or continuing connected transactions that are not exempted under the GEM Listing Rules. The Board confirms that the Company has complied with the applicable disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

From information publicly available to the Company and within the knowledge of the Directors, the Company has maintained the public float required by the GEM Listing Rules as at the date of this annual report.

DIRECTORS’ INTERESTS IN COMPETING BUSINESS

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 that competes or may compete, directly or indirectly, with the Group’s business and any other conflicts of interest which any such person has or may have with the Group during the Year.

DEED OF NON-COMPETITION

A deed of non-competition dated 20 May 2015 had been entered into by Mr. Alan Yip, Mr. Jeff Ng, Ms. Karin Wan, Ms. Liza Wang and Cooper Global, all being the Company’s controlling shareholders, in favour of the Company regarding certain non-competition undertakings. The details of the deed of non-competition have been disclosed in the section headed “Relationship with Our Controlling Shareholders” in the Prospectus. Each of the controlling shareholders has given an annual declaration to the Company confirming that he/she/it has complied with the non-competition undertakings provided to the Company under the said deed of non-competition. The independent non-executive Directors of the Company have reviewed the status of compliance and enforcement of the non-competition undertakings and confirmed that all the undertakings themselves have been complied for the Year.

CONTROLLING SHAREHOLDERS’ INTEREST

Save as disclosed herein, apart from transactions carried out in the normal course business, there were no contracts of significance between the Company or any of its subsidiaries and a controlling shareholder or any of its subsidiaries or any contracts of any significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder or any of its subsidiaries.

INTERESTS OF COMPLIANCE ADVISER

The compliance adviser agreement entered into between the Company and CLC International Limited on 22 May 2015 has been expired on 30 June 2018.

EVENTS AFTER THE REPORTING PERIOD

No significant events occurring subsequent to 31 March 2019 and up to the date of this annual report.

CORPORATE GOVERNANCE

Details of the corporate governance practices adopted by the Company are set out on pages 41 to 53 of this annual report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group's environmental, social and governance report is set out on 54 to 63 of this annual report.

REVIEW BY AUDIT COMMITTEE

The audited consolidated financial statements of the Group for the Year have been reviewed by the audit committee of the Board. The audit committee is of the opinion that the consolidated financial statements of the Group for the Year comply with the applicable accounting standards, the GEM Listing Rules and that adequate disclosures have been made.

AUDITOR

The consolidated financial statements for the Year have been audited by SHINEWING (HK) CPA Limited who will retire and, being eligible, offer themselves for re-appointment at the 2019 AGM. A resolution for the re-appointment of SHINEWING (HK) CPA Limited as the auditor of the Company is to be proposed at the 2019 AGM.

By order of the Board
Yip Shek Lun
Chief Executive Officer, Chairman of the Board and Executive Director

Hong Kong, 21 June 2019

CORPORATE GOVERNANCE PRACTICES

The Board strives to uphold the principles of corporate governance as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 15 to the GEM Listing Rules, and adopted various measures to enhance the internal control system, the Directors' continuous professional development and other areas of practice of the Company. While the Board strives to maintain a high level of corporate governance, it also works hard to create values and achieve a higher return for the Shareholders. The Board will continue to conduct review and improve the quality of corporate governance practices with reference to local and international standards.

For the Year, the Company has complied with the code provisions, other than Provisions A.2.1, A.6.7 and E.1.2 of the CG Code.

Provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Alan Yip is the chairman of the Board and the chief executive officer of the Company and has been managing the Group's business and overall strategic planning since its establishment. The Directors believe that the vesting of the roles of chairman of the Board and chief executive officer in Mr. Alan Yip is beneficial to the business operations and management of the Group as it provides a strong and consistent leadership to the Group and that the current management has been effective in the development of the Group and the implementation of business strategies under the leadership of Mr. Alan Yip. In allowing the two roles to be vested in the same person, the Group believes both positions require in-depth knowledge and considerable experience of the Group's business and Mr. Alan Yip is the most suitable person to occupy both positions for effective management of the Group. Accordingly, the Company has not segregated the roles of its chairman of the Board and chief executive officer as required by Provision A.2.1 of the CG Code.

For non-compliance with Provisions A.6.7 and E.1.2 of the CG Code, please refer to the section below headed "Directors' Attendance at Board Meeting and General Meeting" in this Corporate Governance Report.

The Company will continue to review its corporate governance practices in order to enhance its corporate governance standard, comply with regulatory requirements and meet the growing expectations of the Shareholders and investors.

CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings concerning securities transactions by the Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "**Model Code**") as its own code governing securities transactions of the Directors. Having made specific enquiry of all the Directors, all of them confirmed that they have fully complied with the required standard of dealings as set out in the Model Code during the Year and up to the date of this annual report.

Pursuant to Rule 5.66 of the Model Code, the Directors have also requested any employee of the Company or director or employee of a subsidiary of the Company who, because of his office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company, not to deal in securities of the Company when he would be prohibited from dealing by the Model Code as if he/she were a Director.

BOARD OF DIRECTORS

The Company is governed by the Board which has the responsibility for leadership and monitoring of the Company. The Directors are collectively responsible for promoting the success of the Group by directing and supervising the Group's affairs. In practice, the Board takes responsibility for decision making in all major matters of the Company including: the approval and monitoring of all policy matters, the setting of objectives, annual budgets and overall strategies, material transactions (in particular those which may involve conflict of interests), appointment of directors and other significant financial and operational matters. The day-to-day management, administration and operation of the Company are delegated to the executive Directors and senior management ("**Senior Executives**") of the Company. These responsibilities include the implementation of decisions of the Board, the co-ordination and direction of day-to-day operation and management of the Group in accordance with the management strategies and plans approved by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by these Senior Executives and the Board has the full support of them to discharge its responsibilities.

All Directors have fully and timely access to all relevant information as well as the advice and services of the professional advisers, as and when required, with a view to ensuring that Board procedures and all applicable rules and regulations are followed. Each Director is normally able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

As at the date of this annual report, the Board comprises nine Directors. During the Year and up to the date of this annual report, the Board's composition is as follows:

Executive Directors:

Mr. Yip Shek Lun *(Chairman and Chief Executive Officer)*
Mr. Ng Chi Fung
Ms. Wan Wai Ting

Non-executive Directors:

Mr. Wang Zhong Lei
Ms. Cheung Laam

Independent non-executive Directors:

Mr. Tso Ping Cheong, Brian
Mr. David Tsoi
Mr. Hong Ming Sang
Mr. Lam Tung Leung

All Directors carry out their duties in good faith and in compliance with applicable laws, rules and regulations, make decisions objectively and act in the interests of the Company and its Shareholders as a whole at all times during the Year.

There is no financial, business, family or other material/relevant relationship amongst the Directors, except that (i) Mr. Alan Yip and Ms. Karin Wan are married couple and (ii) Mr. Alan Yip, Mr. Jeff Ng, Ms. Karin Wan and Ms. Liza Wang (a former director) are persons acting in concert. By the Acting in Concert Confirmation and Undertaking, each of Mr. Alan Yip, Mr. Jeff Ng, Ms. Karin Wan and Ms. Liza Wang (a) confirmed that since 1 April 2011, they have adopted a consensus building approach to reach decisions on a unanimous basis, voted as a group (by themselves and/or through companies controlled by them) on an unanimous basis in respect of all corporate matters relating to the financials and operations of the Group at the shareholder and board levels of each member company within the Group, and have been given sufficient time and information to consider and discuss in order to reach consensus; and (b) have undertaken that, upon execution of the Acting in Concert Confirmation and Undertaking and during the period they (by themselves or together with their associates) remain in control of the Group until the Acting in Concert Confirmation and Undertaking is terminated by them in writing, they will maintain the above acting-in-concert relationship.

The Group will continue updating the Directors on the latest developments regarding the GEM Listing Rules and other applicable regulatory requirements to ensure compliance and enhance their awareness of good corporate governance practices.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance duties as set out in Provision D.3.1 of the CG Code, which include (a) to develop and review the Company's policies and practices on corporate governance; (b) to review and monitor the training and continuous professional development of the Directors and senior management of the Company; (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to the employees of the Group and the Directors; and (e) to review the Company's compliance with the CG Code and relevant disclosures in the corporate governance report as set out in the annual reports of the Company.

The Board has performed the abovementioned corporate governance functions for the Year.

BOARD DIVERSITY POLICY

Pursuant to the CG Code, the Board has adopted a board diversity policy (the "**Board Diversity Policy**"). The Company recognises and embraces the benefits of diversity of the Board members. While all Board appointments will continue to be made on a merit basis, the Company will ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the needs of the Company's business. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge.

As at the date of this annual report, the Board comprises nine Directors. Four of the Directors are independent non-executive Directors and all of them are independent of management, thereby promoting critical review and control of the management process. The Board is also characterised by significant diversities, whether considered in terms of gender, professional background or skills.

DIRECTORS' ATTENDANCE AT BOARD MEETING AND GENERAL MEETING

Regular board meetings are held at quarterly intervals with additional meetings convened as and when necessary to discuss the overall strategic directions, operations and financial performance of the Group, and to approve quarterly, interim and annual results and other significant matters of the Group. For regular meetings, the Board members are given at least 14 days prior notice and agenda with supporting documents are sent to the Directors not less than 3 days before the relevant meeting is held.

Directors may propose to the chairman of the Board or the company secretary of the Company to include matters in the agenda for regular board meetings. Directors are requested to declare their direct or indirect interests, if any, in any proposals or transactions to be considered by the Board at board meetings and abstain from voting in favour of the related board resolutions as appropriate.

The Directors can attend meetings in person or through other means of electronic communication in accordance with the Articles. Minutes of meetings of the Board and Board committees are kept by the company secretary of the Company in sufficient details of the matters considered and decisions reached, including dissenting views expressed, and are open for inspection on reasonable notice by any Director. Draft and final versions of minutes are sent to all Directors for their comments and records respectively within a reasonable time after the board meeting is held.

All Directors have access to the advice and services of the company secretary of the Company with a view to ensuring the Board procedures are followed.

During the Year, the Directors' attendance record of the Board, Board committees and general meetings are as follows:

Directors	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	Annual General Meeting
Executive Directors:					
Yip Shek Lun	8/8	0/0	1/1	1/1	1/1
Ng Chi Fung	6/8	0/0	0/0	0/0	1/1
Wan Wai Ting	6/8	0/0	0/0	0/0	1/1
Non-executive Directors:					
Cheung Laam	0/8	0/0	0/0	0/0	0/1
Wang Zhong Lei	4/8	0/0	0/0	0/0	0/1
Independent Non-executive Directors:					
Tso Ping Cheong, Brian	6/8	3/4	0/0	1/1	0/1
David Tsoi	8/8	4/4	0/0	0/0	1/1
Hong Ming Sang	2/8	1/4	0/1	0/0	0/1
Lam Tung Leung	6/8	0/0	1/1	1/1	0/1

During the Year, the chairman of the Board had a meeting with the independent non-executive Directors without the presence of the other executive Directors.

Provision A.6.7 of the CG Code requires that independent non-executive directors and other non-executive directors shall attend general meetings and develop a balanced understanding of the views of shareholders. Ms. Cheung Laam and Mr. Wang Zhong Lei, being the non-executive Directors and Mr. Hong Ming Sang, Mr. Tso Ping Cheong, Brian and Mr. Lam Tung Leung, being the independent non-executive Directors, did not attend the Company's annual general meeting held on 7 August 2018 due to their other unexpected business engagements.

Under Provision E.1.2 of the CG Code, the chairman of the Board should attend the annual general meeting of the Company, and the chairman of the board committees and failing whom, another member of the relevant committee or his duly appointed delegate should be available to answer questions thereat. Due to prior business engagement, the chairmen of the audit committee, remuneration committee and nomination committee were not able to attend the annual general meeting of the Company held on 7 August 2018 in person, but they have already delegated to one of the executive Directors to answer questions on their behalf.

APPOINTMENT AND RE-ELECTION OF THE DIRECTORS

Each of the executive Directors has entered into a service agreement with the Company pursuant to which he or she has agreed to act as an executive Director for a fixed term of one year with effect from the Listing Date. The term of service shall be renewed and extended automatically by one year on the expiry of such initial term and on the expiry of every successive period of one year thereafter, subject to early termination by either party in accordance with the terms of the service agreement and retirement by rotation and re-election pursuant to the Articles.

Under Provision A.4.1 of the CG Code, each non-executive Director should be appointed for a specific term subject to re-election.

For the two non-executive Directors, Ms. Cheung Laam has been appointed as a non-executive Director under a letter of appointment for an initial fixed term of one year commencing from the Listing Date while Mr. Wang Zhong Lei has been appointed as a non-executive Director under a letter of appointment for an initial fixed term of one year commencing from 9 December 2015. Each appointment is renewable automatically for successive term of one year each commencing after the expiry of the then current term, subject to early termination by either party in accordance with the terms of the letter of appointment and retirement by rotation and re-election pursuant to the Articles.

Each of the independent non-executive Directors has been appointed under a letter of appointment for a fixed term of one year commencing from the Listing Date. Such appointment is renewable automatically for successive term of one year each commencing after the expiry of the then current term, subject to early termination by either party in accordance with the terms of the letter of appointment and retirement by rotation and re-election pursuant to the Articles.

According to Provision A.4.2 of the CG Code, all Directors appointed to fill a casual vacancy should be subject to election by the Shareholders at the first general meeting after their appointment. By virtue of article 112 of the Articles, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders in general meeting. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of the Company after his/her appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Any Director so appointed shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

According to Provision A.4.2 of the CG Code, all Directors are subject to retirement by rotation at least once every three years. Furthermore, pursuant to article 108 of the Articles, at each annual general meeting of the Company, one-third of the Directors for the time being will retire from office by rotation. However, if the number of Directors is not three or a multiple of three, then the number nearest to but not less than one-third shall be the number of retiring Directors provided that every Director shall be subject to retirement by rotation at least once every three years. The Directors who shall retire in each year include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election, and any Director who has not been subject to retirement by rotation in the three years preceding the annual general meeting, and any further Directors who have been longest in the office since their last re-election or appointment and so that as between persons who become or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for reelection.

Pursuant to article 113 of the Articles, no person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the head office or at the registration office. The period for lodgment of such notices will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such meeting and the minimum length of the period during which such notices to the Company may be given must be at least 7 days. The written notice must state that person's biographical details as required by Rule 17.50(2) of the GEM Listing Rules.

In accordance with the Articles, Mr. Wang Zhong Lei, Mr. Tso Ping Cheong, Brian and Mr. David Tsoi will retire at the 2019 AGM and being eligible, will offer themselves for re-election.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors are persons with relevant academic and professional qualifications. They advise the Company on strategic development, which enables the Board to maintain high standards of compliance with financial and other regulatory requirements. In compliance with Rules 5.05(1), 5.05(2) and 5.05A of the GEM Listing Rules, the Company has appointed four independent non-executive Directors representing more than one-third of the Board and with at least one of whom having appropriate professional qualifications, or accounting or related financial management expertise.

Prior to their respective appointments, each of the independent non-executive Directors has submitted a written statement to the Stock Exchange confirming their independence. The Company has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules and the Board considers all the independent non-executive Directors to be independent and meet the requirements as set out in Rule 5.09 of the GEM Listing Rules as at the date of this annual report.

DIRECTORS' PARTICIPATION IN CONTINUOUS PROFESSIONAL DEVELOPMENT

During the Year, in compliance with Provision A.6.5 of the CG Code, the Directors received from the Company from time to time the updates on laws, rules and regulations which might be relevant to their roles, duties and functions as a director of a listed company. All Directors have been updated with the latest developments regarding the GEM Listing Rules and other applicable legal and regulatory requirements to ensure compliance and enhance their awareness of good corporate governance practices. In addition, continuing briefings and professional development to the Directors will be arranged whenever necessary.

The individual training record of each Director received during the Year is summarised below:

Name of Director	Attending training course(s)/ reading materials
Executive Directors:	
Yip Shek Lun	√
Ng Chi Fung	√
Wan Wai Ting	√
Non-executive Directors:	
Cheung Laam	√
Wang Zhong Lei	√
Independent Non-executive Directors:	
Tso Ping Cheong, Brian	√
David Tsoi	√
Hong Ming Sang	√
Lam Tung Leung	√

AUDIT COMMITTEE

The Board has established an audit committee (the "**Audit Committee**") pursuant to a resolution of the Directors passed on 20 May 2015 with written terms of reference and as revised on 31 December 2018 in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules. The written terms of reference of the Audit Committee was adopted in compliance with Provisions C3.3 and C3.7 of the CG Code. The primary duties of the Audit Committee are, among other things, to make recommendations to the Board on the appointment, re-appointment and removal of external auditor, review the financial information, oversee our financial reporting process, internal control, risk management systems and audit process and perform other duties and responsibilities assigned by the Board.

The Audit Committee comprises three members, namely, Mr. Tso Ping Cheong, Brian, Mr. David Tsoi and Mr. Hong Ming Sang, who are independent non-executive Directors. Mr. Tso Ping Cheong, Brian, who has appropriate professional qualifications and experience in accounting matters, is the chairman of the Audit Committee. In addition, Mr. David Tsoi also has professional qualifications and experience in accounting matters.

The Audit Committee held four meetings during the Year and has reviewed the Company's annual results for the year ended 31 March 2018 and the unaudited quarterly results and interim results during the Year as well as the Company's internal control procedures and risk management. Pursuant to the meeting of the Audit Committee held in June 2019, the Audit Committee has, together with the management of the Company and external independent auditor, reviewed the audited annual results of the Group for the Year and recommended approval by the Board.

REMUNERATION COMMITTEE

The Board has established a remuneration committee (the "**Remuneration Committee**") with written terms of reference in compliance with Rules 5.34 and 5.35 of the GEM Listing Rules. The written terms of reference of the Remuneration Committee were adopted in compliance with Provision B1.2 of the CG Code. The primary duties of the Remuneration Committee are to review and approve the management's remuneration proposals, make recommendations to the Board on the remuneration packages of the Directors and senior management and ensure none of the Directors determine their own remuneration.

The Remuneration Committee comprises three members, namely, Mr. Hong Ming Sang, Mr. Lam Tung Leung, both independent non-executive Directors, and Mr. Alan Yip, an executive Director. Mr. Hong Ming Sang is the chairman of the Remuneration Committee.

During the Year, two Remuneration Committee meetings were held to review the remuneration policy of the Company and the remuneration packages of the Directors and senior management of the Group.

Pursuant to code provision B.1.5 of the CG Code, the remuneration of the senior management by band for the Year is set out below:

In the band of	Number of individual
Nil – HK$2,000,000	–
HK$2,000,001 – HK$3,000,000	1

Further Details of the Directors' remuneration and the five highest paid individuals are set out in notes 12 and 13 to the consolidated financial statements, respectively.

NOMINATION COMMITTEE

The Board has established a nomination committee (the "**Nomination Committee**") with written terms of reference in compliance with Provision A.5.2 of the CG Code. The primary duties of the Nomination Committee are to review the structure, size and composition of the Board, and select or make recommendations on the selection of individuals nominated for directorships.

The Nomination Committee comprises three members, namely Mr. Lam Tung Leung, Mr. Tso Ping Cheong, Brian, both independent non-executive Directors, and Mr. Alan Yip, an executive Director. Mr. Lam Tung Leung is the chairman of the Nomination Committee.

During the Year, one Nomination Committee meeting was held to review the composition of the Board.

FINANCIAL REPORTING

The Directors acknowledge their responsibilities for the preparation of the consolidated financial statements of the Group that give a true and fair view. In preparing the consolidated financial statements, the Hong Kong Financial Reporting Standards have been adopted, appropriate accounting policies have been used and applied consistently, and reasonable judgments and estimates have been made. The Board is not aware of any material uncertainties relating to the events or conditions which may cast significant doubt over the Group's ability to continue as a going concern. Accordingly, the Board has continued to adopt the ongoing concern basis in preparing the consolidated financial statements.

The responsibilities of the external auditor regarding their financial reporting are set out in the independent auditor's report for the Year as contained in this annual report.

AUDITOR'S REMUNERATION

The remuneration paid/payable to the Company's external auditor, SHINEWING (HK) CPA Limited (the "**Auditor**"), for the Year, is set out as follows:

Fees paid/payable	HK$
Annual audit services	460,000
Non-audit services	–
Total:	460,000

The amount of fees charged by the Auditor generally depends on the scope and volume of the Auditor's work. The Auditor did not provide any non-audit services to the Company for the Year.

There was no disagreement between the Board and the Audit Committee on the selection and appointment of the Auditor during the Year.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board has developed the Group's internal control, risk assessment and management systems and has overall responsibility for reviewing and maintaining an adequate and effective risk management and internal control systems to safeguard the interests of the Shareholders of the Company and the assets of the Group.

It evaluates the effectiveness of the systems at least annually to ensure the adequacy of resources, staff qualifications and budget of the Group's accounting and financial reporting functions. The Board understands that it is responsible for evaluating and determining the nature and extent of the risks and ensuring that the Group has established and maintained appropriate and effective risk management and internal control systems. The Board is also responsible for overseeing its risk management and internal control systems on an ongoing basis and reviewing the effectiveness of the risk management and internal control systems that has been conducted at least annually. The Board understands that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

An ongoing risk management approach is adopted by the Group for identifying and assessing the key inherent risks that affect the achievements of its objectives. The Group established a risk management framework where the Board and management will discuss potential risks during board meetings and management meetings regularly. Management from different subsidiaries and departments voluntarily raise any issues that need attention and further discussions. The Board and senior management are closely involved in daily operation and monitor the potential risks with their understanding of the industry. When risks arise during business operations, they are assessed at management meetings and risk management actions are taken for significant risks. The Group prioritises risks identified during management meetings and significant risks are handled at once. Progress on the risks identified at previous meetings is followed up.

The Board has supervised the management in the design, implementation and monitoring of the risk management and internal control systems and evaluated the effectiveness of the Group's risk management and internal control systems during the Year. During the Year, the Group has conducted a review on whether there is a need for an internal audit department. In light of the size, nature and complexity of the Group's business, as opposed to diverting resources to establish a separate internal audit department, the Board, supported by the Audit Committee, is directly responsible for risk management and internal control systems of the Group and for reviewing its effectiveness. The Group will continue to review whether necessary changes should be made regarding the establishment of an independent internal audit department at the appropriate time.

The Board considers the risk management and internal control systems of the Group of the Year are effective and adequate.

The Board has established a policy on the procedures and internal controls for the handling and dissemination of inside information. The policy stipulated the duty and responsibility of inside information announcement, restriction on sharing non-public information, handling of rumours, unintentional selective disclosure, exemption and wavier to the disclosure of inside information, and also compliance and reporting procedures. Every management of the Company must take all reasonable measures to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the Company from time to time. They must promptly bring any possible leakage or divulgence of inside information to the attention of the chief executive officer, who will notify the Board accordingly for taking the appropriate action promptly. For any material violation of this policy, the Board will decide, or designate appropriate persons to decide the course of actions for rectifying the problem and avoiding recurrence.

COMPANY SECRETARY

Mr. Tsui Siu Hung, Raymond (FCCA, FCPA) is the company secretary of the Company as appointed pursuant to Rule 5.14 of the GEM Listing Rules. During the Year, Mr. Tsui undertook over 15 hours' professional training to update his skill and knowledge in compliance with the CG Code.

COMPLIANCE OFFICER

Mr. Ng Chi Fung, an executive Director, is the compliance officer of the Company. Please refer to the section "Biographical Details of Directors and Senior Management" of this annual report for his biographical information.

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 64 of the Articles, the Board may, whenever it thinks fit, convene an EGM. Any one or more Shareholder(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 sent to the Board or 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 months after the deposit of such requisition.

If within 21 days from the date of the deposit of the requisition the Board fails to proceed to convene such meeting, the requisitionist(s) may convene a meeting 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 by the Company to the requisitionist(s).

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.

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 Articles, Shareholders who wish to move a resolution may by means of requisitions convene an EGM following the procedures set out above.

DIVIDEND POLICY

Dividends may be declared from time to time by the Company to the Shareholders. The Company does not have any predetermined dividend pay-out ratio. The declaration and payment of dividends shall be determined at the sole discretion of the Board after taking into account, among others, the general financial condition of the Group, the capital and debt level of the Group, the future cash requirements and availability for business operations, business strategies and future development needs, the general market conditions and any other factors that the Board deems appropriate. The payment of dividends by the Company is also subject to any restrictions under the relevant applicable laws, rule and regulations and the Articles of the Company.

CONSTITUTIONAL DOCUMENTS

During the Year, there has been no change in the Company's constitutional documents. The Articles are available on the websites of the Stock Exchange and the Company.

INVESTOR RELATIONS

The Group has established a range of communication channels between itself and its shareholders, investors and other stakeholders. All relevant corporate communication materials of the Company published on the GEM website (http://www.hkgem.com) are posted on the Company's website (http://www.guruonline.hk) as soon as practicable after their release. The Company's constitutional documents are also available on the Company's website. Information on the website will be updated on a regular basis.

Share registration matters shall be handled for the Shareholders by the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

The Board hereby presents its environmental, social, and governance ("**ESG**") report, which was prepared in accordance with the requirements of the Environmental, Social and Governance Reporting Guide set out in Appendix 20 ("**ESG Guide**") of the GEM Listing Rules.

The Group has complied with the "comply or explain" provisions set out in the ESG Guide for the Year.

COMMUNICATION WITH STAKEHOLDERS

The Group believes that regular communication with stakeholders can help facilitate its growth. Thus, it remains committed to the sustainable development of its businesses and environmental protection as well as supporting the community in which it operates. The Group also maintains close ties with stakeholders, including its investors, management, customers, employees and business partners as well as the community and the general public. In this regard, the Group strives to consider their opinions and interests through constructive communications as it decides the general direction of its sustainable development.

The Board has the overall responsibility for deciding and reviewing corporate governance practices and activities across the Group as well as determining and directing the overall strategy and development of its operations and business. The senior management of the Group oversees the day-to-day compliance of ESG policies, identifies and addresses ESG-related risks and liaises with the Board to ensure the effective and proper operation of the relevant risk management and internal control procedures.

After assessing the views and opinions collected during the stakeholder engagement exercise, the key material ESG issues were found to mainly focus on social aspects. On the other hand, environmental aspects were considered less relevant to the Group.

Stakeholders Engaged by the Group		Concerned Topics	Engagement Channels
Internal Stakeholders	Management	– Employment and labour conditions – Health and safety – Professional development and training	– Regular meetings – Emails
	Employees	– Employment and labour conditions – Health and safety – Professional development and training	– Regular meetings – Appraisal meetings – Emails

Stakeholders Engaged by the Group		Concerned Topics	Engagement Channels
External Stakeholders	Investors and Shareholders	– Financial performance – Compliance of operations	– Regular meetings – Annual general meeting – Annual, interim and quarterly reports – Press releases and announcements
	Customers and Business Partners	– Product responsibility – Development and training	– Customer satisfaction survey – Company website – Visits and meetings
	Suppliers	– Supply chain management	– Supplier review and evaluation – Company website – Visits and meetings
	Public and Communities	– Involvement in social development	– Liaison with the relevant bodies

ENVIRONMENTAL POLICIES AND PERFORMANCE

The management firmly believes that sound performance in relation to ESG aspects is essential for the sustainable operation of the Group's business, as well as its ability to contribute to society. It is therefore committed to environmental protection, which includes reducing the impact of its activities on the environment and complying with relevant environmental protection laws. Accordingly, the Group is continuously seeking ways to achieve clean operations, including effectively managing resources and minimising wastes and emissions. The Group has also reached out to employees, educating them on environmental protection and encouraging their active involvement in activities that help protect the environment. The management will review its environmental practices in a timely manner and consider implementing additional measures to enhance environmental sustainability.

EMISSIONS

The Group primarily provides integrated digital marketing services; hence, its operations do not produce significant hazardous wastes or air emissions including NOx, SOx, PM and other pollutants. However, greenhouse gas emissions are indirectly generated from electricity consumed at the Group's workplace with minimal emissions. Therefore, during the Year, the Group has promoted energy conservation as part of its holistic approach towards environmental protection, which also correlates with the Group's efforts to develop sustainable operations. Other measures have been implemented by the Group aimed at reducing its carbon footprint and conserving water resources. The Group has also introduced several waste management campaigns, including a paper recycling program. The Group's major source of non-hazardous waste in the office is paper waste with the volume about 0.12 tonnes (2018: 0.16 tonnes). The Group has promoted a paperless work environment to reduce paper waste. The Group has not found any evidence of significant waste from its operations being disposed at landfills during the year.

The major source of CO_2 emissions of the Group was mainly generated from electricity used for maintaining the offices of the Group. During the Year, the indirect emission of CO_2 from purchased electricity was about 119.79 tonnes (2018: 144.84 tonnes).

During the Year, the Group was not aware of any material non-compliance with relevant standards, rules and regulations relating to air and greenhouse gas emissions, discharge into water and land, and generation of hazardous and non-hazardous waste.

USE OF RESOURCES

The Group directly and indirectly consumes resources such as water and electricity in the course of its operations. The management has consequently established energy-saving and consumption-reduction measures to encourage all staff members to more efficiently utilise electricity, water and other resources. The Group has also adopted a series of environmental protection measures based on the principle of recycling and conservation. These measures include methods for reducing water consumption and paper usage, the latter involving practices such as using recycled paper for printing and photocopying and by double-sided printing and photocopying. Furthermore, employees are encouraged to switch off lights and air conditioning units when office areas are unoccupied so as to reduce energy consumption. Electricity and water saving notices are posted in office to remind our employees to save energy. During the Year, the Group had no issue in sourcing water.

The Group primarily provides integrated digital marketing services, and the use of resources mainly includes an indirect energy consumption from electricity, water and paper consumption.

The summary of the emissions and use of resources is as follows:

(1) Energy Consumption

	For the year ended 31 March		
Indicators	**2019**	2018	**Change**
Total energy consumption (kWh)	**226,584**	227,405	-0.36%
Total energy consumption per employee (kWh/employee)	**868**	827	+5.0%

(2) Water Consumption

	For the year ended 31 March		
Indicators	**2019**	2018	**Change**
Total water consumption (m^3)	**165**	83	+98.8%
Total water consumption per employee (m^3/employee)	**0.63**	0.30	+110.0%

(3) Paper Consumption

	For the year ended 31 March		
Indicators	**2019**	2018	**Change**
Total paper consumption (reams)	**327**	355	-7.9%
Total paper consumption per employee (reams/employee)	**1.25**	1.29	-3.1%

THE ENVIRONMENT AND NATURAL RESOURCES

Since our core operations are confined to the office environment, the impact of the Group on the environment and natural resources is not significant and is mainly attributable to the use of electricity, water and paper in the office.

The Group is fully committed to conserving resources and energy, and towards that end, seeks cooperation from all staff members. Among the methods for encouraging their compliance is the requirement for all staff to use access cards for unlocking and operating printers. The Group therefore has a record of paper usage by each employee, and can then monitor the individual's monthly usage of paper and take remedial action when necessary.

All staff are also required to observe the provisions of the staff handbook (the "**Staff Handbook**"), which include practices for conserving energy such as turning off all lights and electrical appliances when leaving the office outside normal working hours.

The Group has also sought ways to protect the environment, including the use of soy ink and FSC-certified paper for the publication of its 2018 and 2019 annual report. Furthermore, a corporate communication notification procedure is to be established for processing and dispatching notification and reply forms to/from CCASS non-registered holders. The results reports will only be issued at the request of shareholders after they have returned their reply forms, rather than being automatically dispatched to all shareholders as is the current practice.

EMPLOYMENT

The Staff Handbook contains the Group's current policies on human resources, including conditions of employment, rules and discipline, personal development, general policies, health and safety, and employee relations. Employees could thereby readily refer to the Group's policies on issues such as compensation, dismissal, recruitment, promotion and working hours.

The Staff Handbook also highlights the Group's commitment to providing equal opportunity to all staff and potential staff regardless of nationality, race, religion, sex or marital status in the application of employment practices, including recruitment, during employment, compensation, training and promotion. This commitment extends to the protection of all staff from sexual harassment, which includes uninvited or unwelcome physical, visual or non-verbal conduct of a sexual nature. Employees are advised to inform the human resources department when such instances occur. All related matters are to be dealt with in the strictest confidence, and formal feedback will be provided within five working days.

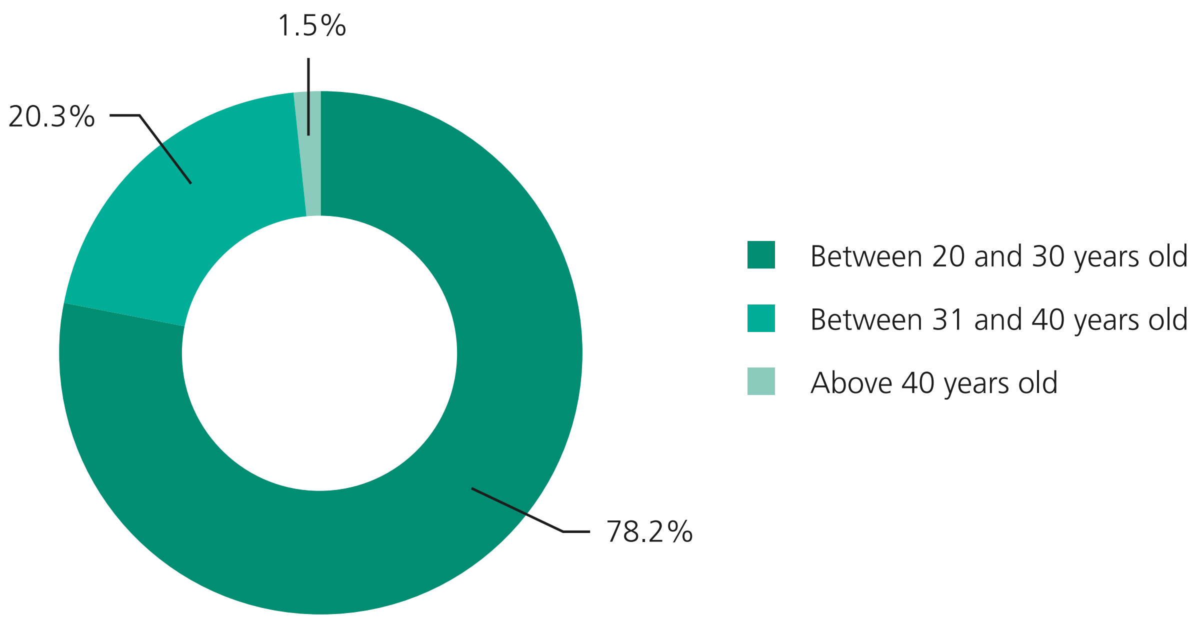
The management also regularly reviews the Group's remuneration policy in relation to relevant market standards.

For the Year under review, the Group was not aware of any material non-compliance with applicable standards, rules and regulations relating to employment.

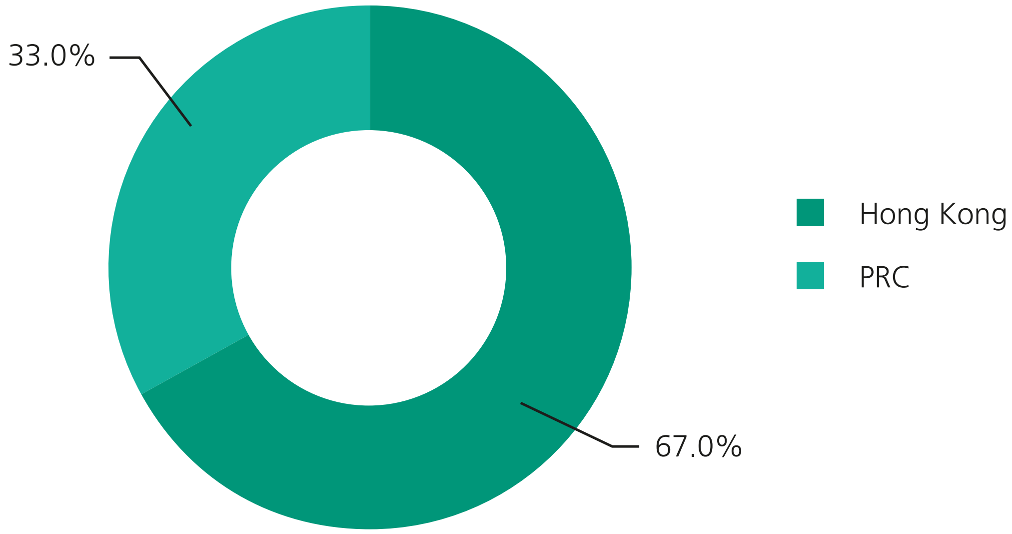
The summary of the details of the Group's workforce during the Year is as follows:

	For the year ended 31 March 2019
Total Number of Employees (including full-time and part-time employees)	261

Our Workforce by Age Categories



Our Workforce by Geographic Region



HEALTH AND SAFETY

Health and safety are important concerns of the Group, and are considered in relation to all aspects of its business operations in alignment with the view that its employees are its most valuable asset. The Group is therefore committed to providing employees with a safe, pleasant and healthy working environment. The principal office of the Group is located at 4/F., KOHO, 73-75 Hung To Road, Kwun Tong, Hong Kong with a gross floor area (GFA) of approximately 21,480 sq ft. It provides facilities for employees to relax, gather and have informal meetings.

All staff members are alerted to the emergency evacuation guidelines conspicuously posted around the office, and are expected to be familiar with safety procedures in case of fire or similar emergencies. To reinforce such familiarity, fire drills are conducted on a regular basis to highlight the escape routes. All employees are also encouraged to inform relevant departments whenever they notice any potential or apparent health and safety hazards so as to protect the well-being of all staff.

Regular inspections and management review of health and safety conditions are performed by the Group to ensure the effectiveness of relevant policies and measures. During the Year, the Group was not aware of any material non-compliance with applicable standards, rules and regulations relating to health and safety aspects.

The Group shows its genuine care for its employees by promoting a work-life balance to advance both health and career development. To this end, it provides a wide range of facilities including an outdoor balcony, table tennis tables, badminton rackets and a basketball backboard and net to our employees in order to create a happy and harmonious workplace.

For the Year, the Group is in compliance with relevant laws and regulations, by ensuring that the employees are working in a safe environment in respect to health, hygiene, ventilation, gas safety, building structure and emergency exits.

Health and Safety Indicators

	For the year ended 31 March 2019
Number of work injuries due to work	1
Number of lost days due to work injury	3
Number of work-related fatalities due to work	N/A

DEVELOPMENT AND TRAINING

The management is committed to the professional development of staff, and encourages its employees to attend relevant courses, seminars and conferences, as well as in-house training organised by the Company. Complementing these efforts, we also arrange for guest speakers to provide information on the latest developments within the integrated digital market as well as weekly internal training for employees presented by a team comprised by their colleagues.

In providing the opportunity to pursue a meaningful and rewarding career with the Company, the line management will inform our staff of their responsibilities and the standards required when completing tasks, and will give support and assistance when needed. Staff are welcome to speak with their department head if they have any enquiries. A formal assessment interview by the line management is conducted once a year, whereas managers appraise staff on an ongoing basis in an opportunity for two-way feedback.

Development and Training Indicators in Hong Kong

	For the year ended 31 March 2019
Total number of hours of internal training received by employees	70
Average number of hours of training per employee	30

Moreover, the Group is convinced that a sense of belonging and morale of the employees are always the key drivers to maintaining healthy growth. The Group therefore seeks to create a distinct corporate culture that advocates teamwork and collaboration.

LABOUR STANDARDS

Consistent with the Group's belief that its staff are its most important asset, it strictly complies with relevant employment rules and regulations pertaining to working hours, probationary period, remuneration, bonus scheme, employee benefits, mandatory provident fund, special leave of absence, etc. The management strives to provide a work environment where staff can grow professionally and contribute to the Group. Correspondingly it has established a "Work and Development Policy" that creates a formal communication line linking supervisors with their subordinates; enabling exchanges regarding matters such as performance evaluation, feedback, career planning and remuneration. When a staff member elects to leave the company, an exit interview is conducted during which the departing employee completes a questionnaire which enables the management to better understand the reasons behind the decision and assess its own performance.

Prior to confirmation of employment, the Group requires the job applicant to provide a valid identity document to verify that the applicant is lawfully employable, and ensure full compliance with relevant laws and regulations that prohibit child and forced labour.

The Group also strives to provide a rewarding employment experience for interns. Towards this objective, it has established internship policies and a procedure manual for guiding its managers, supervisors and human resources professionals in hiring interns.

For the Year, the Group was not aware of any material non-compliance with applicable standards, rules and regulations relating to child or forced labour.

SUPPLY CHAIN MANAGEMENT

Even though the Group's business has no significant impact on the environment, the management continuously monitors all business operations with the view towards reducing any possible negative impact on the environment or on society. Such scrutiny extends to supplier management, with the Group placing emphasis on service quality during the selection process. The required quality includes the suppliers' compliance with relevant codes and practices pertaining to environmental protection. Also, as part of the engagement process, the Group selects more than one supplier for comparison purposes, thus ensuring that the most suitable candidate is selected.

Supply Chain Indicators

Total number of suppliers	For the year ended 31 March 2019
By Region:	
Hong Kong	316
PRC	104
Others	25

PRODUCT RESPONSIBILITY

The Group is fully committed to the protection of personal data and intellectual property rights, and expects full compliance in these areas from all employees as outlined in the Staff Handbook.

In respect of personal data, the Staff Handbook clearly states that such information must be carefully used and must not be disclosed to unauthorised persons. Where uncertainties exist in terms of processing personal data, all staff members must contact the human resources department for guidelines and advice on general obligations under legislation and best business practices.

With regard to the protection of intellectual property rights, all employees understand that all works made by them in the course of their employment are the property of the Group, and that they are obligated to promptly disclose and deliver to the Group for its exclusive use any and all such property upon its request. Also, all staff shall cooperate with the Group in executing assignments as necessary from time to time and to vest all rights in the Group as the legal and beneficial owner of any and all such related works. Furthermore, both during employment and upon departure from the Group, no conduct shall be undertaken that might affect or imperil the validity of protection of the intellectual property rights obtained, or applied for, by the Group.

The Group also fully respects the intellectual property rights of its customers and has signed non-disclosure agreements.

For the Year, the Group was not aware of any material non-compliance with applicable standards, rules and regulations relating to health and safety, advertising and labeling, and privacy matters relating to products and services provided and methods of redress.

Product Responsibility Indicators

	For the year ended 31 March 2019
Total number of orders	1,794
Total number of complaints received	–
Total number of legal dispute cases	–

ANTI-CORRUPTION

The Group understands that to maintain its considerable standing in the global digital marketing field, maintaining the utmost professionalism in respect of business conduct is paramount. Correspondingly, all employees must enter into a declaration of confidentiality and maintain high standards of honesty and fairness when conducting work for the Group. The Group expects employees not only to abide by the content provisions of the Staff Handbook, but also by the spirit of the document, as well as the rules and regulations of regulatory authorities and the law. Furthermore, all staff should take reference to the Group's code of conduct with regard to guarding against corruption. The code sets out ethical standards relating to conduct in the course of obtaining business, personal benefits, use of information, and outside employment, among other important issues. The Group has also established policies and procedures for dealing with money laundering. During the Year, there were no complaints of corruption concerning the Group or any of its staff and the Group was not aware of any material non-compliance with applicable standards, rules and regulations relating to bribery, extortion, fraud and money laundering.

Anti-corruption Indicators

	For the year ended 31 March 2019
Number of concluded legal cases regarding corrupt practices bought against the issuer or its employees	–

COMMUNITY INVESTMENT

The Group fully understands the importance of giving back to the community, which includes ensuring that the young generation has a strong start in life. Consistent with this view, the Group has donated 9 PC computers, 16 notebook computers and 5 LCD monitors to Caritas Computer Workshop. Apart from helping those in need who can now get the equipment at an affordable price, the donation was also made for recycling and environmental caring purposes.

SHINEWING (HK) CPA Limited
43/F., Lee Garden One
33 Hysan Avenue
Causeway Bay, Hong Kong

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

OPINION

We have audited the consolidated financial statements of Guru Online (Holdings) Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred as the "**Group**") set out on pages 69 to 153, which comprise the consolidated statement of financial position as at 31 March 2019, 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 2019, 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 (the "**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 MATTERS

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

RECOVERABILITY OF TRADE RECEIVABLES

Refer to note 21 to the consolidated financial statements and the accounting policies on page 95 to 98.

The key audit matter	How the matter was addressed in our audit
As at 31 March 2019, the Group had significant trade receivables of approximately HK$34,294,000. In view of the significant balance which accounted for approximately 52% of total current assets, the recoverability of trade receivables posed significant risk on the Group's liquidity. Loss allowances for trade receivables are based on management's estimate of the lifetime expected credit losses to be incurred, which is estimated by taking into account the credit loss experience, ageing of overdue trade receivables, customers' repayment history and customers' financial position and an assessment of both the current and forecast general economic conditions, all of which involve a significant degree of management judgement.	Our audit procedures to assess the recoverability of trade receivables included the following: • Evaluating techniques and methodology in the expected credit loss model against the requirement of HKFRS 9; • assessing, on a sample basis, the ageing profile of the trade receivables as at 31 March 2019 to the underlying financial records and post year end settlements to bank receipts; • Inquiring of management for the status of the material trade receivables past due as at year end and corroborating explanations from management with supporting evidence, such as performing public search of selected customers, understanding on-going business relationship with the customers based on their trade records; and • assessing the reasonableness of management's loss allowance estimates by examining the information used by management to form such judgements, including testing the accuracy of the historical default data, evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information and examining the actual losses recorded and assessing whether there was an indication of management bias when recognising loss allowances.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company 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 of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion, solely to you, as a body, in accordance with our agreed terms of 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 of the Company.

- Conclude on the appropriateness of the Company's 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.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Chan Wing Kit.

SHINEWING (HK) CPA Limited
Certified Public Accountants
Chan Wing Kit
Practising Certificate Number: P03224

Hong Kong
20 June 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2019

	NOTES	**2019** **HK$'000**	2018 HK$'000
Revenue	7	**207,130**	176,764
Cost of services		**(141,132)**	(108,490)
Gross profit		**65,998**	68,274
Other income, gains or losses	9	**1,355**	1,284
Selling expenses		**(29,117)**	(25,863)
Administrative expenses		**(65,722)**	(72,037)
Share of (loss) profit of associates	18	**(50)**	69
Reversal of impairment loss on trade receivables		**579**	–
Change in fair value of financial asset at fair value through profit or loss/held for trading investments	25	**(622)**	(33)
Loss before tax		**(27,579)**	(28,306)
Income tax expense	10	**–**	(583)
Loss for the year attributable to owners of the Company	11	**(27,579)**	(28,889)
Other comprehensive (expense) income			
Item that will be subsequently reclassified to profit or loss:			
Change in fair value of available-for-sale investments		**–**	195
Change in fair value of financial asset at fair value through other comprehensive income		**(1,500)**	–
Exchange differences arising on translating foreign operations		**866**	1,454
Other comprehensive (expense) income for the year		**(634)**	1,649
Total comprehensive expense for the year attributable to owners of the Company		**(28,213)**	(27,240)
Loss per share			
Basic and diluted (HK cent)	15	**(1.65)**	(1.73)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

	NOTES	**2019** **HK$'000**	2018 HK$'000
Non-current assets			
Plant and equipment	16	**7,717**	10,060
Investment properties	17	**26,764**	21,318
Interests in associates	18	**701**	751
Available-for-sale investments	20a	**–**	27,651
Financial asset at fair value through other comprehensive income	20b	**2,500**	–
Deposits	22	**1,798**	1,984
		39,480	61,764
Current assets			
Trade and bills receivables	21	**34,294**	32,748
Deposits, prepayments and other receivables	22	**11,592**	7,757
Amounts due from associates	23	**410**	367
Tax recoverable		**564**	379
Held-to-maturity investments	19	**–**	6,610
Financial asset at fair value through profit or loss/Held for trading investments	25	**10,771**	4,308
Bank balances and cash	26	**7,956**	18,565
		65,587	70,734
Current liabilities			
Trade and other payables	27	**21,126**	13,641
Contract liability/Receipts in advance		**5,652**	14,558
Accrued expenses		**9,052**	6,777
Income tax payable		**1,020**	1,092
		36,850	36,068
Net current assets		**28,737**	34,666
Total assets less current liabilities		**68,217**	96,430
Non-current liability			
Deferred tax liability	28	**–**	–
		68,217	96,430

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

	NOTE	**2019** **HK$'000**	2018 HK$'000
Capital and reserves			
Share capital	29	**16,672**	16,672
Reserves		**51,545**	79,758
Total equity		**68,217**	96,430

The consolidated financial statements on pages 69 to 153 were approved and authorised for issue by the board of directors on 21 June 2019 and are signed on its behalf by:

Yip Shek Lun Director	Ng Chi Fung Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2019

	Share capital HK$'000	Share premium HK$'000	Share options reserve HK$'000	Available-for-sale investments reserve HK$'000	Financial asset revaluation reserve HK$'000	Exchange reserve HK$'000	Other reserve (Note) HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2017	16,672	78,559	5,136	–	–	(2,316)	46,657	(21,570)	123,138
Loss for the year	–	–	–	–	–	–	–	(28,889)	(28,889)
Other comprehensive income for the year									
– Change in fair value of available-for-sale investments	–	–	–	195	–	–	–	–	195
– Exchange differences arising on translating foreign operations	–	–	–	–	–	1,454	–	–	1,454
Other comprehensive income for the year	–	–	–	195	–	1,454	–	–	1,649
Total comprehensive expense for the year	–	–	–	195	–	1,454	–	(28,889)	(27,240)
Recognition of equity-settled share-based payment	–	–	532	–	–	–	–	–	532
Share options lapsed	–	–	(623)	–	–	–	–	623	–
At 31 March 2018 and 1 April 2018	16,672	78,559	5,045	195	–	(862)	46,657	(49,836)	96,430
Effect of changes in accounting policies (note 2)	–	–	–	(195)	(750)	–	–	945	–
At 1 April 2018, as restated	16,672	78,559	5,045	–	(750)	(862)	46,657	(48,891)	96,430
Loss for the year	–	–	–	–	–	–	–	(27,579)	(27,579)
– Change in fair value of financial asset at fair value through other comprehensive income	–	–	–	–	(1,500)	–	–	–	(1,500)
– Exchange differences arising on translating foreign operations	–	–	–	–	–	866	–	–	866
Other comprehensive (expense) income for the year	–	–	–	–	(1,500)	866	–	–	(634)
Total comprehensive (expense) income for the year	–	–	–	–	(1,500)	866	–	(27,579)	(28,213)
Disposal of financial asset at fair value through other comprehensive income	–	–	–	–	750	–	–	(750)	–
Lapsed of share options	–	–	(5,045)	–	–	–	–	5,045	–
At 31 March 2019	16,672	78,559	–	–	(1,500)	4	46,657	(72,175)	68,217

Note:

Other reserve represented the difference between the nominal amount of the share capital and share premium of AdBeyond Holdings Limited and the nominal amount of the share capital issued by the Company pursuant to the group reorganisation on 16 May 2015.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2019

	2019 **HK$'000**	2018 HK$'000
OPERATING ACTIVITIES		
Loss before tax	**(27,579)**	(28,306)
Adjustments for:		
Bank interest income	**(16)**	(24)
Interest income on debt investment at amortised cost/held-to-maturity investments	**(109)**	(315)
Dividends from held for trading investments	**(335)**	(363)
Loss on disposal of available-for-sale investments	**–**	67
Loss on disposal of financial asset at fair value through profit or loss/held for trading investments	**–**	313
Loss on disposal of plant and equipment	**12**	–
Gain on disposal of investment properties	**(687)**	–
Impairment loss recognised in respect of trade receivables	**–**	7,910
Impairment loss recognised in respect of available-for-sale investments	**–**	750
Impairment loss reversed in respect of trade receivables	**(579)**	(689)
Depreciation of plant and equipment	**3,284**	2,886
Depreciation of investment properties	**709**	403
Change in fair value loss of financial asset at fair value through profit or loss/held for trading investments	**622**	33
Share-based payment expense	**–**	532
Share of loss (profit) of associates	**50**	(69)
Operating cash flows before movements in working capital	**(24,628)**	(16,872)
Increase in trade and bills receivables	**(533)**	(3,281)
(Increase)/decrease in deposits, prepayments and other receivables	**(4,088)**	3,018
Increase in financial asset at fair value through profit or loss/held for trading investments	**(942)**	(2,749)
Increase/(decrease) in trade and other payables	**7,665**	(642)
(Decrease)/increase in receipts in advance	**(8,783)**	8,685
Increase/(decrease) in accrued expenses	**2,282**	(205)
CASH USED IN OPERATIONS	**(29,027)**	(12,046)
Income tax (paid) refunded	**(224)**	1,653
NET CASH USED IN OPERATING ACTIVITIES	**(29,251)**	(10,393)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2019

	2019 HK$'000	2018 HK$'000
INVESTING ACTIVITIES		
Purchase of available-for-sale investments	–	(41,442)
Purchase of financial assets at fair value through other comprehensive income	(2,500)	–
Purchase of financial assets at fair value through profit or loss	(3,970)	–
Purchase of investment properties	(10,127)	(18,032)
Purchase of plant and equipment	(1,043)	(6,881)
Purchase of held-to-maturity investments	–	(1,548)
Advance to associates	–	(32)
Bank interest received	16	24
Decrease in restricted bank balance	–	50
Dividends received from held for trading investments	–	363
Dividends received from financial asset at fair value through other comprehensive income	335	–
Interest received from held-to-maturity investments	109	442
Proceeds from disposal of investment properties	4,659	–
Proceeds from disposal of plant and equipment	56	–
Proceeds from financial assets at fair value through profit or loss	23,978	–
Proceeds from disposal of associates	–	504
Proceeds from disposal of available-for-sale investments	–	13,169
Proceeds from redemption of debt investment at amortised cost/held-to-maturity investments	6,650	15,123
NET CASH FROM (USED IN) INVESTING ACTIVITIES	18,163	(38,260)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(11,088)	(48,653)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	18,565	66,509
Effect of foreign exchange rate changes	479	709
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash	7,956	18,565

1. GENERAL

The Company was incorporated on 10 January 2014 in the Cayman Islands as an exempted company with limited liability under the Companies Law (as revised) of the Cayman Islands. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

The Company is principally engaged in investment holding. The principal activities of its subsidiaries are set out in note 35.

Other than those subsidiaries of the Company established in the People's Republic of China (the "**PRC**") whose functional currency is Renminbi ("**RMB**"), the functional currency of the remaining subsidiaries of the Company is Hong Kong dollars ("**HK$**").

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied for the first time the following new and amendments to HKFRSs, Hong Kong Accounting Standards ("**HKAS(s)**") and interpretations ("**Int(s)**"), issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of Annual Improvements to HKFRSs 2014-2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration

Except as described below, the application of the new and amendments to HKFRSs, HKASs and Int in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

HKFRS 9 Financial Instruments

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The Group has applied HKFRS 9 retrospectively to financial instruments that have not been derecognised at the date of initial application (i.e. 1 April 2018) in accordance with the transition provisions under HKFRS 9, and chosen not to restate comparative information. Differences in the carrying amounts of financial assets and financial liabilities on initial application are recognised in accumulated losses.

The Group's accounting policies for the classification and measurement of financial instruments and the impairment of financial assets are disclosed in detail in note 3 below.

Classification and measurement of financial instruments

The directors of the Company (the "**Directors**") reviewed and assessed the Group's existing financial assets and liabilities as at 1 April 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of HKFRS 9 has had the following impact on the Group's financial assets and liabilities as regards their classification and measurement:

(a) Fund investments previously classified as available-for-sale investments carried at fair value:

For certain available-for-sale fund investments amounting to HK$26,151,000 do not meet the criteria to be classified either as at financial assets at fair value through other comprehensive income ("**FVTOCI**") or at amortised cost under HKFRS 9 and were reclassified to financial assets at fair value through profit or loss ("**FYTPL**") upon its initial application. The Group measures them at fair value at the end of subsequent reporting periods with fair value gains or losses to be recognized in profit or loss. As such, available-for-sale investment reserve relating to these financial assets amounting to HK$195,000 was transferred to accumulated losses as at 1 April 2018.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

Classification and measurement of financial instruments *(Continued)*

(b) **Unlisted equity investments previously classified as available-for-sale investments carried at cost less impairment:**

The Group had elected to present in other comprehensive income for the fair value changes in respect of certain of the Group's unlisted equity investment amounting to approximately HK$1,500,000, net of accumulated impairment losses of approximately HK$750,000, as they are held for medium or long term strategic purpose, and reclassified them to financial assets at FVTOCI upon initial application of HKFRS 9. The Group measures them at fair value at the end of subsequent reporting periods with fair value gains or losses to be recognised as other comprehensive income and accumulated in the financial asset revaluation reserve, which will not be reclassified to profit or loss when they are derecognised. On initial application of HKFRS 9, an impairment loss of approximately HK$750,000 previously recognised on these investments was reclassified from accumulative losses to financial asset revaluation reserve at 1 April 2018.

(c) **Debt investments previously classified as held-to-maturity investments**

The listed debentures previously classified as held-to-maturity investments amounting to HK$6,610,000 which are held within a business model whose objective is to collect the contractual cash flows that are solely payments of principal and interest on the principal outstanding. Accordingly, these investments continue to be subsequently measured at amortised cost and were reclassified to financial assets at amortised cost upon adoption of HKFRS 9.

(d) In respect of the Group's trade and bills receivables, deposits and other receivables and bank balances and cash that were previously classified as loans and receivables and carried at amortised costs, they were reclassified to financial assets at amortised costs without any impact to the carrying value upon adoption of HKFRS 9.

Loss allowance for expected credit losses ("ECL")

The adoption of HKFRS 9 has changed the Group's accounting for impairment losses for financial assets by replacing HKAS 39's incurred loss model with a forward-looking ECL approach. As at 1 April 2018, the Directors reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirement of HKFRS 9.

It is concluded that, as at 1 April 2018, no additional credit loss allowance has been recognised against retained earnings as the estimated allowance under the ECL model were not significantly different to the impairment losses previously recognised under HKAS 39.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

Summary of effects arising from initial application of HKFRS 9

The table below summarises the original measurement categories under HKAS 39 and the new measurement categories under HKFRS 9 for each class of the Group's financial assets and reconciles the carrying amounts of financial assets under HKAS 39 to the carrying amounts under HKFRS 9 on 1 April 2018.

	Carrying amount at 31 March 2018 (HKAS 39) HK$'000	Adoption of HKFRS 9 HK$'000	Carrying amount as at 1 April 2018* HK$'000
Assets			
Loans and receivables			
– Trade and bills receivables	32,748	(32,748)	–
– Deposits and other receivables	6,210	(6,210)	–
– Amounts due from associates	367	(367)	–
– Bank Balance and cash	18,565	(18,565)	–
Financial assets at amortised cost			
– Trade and bills receivables	–	32,748	32,748
– Deposits and other receivables	–	6,210	6,210
– Amounts due from associates	–	367	367
– Bank balance and cash	–	18,565	18,565
– Held to maturity investments	–	6,610	6,610
Held-to-maturity investments	6,610	(6,610)	–
Held for trading investments	4,308	(4,308)	–
Available-for-sale investments			
– Unlisted equity investments	1,500	(1,500)	–
– Fund investments	26,151	(26,151)	–
Financial asset at fair value through profit or loss			
– Equity securities held for trading	–	4,308	4,308
– Fund investments	–	26,151	26,151
Financial assets at fair value through other comprehensive income			
– Unlisted equity investments	–	1,500	1,500
Total	96,459	–	96,459

* The amounts in this column are before the adjustments from application of HKFRS 15.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

Summary of effects arising from initial application of HKFRS 9 *(Continued)*

All the financial liabilities have not been impacted by the application of HKFRS 9 and continue to be classified and measured on the same basis as they were under HKAS 39.

The table below summaries the impact of transition to HKFRS 9 on accumulated losses at 1 April 2018.

	Available-for-sale investments reserve HK$'000	**Financial asset revaluation reserve** HK$'000	**Accumulated losses** HK$'000
Balance at 31 March 2018 as originally stated	195	–	(49,836)
Fair value gain transferred from available-for-sale investments reserve to accumulated losses	(195)	–	195
Impairment loss transferred from accumulated losses as the financial assets measured at FVTOCI	–	(750)	750
Balance at 1 April 2018 as restated	–	(750)	(48,891)

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 superseded HKAS 11 Construction Contracts, HKAS 18 Revenue and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard established a five-step model for determining whether, how much and when revenue is recognised. The Group has elected to adopt the modified retrospective approach for contracts with customers that are not completed as at the date of initial application (i.e. 1 April 2018) with the cumulative effect of initially applying HKFRS 15 as an adjustment to the opening balance of accumulated losses and comparative information is not restated.

The major sources of revenue of the Group are provision of services. Under HKFRS 15, revenue is recognised for each of the performance obligations when control over a good or service is transferred to a customer. The directors of the Company have assessed the timing, progress measurement and amounts of revenue recognition and concluded that no material impact on adoption of HKFRS 15 to the consolidated financial statement.

Upon adoption of HKFRS 15, the "receipts in advance" were reclassified as "contract liabilities" for both 1 April 2018 and 31 March 2019.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and amendments to HKFRSs, which include HKASs and Int, that have been issued but are not yet effective:

HKFRS 16	Leases[1]
HKFRS 17	Insurance Contract[2]
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle[1]
Amendments to HKFRS 3	Definition of a Business[5]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKAS 1 and HKAS 8	Definition of Material[3]
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement[1]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[1]

1 Effective for annual periods beginning on or after 1 January 2019
2 Effective for annual periods beginning on or after 1 January 2021
3 Effective for annual periods beginning on or after 1 January 2020
4 Effective for annual periods beginning on or after a date to be determined
5 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

The Directors anticipate that, except as described below, the application of other new and amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

New and revised HKFRSs issued but not yet effective *(Continued)*

HKFRS 16 Leases

HKFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessors and lessees.

In respect of the lessee accounting, the standard introduces a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases with the lease term of more than 12 months, unless the underlying asset has a low value.

At the commencement date of the lease, the lessee is required to recognise a right-of-use asset at cost, which consists of the amount of the initial measurement of the lease liability, plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. A lease liability is initially recognised at the present value of the lease payments that are not paid at that date.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payment made, and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. Depreciation and impairment expenses, if any, on the right-of-use asset will be charged to profit or loss following the requirements of HKAS 16 Property, Plant and Equipment, while interest accrual on lease liability will be charged to profit or loss.

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

HKFRS 16 will supersede the current lease standards including HKAS 17 Leases and the related interpretations when it becomes effective.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

New and revised HKFRSs issued but not yet effective *(Continued)*

HKFRS 16 Leases *(Continued)*

As at 31 March 2019, the Group has non-cancellable operating lease commitments of approximately HK$7,151,000 as disclosed in note 30. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirements may result changes in the measurement, presentation and disclosure as indicated above. The Directors plan to elect to use the modified retrospective approach for the adoption of HKFRS 16 and will not restate the comparative information. The Directors expect that the adoption of HKFRS 16 will not have material impact on the Group's result but certain portion of these lease commitments will be required to be recognised in the consolidated statement of financial position as right-of-use assets and lease liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. 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 of Hong Kong and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

– Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

– Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

– Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (i.e. its subsidiaries). If a subsidiary prepares its financial statements using accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that subsidiary's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

Control is achieved where the Group has: (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns. When the Group has less than a majority of the voting rights of an investee, power over the investee may be obtained through: (i) a contractual arrangement with other vote holders; (ii) rights arising from other contractual arrangements; (iii) the Group's voting rights and potential voting rights; or (iv) a combination of the above, based on all relevant facts and circumstances.

The Company reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements of control stated above.

Consolidation of a subsidiary begins when the Group obtains control of the subsidiary and cease when the Group loses control of the subsidiary.

Income and expenses of subsidiaries are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Basis of consolidation *(Continued)*

Profit or loss and each component of other comprehensive income of subsidiaries are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group are eliminated in full on consolidation.

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The Group's investments in associates are accounted for in the consolidated financial statements using the equity method. Under the equity method, investments in associates are initially recognised at cost. The Group's share of the profit or loss and changes in the other comprehensive income of the associates are recognised in profit or loss and other comprehensive income after the date of acquisition. If the Group's share of losses of an associate equals or exceeds its interest in the associate, which determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group discontinues recognising its share of further losses. Additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment, any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of the associate is recognised as goodwill and is included in the carrying amount of the investment.

After application of the equity method, including recognising the associate's losses (if any), the Group determines whether it is necessary to recognise any additional impairment loss with respect to its investment in the associate. The entire carrying amount of the investment is tested for impairment as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment in the associate. Any reversal of that impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Investments in associates *(Continued)*

When the investment ceases to be an associate upon the Group losing significant influence over the associate, the Group discontinues to apply equity method and any retained interest is measured at fair value at that date which is regarded as its fair value on initial recognition as a financial asset in accordance with the applicable standard. Any difference between the fair value of any retained interest and any proceeds from disposing of a part interest in the associate and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss. Any amount previously recognised in other comprehensive income in relation to that investment is reclassified to profit or loss or retained earnings on the same basis as it would have been required if the investee had directly disposed of the related assets or liabilities.

Gains and losses resulting from transactions between the Group and its associate are recognised in consolidated financial statements only to the extent of unrelated investors' interests in the associate. The Group's share in the associate's gains or losses resulting from these transactions is eliminated.

Revenue recognition

Policy applicable to the year ended 31 March 2019 (with application of HKFRS 15)

Revenue is recognised 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 or services. Specifically, the Group uses 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 the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The Group recognised revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to customers.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue recognition *(Continued)*

Policy applicable to the year ended 31 March 2019 (with application of HKFRS 15) *(Continued)*

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

- The Group's performance creates and enhances an asset that the customer controls as the asset is created and enhanced; or

- The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct goods or service.

Revenue is measured based on the consideration specified in a contract with a customer, excludes amounts collected on behalf of third parties, discounts and sales related taxes.

Contract liabilities

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

Revenue from social media management services, digital advertisement placement services and internet marketing services were recognised overtime on a straight line basis over the service period.

Revenue from creative and technology service were recognised overtime. The progress towards complete satisfaction of a performance obligation is measured based on input method.

Input methods recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation, by reference to the actual costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract. In some circumstances when the outcome of a performance obligation could not be reasonably measured, the Group shall recognise revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue recognition *(Continued)*

Policy applicable to the year ended 31 March 2018

Revenue is measured at the fair value of the consideration received or receivable for services rendered in the normal course of business, net of discounts and sales related taxes.

Service income is recognised when services are provided.

The Group derives revenue from provision of advertisement placement services through digital media, provision of set-up, maintenance and monitor services on corporate profile pages through the social media platforms and internet marketing platform. The revenue is recognised on a straight-line basis over the service period.

The Group also provides services involving design and copywriting of digital advertisements, production of corporate profile pages, website, apps and related consultation. The revenue derives from these contracts is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined by reference to the proportion of the total cost of providing the service.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Leasing

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

The Group as lessee

Operating leases payments are recognised as an expense on a straight-line basis over the lease term.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Plant and equipment

Plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to allocate the cost of items of plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties included land held for undetermined future use, which is regarded as held for capital appreciation purpose.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of property (calculated as difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Foreign currencies *(Continued)*

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve.

Contribution to development of blockchain projects

Contribution to development of blockchain projects is recognised as an expense as incurred when there is significant uncertainty over the future economic benefit in respect of such projects.

Employee benefits

Retirement benefit costs

Payments to state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme (the "**MPF Scheme**") are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that services.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before tax as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Cash and cash equivalents

Bank balances and cash in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of bank balances and cash as defined above.

Investments in subsidiaries

Investments in subsidiaries are stated on the statement of financial position of the Company at cost less accumulated impairment loss.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Under HKFRS 9 (applicable on or after 1 April 2018)

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, FVTOCI, and FVTPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Financial assets at amortised cost (debt instruments)

The Group measures financial assets subsequently at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment.

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

Interest income is recognised in profit or loss and is included in the "Other income, gains or losses" line item (note 9).

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Financial assets at amortised cost (debt instruments) (Continued)

(ii) Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the financial asset revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'Other income, gains or losses' line item (note 9).

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instrument as at FVTPL.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Financial assets at amortised cost (debt instruments) (Continued)

(iii) Financial assets at FVTPL *(Continued)*

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship.

The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in consolidated statement of profit or loss. Fair value is determined in the manner described in note 6.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated individually based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forward-looking information at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group measures the loss allowance equal to 12-month ECL, unless when there has a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 180 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

Significant increase in credit risk *(Continued)*

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

The Group considers that default has occurred when a financial asset is more than 365 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments *(Continued)*

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Under HKAS 39 (applicable before 1 April 2018)

Financial assets

The Group's financial assets are classified into one of the four categories, including financial assets at FVTPL, loans and receivables, held-to-maturity investment and available-for-sale financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL, of which interest income is included in other income, gains or losses.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Financial assets at FVTPL

Financial assets at FVTPL has two subcategories, including financial assets held for trading and those designated as at FVTPL on initial recognition.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets and is included in the other income, gains and losses line item in the consolidated statement of profit or loss and other comprehensive income. Fair value is determined in the manner described in note 6.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and bills receivables, deposits and other receivables, amounts due from associates, restricted bank balance and bank balances and cash) are measured at amortised cost using the effective interest method, less any identified impairment loss (see accounting policy on impairment loss of financial assets below).

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group's management has the positive intention and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as financial assets at FVTPL, loans and receivables or held-to-maturity investments.

Equity and debt securities held by the Group that are classified as available-for-sale financial assets and are traded in an active market are measured at fair value at the end of each reporting period. Changes in the carrying amount of available-for-sale monetary financial assets relating to changes in foreign currency rates, interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognised in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of available-for-sale investments reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss (see the accounting policy in respect of impairment loss on financial assets below).

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

The fair value of available-for-sale monetary financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate prevailing at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period (see the accounting policy in respect of impairment loss on financial assets below).

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment loss on financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter into bankruptcy or financial re-organisation; or
- disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade and bills receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30-60 days, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and bills receivables, deposits and other receivables, amounts due from associates, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade and bills receivable, deposits and other receivable, or amount due from associate is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment loss on financial assets (Continued)

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period in which the impairment takes place.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Impairment losses on available-for-sale equity investments will not be reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised directly in other comprehensive income and accumulated in available-for-sale investments reserve. For available-for-sale debt investments, impairment losses are subsequently reversed through 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.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Other financial liabilities

Other financial liabilities including trade and other payables and accrued expenses are subsequently measured at amortised cost, using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments *(Continued)*

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Derecognition

A financial asset is derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

A financial liability is derecognised when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Impairment losses on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity settled share-based transactions are set out in note 31.

The fair value determined at the grant date of the equity settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share options reserve).

At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained profits.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Share-based payment transactions *(Continued)*

Share options granted to consultants

Share options issued in exchange for services are measured at the fair values of the services received, unless that fair value cannot be reliably measured, in which case the services received are measured by reference to the fair value of the share options granted. The fair values of the services received are recognised as expenses, with a corresponding increase in equity (share options reserve), when the counterparties render services, unless the services qualify for recognition as assets.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the amounts of assets, liabilities, revenue and expenses reported and disclosures made in the consolidated financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going 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.

Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised and disclosures made in the consolidated financial statements.

Significant influence over associates

As per note 18, the directors of the Company considered Travellife Limited, Qooza Interactive Limited and Jobdoh Limited, in which the Group has 20%, 13% and 20% equity interest respectively, are associates of the Group as the Group has significant influence over Qooza Interactive Limited by virtue of its contractual right to appoint one out of five directors to the board of directors of these associates, and voting right under the provisions stated in the shareholders' agreement of these associates.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Key sources of estimation uncertainty

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Revenue recognition

As explained in accounting policy in note 3, revenue from creative and technology service were recognized overtime. The progress towards complete satisfaction of a performance obligation is measured by input method based on actual cost incurred up to the end of reporting date as a percentage of total estimated costs.

Significant assumptions are required in estimating the contract revenue, contract costs which may have an impact on progress towards complete satisfaction of the contracts and the corresponding profit taken.

Depreciation of plant and equipment and investment properties

Plant and equipment and investment properties are depreciated on a straight-line basis over their estimated useful lives, after taking into account their estimated residual values. The determination of the useful lives and residual values involve management's estimation based on the Group's historical experience with similar assets taking into account anticipated technological changes. The Group assesses annually the residual values and the useful lives of the plant and equipment and investment properties and if the expectation differs from the original estimates, such a difference may impact the depreciation in the year and the estimate will be changed in the future period.

Fair value of financial assets measured at FVTPL and FVTOCI

As described in note 6, the directors of the Company use their judgment in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. Financial instruments are also valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates. The estimation of fair value of unlisted equity instruments includes some assumptions not supported by observable market prices or rates. As at 31 March 2019, the carrying amount of the unlisted instruments classified as FVTOCI was approximately HK$2,500,000 (1 April 2018: HK$1,500,000). As at 31 March 2019, the carrying amount of the unlisted investments classified as financial assets at FVTPL was approximately HK$2,060,000 (1 April 2018: HK$8,772,000). Details of the assumptions used are disclosed in note 6. The directors of the Company believe that the chosen valuation techniques and assumptions are appropriate in determining the fair value of financial instruments.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Key sources of estimation uncertainty *(Continued)*

Estimated impairment loss on plant and equipment

The impairment loss on plant and equipment are recognised for the amounts by which the carrying amounts exceed their recoverable amounts, in accordance with the Group's accounting policy. The recoverable amounts of plant and equipment have been determined based on value-in-use calculations or fair value less cost of disposal. The directors of Company select an appropriate technique to determine the recoverable amounts of plant and equipment. These calculations require the use of estimates such as the future revenue and discount rates. As at 31 March 2019, the carrying values of plant and equipment were approximately HK$7,717,000 (2018: HK$10,060,000). No impairment loss was recognised during the years ended 31 March 2019 and 2018.

Estimated impairment of trade receivables

Loss allowances for trade receivables are based on management's estimate of the lifetime expected credit losses to be incurred, which is estimated by taking into account the credit loss experience, ageing of overdue trade receivables, customers' repayment history and customers' financial position and an assessment of both the current and forecast general economic conditions, all of which involve a significant degree of management judgement. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to the consolidated statement of profit or loss and other comprehensive income. As at 31 March 2019, the aggregate carrying amount of trade receivables was approximately HK$34,294,000, net of accumulated impairment loss of approximately HK$11,501,000.

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt, net of cash and cash equivalents and equity attributable to owners of the Company, comprising share capital and reserves.

The directors of the Company review the capital structure periodically. As part of this review, the directors of the Company consider the cost of capital and the risks associates with each class of capital. Based on the recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends and new share issues.

The Group is not subject to either internally or externally imposed capital requirements.

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2019 **HK$'000**	2018 HK$'000
Financial assets		
Financial assets at amortised cost/loans and receivables (including cash and cash equivalents)	**52,505**	57,890
Financial asset at FVTOCI	**2,500**	–
Financial asset at FVTPL/held for trading investments	**10,771**	4,308
Held-to-maturity investments	**–**	6,610
Available-for-sale investments	**–**	27,651
Financial liabilities		
At amortised cost	**30,178**	20,418

6. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and bills receivables, deposits and other receivables, amounts due from associates, held-to-maturity investments, held for trading investments, available-for-sale investments, financial asset at fair value through profit or loss, financial asset at fair value through other comprehensive income, bank balances and cash, trade and other payables and accrued expenses. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Currency risk

Several subsidiaries of the Group have sales and cost of services acquired denominated in currencies other than the respective functional currency, which expose the Group to foreign currency risk. Approximately 6% (2018: 2%) of the Group's sales and 8% (2018: 1%) of the Group's cost of services acquired are denominated in currencies other than the functional currency of the group entity making the sales and acquiring the services for the years ended 31 March 2019 and 2018. The Group currently does not have a foreign currency hedging policy. The Group will monitor foreign exchange exposure and consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's material foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Assets		Liabilities	
	2019	2018	**2019**	2018
	HK$'000	HK$'000	**HK$'000**	HK$'000
USD	**9,907**	38,311	**2,825**	904
RMB	**1,866**	3,007	**1,962**	404

6. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Market risk *(Continued)*

(i) Currency risk (Continued)

Sensitivity analysis

No sensitivity analysis was prepared for USD of the group entity with functional currency of HK$ as HK$ is pegged to USD. The Group is mainly exposed to the currency risk of RMB.

The following table details the Group's sensitivity to a 5% (2018: 5%) decrease and increase in HK$ against RMB. 5% (2018: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 5% (2018: 5%) change in foreign currency rate.

A positive number below indicates a decrease in post-tax loss where HK$ weakening 5% (2018: 5%) against the relevant currency. For a 5% (2018: 5%) strengthen of HK$ against the relevant currency, there would be an equal and opposite impact on the loss, and the balances below would be negative.

	RMB	
	2019	2018
	HK$'000	HK$'000
Profit or loss	**(4)**	109

(ii) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances carried at prevailing market rates. The Group also exposed to fair value interest rate risk in relation to fixed-rate restricted bank balance and held-to-maturity investments. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider other necessary action when significant interest rate exposure is anticipated.

The Group's exposure to interest rate risk in relation to variable-rate bank balances is minimal due to short-term maturities, hence, no sensitivity analysis is prepared.

6. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Market risk *(Continued)*

(iii) Other price risk

The Group is exposed to equity price risk through its investments in listed equity securities. The management manages this exposure by maintaining a portfolio of investments with different risks. The Group's equity price risk is mainly concentrated on equity instruments operating in various industry sectors quoted in the Stock Exchange of Hong Kong Limited. Regarding the financial asset at FVTOCI, the impact it deemed to be on the financial asset revaluation reserve. In addition, the Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

If the prices of the respective equity instruments had been 5% higher/lower:

- post-tax loss for the year ended 31 March 2019 would decrease/increase by HK$539,000 (2018: HK$215,000) as a result of the changes in fair value of financial asset at FVTPL.

- Financial asset revaluation reserve would increase/decrease by HK$125,000 (2018: 1,308,000) for the Group as a result of the changes in fair value of financial asset at FVTOCI (2018: available-for-sale investments).

Credit risk

As at 31 March 2019 and 2018, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. As at 31 March 2018, the impairment loss was recognized when there was objective evidence of impairment loss. In addition, the Group reviews the recoverable of each individual trade debt at the end of reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

6. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk *(Continued)*

Starting from 1 April 2019, for trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on the individual basis for customers estimated based on historical credit loss experience, as well as the general economic conditions of the industry in which the debtors operate. In this regards, the Directors consider that the Group's credit risk is significantly reduced.

For other receivables and amount due from associates, the Group has assessed whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime rather than 12-month ECL.

Where ECL is measured cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables and amounts due from customers are each assessed as a separate group);
- Loans to related parties are assessed for expected credit losses on an individual basis;
- Past-due status; and
- Nature, size and industry of debtors.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

The Group's exposure to credit risk

In order to minimise credit risk, the Group has maintained the Group's credit risk grading to categorise exposures according to their degree of risk of default. The credit rating information is drawn from the Group's own trading records to rate its customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

6. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk *(Continued)*

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising ECL
Performing	For financial assets where there has low risk of default or has not been a significant increase in credit risk since initial recognition and that are not credit impaired	12-month ECL
Doubtful	For financial assets where there has been a significant increase in credit risk since initial recognition but that are not credit impaired	Lifetime ECL – not credit impaired
Default	Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred	Lifetime ECL – credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

6. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk *(Continued)*

The table below detail the credit quality of the Group's financial asset as well as the Group's maximum exposure to credit risk.

For the year ended 31 March 2019

	Internal credit rating	12-month or lifetime ECL	Gross carrying amount HK$'000	Loss allowance	Net carrying amount HK$'000
Trade receivables	Note 1	Lifetime ECL (simplified approach)	45,795	(11,501)	34,294
Deposits and other receivables	Performing	12-month ECL	9,845	–	9,845
Amounts due from associates	Performing (Note 2)	12-month ECL	410	–	410

Note 1: The Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on this item by assessing individually debtors by past due status.

Note 2: Amounts due from associates, are continuously monitored by assessing the credit quality of the counterparty, taking into account their financial position, past experience and other factors.

The Group's concentration of credit risk by geographical locations is mainly in Hong Kong, which accounted for 76% (2018: 75%) of the total trade receivables as at 31 March 2019.

The Group has concentration of credit risk as 11% (2018: 15%) and 24% (2018: 25%) of the trade receivables was due from the Group's largest trade debtor and the five largest trade debtors respectively.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

6. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk *(Continued)*

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

	Repayable on demand or within 1 year HK$'000	**More than 1 year but less than 2 years HK$'000**	**Total undiscounted cash flows HK$'000**	**Carrying amount HK$'000**
At 31 March 2019				
Non-derivative financial liabilities				
Trade and other payables	**21,126**	**–**	**21,126**	**21,126**
Accrued expenses	**9,052**	**–**	**9,052**	**9,052**
	30,178	**–**	**30,178**	**30,178**

	Repayable on demand or within 1 year HK$'000	More than 1 year but less than 2 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount HK$'000
At 31 March 2018				
Non-derivative financial liabilities				
Trade and other payables	13,641	–	13,641	13,641
Accrued expenses	6,777	–	6,777	6,777
	20,418	–	20,418	20,418

6. FINANCIAL INSTRUMENTS *(Continued)*

(c) Fair value measurements recognised in the consolidated statement of financial position

The valuation techniques and inputs used in fair value measurements of each financial instrument on a recurring basis are set out below:

Financial Instruments		Fair value as at 31/3/2019 HK$'000	Fair value as at 31/3/2018 HK$'000	Valuation technique and key inputs
Financial assets at fair value through profit or loss/ held for trading investments – Listed equity securities	Level 1	**2,375**	4,308	Quoted bid prices in an active market
Financial assets at fair value through profit or loss/ available-for-sales investments – Listed fund investments	Level 1	**6,336**	17,379	Quoted bid prices in an active market
Financial assets at fair value through profit or loss/ available-for-sales investments – Unlisted fund investments	Level 2	**2,060**	8,772	Based on the net asset values of the investments, determined with reference to observable (quoted) prices of portfolio
Financial assets at fair value through other comprehensive income – Unlisted investments	Level 3	**2,500**	–	Based on latest transaction price

There were no transfers between levels of fair value hierarchy in the current and prior years.

6. FINANCIAL INSTRUMENTS *(Continued)*

(c) Fair value measurements recognised in the consolidated statement of financial position *(Continued)*

Reconciliation of Level 3 fair value measurements of financial assets at FVTOCI on recurring basis:

	Unlisted investments HK$'000
As at 1 April 2018	1,500
Acquisition	2,500
Fair value change	(1,500)
As at 31 March 2019	2,500

The directors of the Company consider that the carrying amount of the non-current financial assets approximates its fair value as the impact of discounting is immaterial. The directors of the Company consider that the carrying amounts of other current financial assets and current financial liabilities recorded at amortised cost approximate their fair values.

7. REVENUE

Revenue represents revenue arising on provision of digital advertisement placement services, social media management services and creative and technology services. The following is an analysis of the Group's revenue for the year:

	2019 HK$'000	2018* HK$'000
Revenue from contract with customers within the scope of HKFRS 15 for the year ended 31 March 2019		
Digital advertisement placement services	**30,108**	37,727
Social media management services	**79,447**	79,535
Creative and technology services	**97,575**	59,502
Total revenue from contract with customers recognised over time	**207,130**	176,764

* The amounts for the year ended 31 March 2018 were recognised under HKAS 18

An analysis of the Group's revenue by segments is set out in note 8.

8. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker ("**CODM**"), for the purposes of resource allocation and assessment of segment performance focuses on types of services provided. The directors of the Company have chosen to organise the Group around differences in services. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group. Specifically, the Group's reportable segments are as follows:

1. Digital Advertisement Placement Services – Provision of advertisement placement services through digital media;

2. Social Media Management Services – Provision of set-up, maintenance and monitor services on corporate profile pages through the social media platforms;

3. Creative and Technology Services – Provision of services involving design and copywriting of digital advertisements, production of corporate profile pages, website and apps, and related consultation; and

Segment profit represents the gross profit attributable to each segment. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance. Segment assets and liabilities are not reported to the Group's CODM regularly.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segment.

For the year ended 31 March 2019

	Digital Advertisement Placement Services HK$'000	Social Media Management Services HK$'000	Creative and Technology Services HK$'000	Total HK$'000
REVENUE				
External sales and segment revenue	**30,108**	**79,447**	**97,575**	**207,130**
Segment results	**8,323**	**30,711**	**24,259**	**63,293**
Unallocated other income, gain or losses				**1,162**
Unallocated selling expenses				**(29,117)**
Unallocated administrative expenses				**(62,245)**
Share of loss of associates				**(50)**
Change in fair value of financial assets at fair value through profit or loss				**(622)**
Loss before tax				**(27,579)**

8. SEGMENT INFORMATION *(Continued)*

Segment revenue and results *(Continued)*

For the year ended 31 March 2018

	Digital Advertisement Placement Services HK$'000	Social Media Management Services HK$'000	Creative and Technology Services HK$'000	Internet Marketing Platform HK$'000	Total HK$'000
REVENUE					
External sales and segment revenue	37,727	79,535	59,502	–	176,764
Segment results	11,448	25,854	20,753	(87)	57,968
Unallocated other income, gain or losses					778
Unallocated selling expenses					(25,863)
Unallocated administrative expenses					(61,225)
Share of profit of associates					69
Change in fair value of held for trading investments					(33)
Loss before tax					(28,306)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment results represents the profit earned or loss incurred by each segment without allocation of central administration costs, selling expenses, directors' and chief executive's emoluments, certain other income, gains or losses, change in fair value of financial assets at FVTPL/held for trading investments and share of profit (loss) of associates. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

8. SEGMENT INFORMATION *(Continued)*

Other segment information

For the year ended 31 March 2019

	Digital Advertisement Placement Services HK$'000	Social Media Management Services HK$'000	Creative and Technology Services HK$'000	Internet Marketing Platform HK$'000	Unallocated HK$'000	Total HK$'000
Amounts included in the measure of segment results:						
Depreciation of plant and equipment	477	1,260	1,547	–	–	3,284
Impairment loss reversed in respect of trade receivables	(44)	(485)	(50)	–	–	(579)
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:						
Depreciation of investment properties	–	–	–	–	709	709
Bank interest income	–	–	–	–	16	16
Interest income on debt investment at amortised cost	–	–	–	–	109	109
Dividends from financial asset at FVTPL	–	–	–	–	335	335
Income tax expense	–	–	–	–	–	–
Loss on disposal of plant and equipment	–	–	–	–	(12)	(12)
Gain on disposal of investment properties	–	–	–	–	687	687
Share of loss of associates	–	–	–	–	(50)	(50)

8. SEGMENT INFORMATION *(Continued)*

Other segment information *(Continued)*

For the year ended 31 March 2018

	Digital Advertisement Placement Services HK$'000	Social Media Management Services HK$'000	Creative and Technology Services HK$'000	Internet Marketing Platform HK$'000	Unallocated HK$'000	Total HK$'000
Amounts included in the measure of segment results:						
Depreciation of plant and equipment	601	1,266	947	72	–	2,886
Impairment loss recognised in respect of trade receivables	1,274	4,718	1,918	–	–	7,910
Impairment loss reversed in respect of trade receivables	(143)	(363)	–	–	–	(506)
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:						
Depreciation of investment properties	–	–	–	–	403	403
Bank interest income	–	–	–	–	(24)	(24)
Interest income on held-to-maturity investments	–	–	–	–	(315)	(315)
Dividends from held for trading investments	–	–	–	–	(363)	(363)
Impairment loss recognised in respect of available-for-sale investments	–	–	–	–	750	750
Loss on disposal of held for trading investments	–	–	–	–	313	313
Loss on disposal of available-for-sales investments	–	–	–	–	67	67
Income tax expense	–	–	–	–	583	583
Share of profit of associates	–	–	–	–	(69)	(69)

Geographic information

The Group's operations are located in Hong Kong (place of domicile) and the PRC.

The Group's revenue from external customers based on location of customers and information about its non-current assets other than financial instruments by geographical location are detailed as below:

	Revenue from external customers		**Non-current assets (excluding financial instruments)**	
	2019 HK$'000	2018 HK$'000	**31 March 2019 HK$'000**	31 March 2018 HK$'000
The PRC	**72,325**	48,728	**513**	513
Hong Kong (place of domicile)	**134,805**	128,036	**34,669**	31,616
	207,130	176,764	**35,182**	32,129

8. SEGMENT INFORMATION *(Continued)*

Information about major customers

The percentage of sales for the Period attributable to the Group's five largest customers constituting around 24.78% (31 March 2018: around 15.36%) of the Group's total revenue for the Period. The largest customer constituting around 11.04% (31 March 2018: around 3.63%) of the Group's total revenue for the Period.

	2019 **HK$'000**	2018 HK$'000
Customer A[1]	**24,230**	N/A[2]

[1] Revenue from Creative and Technology Services segment.
[2] The corresponding revenue did not contribute over 10% of the total revenue of the Group.

9. OTHER INCOME, GAINS OR LOSSES

	2019 **HK$'000**	2018 HK$'000
Exchange gain	**–**	653
Impairment loss reversed in respect of trade receivables	**–**	506
Dividends from financial assets at FVTPL	**335**	363
Interest income on debt investment at amortised cost/held-to-maturity investments	**109**	315
Rental income from investment properties	**202**	94
Bank interest income	**16**	24
Loss on disposal of available-for-sales investments	**–**	(67)
Loss on disposal of held for trading investments	**–**	(313)
Impairment loss recognised in respect of available-for-sale investments	**–**	(750)
Gain on disposal of investment properties	**687**	–
Loss on disposal of plant and equipment	**(12)**	–
Sundry income	**18**	459
	1,355	1,284

10. INCOME TAX EXPENSE

	2019 HK$'000	2018 HK$'000
Current tax:		
PRC Enterprise Income Tax	–	530
Under-provision in prior years:		
PRC Enterprise Income Tax	–	53
	–	583

No provision for Hong Kong Profits Tax has been made for the years ended 31 March 2019 and 2018 as there was no assessable profit for both years.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

Pursuant to the laws and regulations of the Cayman Islands and the British Virgin Islands (the "**BVI**"), the Group is not subject to any income tax in the Cayman Islands and the BVI.

The income tax expense for the years can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2019 HK$'000	2018 HK$'000
Loss before tax	(27,579)	(28,306)
Tax at the applicable statutory income tax rate of 16.5%	(4,551)	(4,670)
Tax effect of expenses not deductible for tax purpose	1,155	1,944
Tax effect of income not taxable for tax purpose	(259)	(232)
Tax effect of share of results of associates	8	(11)
Tax effect of tax losses not recognised	4,333	3,685
Under-provision in prior year	–	53
Effect of different tax rates of subsidiaries operating in other jurisdictions	(686)	(186)
Income tax expense for the year	–	583

Note:

The domestic tax rate of 16.5% in the jurisdiction where the operation of the Group is substantially based is used.

11. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging (crediting):

	2019 **HK$'000**	2018 HK$'000
Directors' and chief executive's emoluments (note 12)	**18,597**	14,597
Other staff costs (excluding directors' and chief executive's emoluments)	**78,365**	74,979
Retirement benefits scheme contributions (excluding directors' and chief executive's emoluments)	**2,501**	2,502
Total staff costs	**99,463**	92,078
Gross rental income from investment properties	**(202)**	(94)
Less:		
Direct operating expenses incurred for investment properties that generated rental income during the year	**32**	17
Direct operating expenses incurred for investment properties that did not generate rental income during the year	**89**	33
	(81)	(44)
Auditor's remuneration	**460**	430
Depreciation of plant and equipment	**3,284**	2,886
Depreciation of investment properties	**709**	403
Share-based payment expenses (included in staff costs above)	**–**	532
Impairment loss on trade receivables	**–**	7,910
Contribution to development of blockchain projects	**–**	4,849
Net foreign exchange loss (gain)	**1,294**	(653)
Operating lease rentals in respect of rented premises	**7,888**	8,263

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to each of the nine (2018: nine) directors and chief executive were as follows:

For the year ended 31 March 2019

	Fees HK$'000	Salaries and other benefits HK$'000	Discretionary bonus (note) HK$'000	Retirement benefits scheme contributions HK$'000	Share-based payment HK$'000	Total HK$'000
Emoluments paid or receivable in respect of a director's other services in connection with the management of the affairs of the Company and its subsidiary undertakings						
Executive directors:						
Yip Shek Lun	–	5,687	3,142	18	–	8,847
Wan Wai Ting	–	3,422	2,373	18	–	5,813
Ng Chi Fung	–	3,019	–	18	–	3,037
Emoluments paid or receivable in respect of a person's services as a director, whether of the Company and its subsidiary undertakings						
Non-executive directors:						
Cheung Laam	180	–	–	–	–	180
Wang Zhong Lei	–	–	–	–	–	–
Independent non-executive directors:						
David Tsoi	180	–	–	–	–	180
Hong Ming Sang	180	–	–	–	–	180
Lam Tung Leung	180	–	–	–	–	180
Tso Ping Cheong, Brian	180	–	–	–	–	180
Total	900	12,128	5,515	54	–	18,597

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS *(Continued)*

For the year ended 31 March 2018

	Fees HK$'000	Salaries and other benefits HK$'000	Discretionary bonus (note) HK$'000	Retirement benefits scheme contributions HK$'000	Share-based payment HK$'000	Total HK$'000
Emoluments paid or receivable in respect of a director's other services in connection with the management of the affairs of the Company and its subsidiary undertakings						
Executive directors:						
Yip Shek Lun	–	4,175	2,647	18	221	7,061
Wan Wai Ting	–	2,660	1,692	18	40	4,410
Ng Chi Fung	–	2,261	–	18	40	2,319
Emoluments paid or receivable in respect of a person's services as a director, whether of the Company and its subsidiary undertakings						
Non-executive directors:						
Cheung Laam	160	–	–	–	–	160
Wang Zhong Lei	–	–	–	–	7	7
Independent non-executive directors:						
David Tsoi	160	–	–	–	–	160
Hong Ming Sang	160	–	–	–	–	160
Lam Tung Leung	160	–	–	–	–	160
Tso Ping Cheong, Brian	160	–	–	–	–	160
Total	800	9,096	4,339	54	308	14,597

Note: The discretionary bonus is determined by the board of directors of the Company having regard to his performance and the Group's performance and profitability and the prevailing market conditions.

None of the directors and chief executive waived or agreed to waive any emoluments paid by the Group during the years ended 31 March 2019 and 2018. No emoluments were paid or payable by the Group to any directors and chief executive as an inducement to join or upon joining the Group, or as compensation for loss of the office during the years ended 31 March 2019 and 2018.

The Company did not appoint a chief executive during the years ended 31 March 2019 and 2018. Mr. Yip Shek Lun performed the duties of chief executive. His emolument disclosed above included those services rendered by him as the chief executive.

13. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, three (2018: three) were directors and chief executive of the Company whose emoluments are included in the disclosures in note 12 above. The emoluments of the remaining two (2018: two) individuals were as follows:

	2019	2018
	HK$'000	HK$'000
Salaries and other benefits	**3,755**	5,651
Retirement benefits scheme contributions	**29**	36
Share-based payment	**–**	50
	3,784	5,737

Their emoluments were within the following bands:

	Number of employees	
	2019	2018
HK$1,000,001 to HK$1,500,000	**1**	–
HK$1,500,001 to HK$2,000,000	**–**	–
HK$2,000,001 to HK$2,500,000	**1**	–
HK$2,500,001 to HK$3,000,000	**–**	1
HK$3,000,001 to HK$3,500,000	**–**	1

No emoluments were paid or payable by the Group to any five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office during the years ended 31 March 2019 and 2018.

14. DIVIDEND

No dividend was paid or proposed during the years ended 31 March 2019 and 2018, nor has any dividend been proposed since the end of the reporting period.

15. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

Loss	2019 HK$'000	2018 HK$'000
Loss for the year attributable to owners of the Company for the purpose of basic loss per share	**(27,579)**	(28,889)

Number of shares	2019 '000	2018 '000
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**1,667,200**	1,667,200

16. PLANT AND EQUIPMENT

	Furniture, fixtures and equipment HK$'000	Leasehold improvements HK$'000	Motor Vehicle HK$'000	Total HK$'000
COST				
At 1 April 2017	10,576	1,950	1,332	13,858
Exchange realignment	99	57	–	156
Additions	1,807	4,564	510	6,881
Written off	–	(1,566)	–	(1,566)
At 31 March 2018	12,482	5,005	1,842	19,329
Exchange realignment	(70)	(27)	–	(97)
Additions	623	–	420	1,043
Disposal	–	–	(80)	(80)
At 31 March 2019	**13,035**	**4,978**	**2,182**	**20,195**
ACCUMULATED DEPRECIATION				
At 1 April 2017	6,155	1,661	33	7,849
Exchange realignment	62	38	–	100
Provided for the year	1,669	883	334	2,886
Eliminated on write-off	–	(1,566)	–	(1,566)
At 31 March 2018	7,886	1,016	367	9,269
Exchange realignment	(46)	(17)	–	(63)
Provided for the year	1,861	985	438	3,284
Disposal	–	–	(12)	(12)
At 31 March 2019	**9,701**	**1,984**	**793**	**12,478**
CARRYING VALUES				
At 31 March 2019	**3,334**	**2,994**	**1,389**	**7,717**
At 31 March 2018	4,596	3,989	1,475	10,060

The above items of plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Furniture, fixtures and equipment	20%
Leasehold improvements	Over the shorter of term of the lease or 5 years
Motor vehicle	20%

17. INVESTMENT PROPERTIES

	HK'000
COST	
At 1 April 2017	–
Additions	21,721
At 31 March 2018	21,721
Additions	10,127
Disposal	(4,121)
At 31 March 2019	**27,727**
ACCUMULATED DEPRECIATION	
At 1 April 2017	–
Provided for the year	403
At 31 March 2018	403
Provided for the year	709
Disposal	(149)
At 31 March 2019	**963**
CARRYING VALUES	
At 31 March 2019	**26,764**
At 31 March 2018	21,318

The above investment properties are depreciated on a straight-line basis over shorter of the term of the lease and 40 years.

The fair value of the Group's investment properties as at 31 March 2019 was approximately HK$32,520,000, which was determined by the directors of the Company. The valuation performed by the directors of the Company was made by reference to recent market prices for properties in the similar locations and conditions.

The following table gives information about how the fair values of the investment properties as at 31 March 2019 are determined.

	Fair value hierarchy	**Fair value at 31 March 2019**	**Valuation technique and key inputs**
		HK$'000	
Investment properties	Level 2	32,520	Market comparison approach – By reference to recent sales price of comparable properties on a price per square foot basis using market data which is publicly available.

18. INTERESTS IN ASSOCIATES

	2019 HK$'000	2018 HK$'000
Cost of investment in associates		
Unlisted equity interest in Hong Kong	**1,054**	1,054
Share of post-acquisition profits and other comprehensive income	**(353)**	(303)
	701	751

As at 31 March 2019 and 2018, the Group had interests in the following associates:

Name of entity	Form of entity	Place of incorporation/ operation/ registration	Class of shares held	Proportion of nominal value of issued capital held by the Group		Proportion of voting power held by the Group		Principal activities
				2019	2018	**2019**	2018	
Travellife Limited	Incorporated	Hong Kong	Ordinary	**20%**	20%	**20%**	20%	Provision of Internet advertising services
Qooza Interactive Limited	Incorporated	Hong Kong	Ordinary	**13%**	13%	**13% (note a)**	13% (note a)	Provision of Internet advertising services
Jobdoh Limited	Incorporated	Hong Kong	Ordinary	**20%**	20%	**20%**	20%	Provision of digital portal and services on part time and temporary jobs for job seekers and employers

Notes:

a) The Group is able to exercise significant influence over these associates because it has the power to appoint one out of the five directors of these associates under the provisions stated in the shareholders' agreement of these associates.

18. INTERESTS IN ASSOCIATES *(Continued)*

The financial information and carrying amount, in aggregate, of the Group's interests in associates that are not individually material and are accounted for using the equity method are set out below:

	2019 **HK$'000**	2018 HK$'000
The Group's share of (loss)/profit and total comprehensive (expense)/ income for the year	**(50)**	69
Aggregate carrying amount of the Groups' interests in immaterial associates	**701**	751

The Group has stopped recognising its share of losses of certain associates when applying the equity method. The unrecognised share of those associates, both for the year and cumulatively, are set out below:

	2019 **HK$'000**	2018 HK$'000
Unrecognised share of losses of associates for the year	**26**	14
Accumulated unrecognised share of losses of associates	**310**	284

19. HELD-TO-MATURITY INVESTMENTS

	2019 HK$'000	2018 HK$'000
Debt securities, at amortised cost	–	6,610

Set out below are the particulars of the held-to-maturity investments as at 31 March 2019 and 2018:

Name of the Bond issuers	Name of the Bonds	List in	Stock code	Maturity date	Effective interest rate	At investment cost 2019 HK$'000	At investment cost 2018 HK$'000	At fair value 2019 HK$'000	At fair value 2018 HK$'000	At amortised cost 2019 HK$'000	At amortised cost 2018 HK$'000
Bank of communications Co., Ltd. Hong Kong Branch	Bank of communications Co., Ltd. HK Branch 2.25% Notes 2019	Hong Kong	5609	25/1/2019	1.88%	-	5,091	-	5,068	-	5,059
Wanda Properties Overseas Limited	DALWAN 4.875% 21Nov2018 Corp (USD)	Hong Kong	5997	21/11/2018	5.55%	-	1,548	-	1,570	-	1,551
						-	6,639	-	6,638	-	6,610

The held-to-maturity investments are denominated in United States Dollars and the exposure to currency rate risk is disclosed in note 6.

20. AVAILABLE-FOR-SALE INVESTMENTS AND FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

a) AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments comprise:

	2018 HK$'000
Unlisted equity securities, at cost	2,250
Less: accumulated impairment loss	(750)
	1,500
Listed fund investments, at fair value	17,379
Unlisted fund investments, at fair value	8,772
	27,651

20. AVAILABLE-FOR-SALE INVESTMENTS AND FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME *(Continued)*

a) AVAILABLE-FOR-SALE INVESTMENTS *(Continued)*

The above unlisted equity investments represent investment in unlisted equity securities issued by private entities incorporated in Hong Kong. They are measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair value cannot be measured reliably.

During the year ended 31 March 2018, in the view of the financial performance and financial position of the private entity, the directors of the Company conducted a review on the available-for-sale investment and determined that its recoverable amount is less than its carrying amount. As a result, an impairment loss of approximately HK$750,000 is recognised.

At 31 March 2018, the Group's listed funds investments comprised 26 investment funds domiciled in Luxembourg, the Ireland, the United States, the United Kingdom, the Cayman Islands and Hong Kong with a fair value of approximately HK$17,379,000 with an aggregate initial investment cost of approximately HK$17,494,000. The fair values of listed fund investments were determined based on the quoted market closing prices.

At 31 March 2018, the Group's unlisted funds investments comprised 4 investment funds domiciled in Luxembourg and Hong Kong with a fair value of approximately HK$8,772,000 with an aggregate initial investment cost of approximately HK$8,462,000.

The investments are measured at fair value derived from observable market values of underlying assets at the end of the reporting period. The fair values of listed fund investments were determined based on the quoted market closing prices. The investments are measured at fair value derived from observable (quoted) prices of underlying investment portfolio at the end of the reporting period.

Included in available-for-sale investments are the following amounts denominated in currencies other than the functional currency of the respective reporting entities of the Group:

	2018 HK$'000
USD	26,151

20. AVAILABLE-FOR-SALE INVESTMENTS AND FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME *(Continued)*

b) FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments comprise:

	31/3/2019	1/4/2018
	HK$'000	HK$'000
Unlisted investments	**2,500**	1,500

The above unlisted equity investments represent investment in unlisted equity securities issued by private entities incorporated in Hong Kong and Cayman Islands.

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

During the year ended 31 March 2019, the Group has disposed of an equity investment designated at FVTOCI with initial investment cost of approximately HK$750,000 at consideration of HK$25. At the date of disposal, the fair value of such investment was nil and the cumulative gain on disposal was HK$25. The management considered the investee would be unlikely to be profitable in the future and therefore disposed of the investment during the year.

21. TRADE AND BILLS RECEIVABLES

The Group allows an average credit period of 30 to 60 days (2018: 30 to 60 days) to its trade customers.

	2019 HK$'000	2018 HK$'000
Trade receivables	**45,795**	45,009
Less: allowance for impairment of trade receivables	**(11,501)**	(12,586)
	34,294	32,423
Bills receivables	**–**	325
	34,294	32,748

The Group does not hold any collateral over these receivables.

The following is an ageing analysis of trade receivables, net of impairment, presented based on the date of rendering services, which approximates the respective revenue recognition dates, at the end of the reporting period.

	2019 HK$'000	2018 HK$'000
– 0 to 60 days	**17,443**	16,820
– 61 to 90 days	**8,248**	7,562
– Over 90 days	**8,603**	8,041
	34,294	32,423

21. TRADE AND BILLS RECEIVABLES *(Continued)*

As at 31 March 2018, included in the Group's trade receivables balances was an aggregate amount of approximately HK$13,294,000 which has not yet been due according to the contract terms as at the end of the reporting period. Trade receivables that were neither past due nor impaired related to a wide range of customers who did not have any recent history of default.

As at 31 March 2018, included in the Group's trade receivables balances was an aggregate carrying amount of approximately HK$19,129,000 which was related to debts that were past due as at the reporting date but for which the Group has not provided for impairment loss. Trade receivables that were past due but not impaired related to a number of customers that have good track records with the Group. Based on past experience, the management of the Group believes that no impairment loss is necessary in respect of these balances as there has not been a significant change in credit quality of these customers and the balances are still considered fully recoverable.

The following is an aged analysis of trade and bills receivables, net of allowance for impairment of trade receivables presented based on the due date at the end of the reporting period.

	2018 HK$'000
Current	13,294
Overdue:	
– within 60 days	13,770
– 61 – 90 days	1,639
– 91 – 120 days	836
– Over 120 days	2,884
	19,129
	32,423

21. TRADE AND BILLS RECEIVABLES *(Continued)*

The Group measures the loss allowance for trade and bills receivables at an amount equal to lifetime ECL. The Group recognised lifetime ECL for trade and bills receivables based on individually significant customer as follows:

	Weighted average expected loss rate	Gross carrying amount HK'000	Loss allowance HK'000	Net Carrying Amount HK'000
Not credit-impaired	0%	34,294	–	34,294
Credit-impaired	100%	11,501	(11,501)	–
		45,795	(11,501)	34,294

The movement in the allowance for impairment on trade and bills receivables is set out below:

	2019 HK$'000	2018 HK$'000
At the beginning of the financial year	**12,586**	5,158
Impairment loss recognised on trade receivables	**–**	7,910
Reversal of impairment loss	**(579)**	(506)
Amount written off as uncollectible	**–**	(183)
Exchange realignment	**(506)**	207
At the end of the financial year	**11,501**	12,586

Included in trade and bills receivables are the following amounts denominated in currencies other than the functional currency of the respective reporting entities of the Group:

	2019 HK$'000	2018 HK$'000
USD	**9**	650
RMB	**1,196**	124

22. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2019 HK$'000	2018 HK$'000
Deposits	**6,098**	4,284
Prepayments	**3,545**	3,531
Other receivables	**3,747**	1,926
	13,390	9,741
Analysed for reporting purposes:		
Non-current assets		
– Deposits	**1,798**	1,984
Current assets	**11,592**	7,757
	13,390	9,741

The Directors recognise 12-months ECL for deposits and other receivables and the impairment is assessed individually. The Directors considered that the deposit and other receivables to be low credit risk and thus no impairment provision is recognised during the year.

Included in deposits and other receivables are the following amounts denominated in currencies other than the functional currency of the respective reporting entities of the Group:

	2019 HK$'000	2018 HK$'000
USD	**266**	48
RMB	**18**	98

23. AMOUNTS DUE FROM ASSOCIATES

The amounts due from associates were unsecured, non-interest bearing and repayable on demand.

The Directors considered that the associates were continuously monitored by assessing the credit quality of the counterparty, taking into account their financial position, past experiences and other factors, thus no impairment provision is recognised on amounts due from associates during the year.

24. ASSETS CLASSIFIED AS HELD FOR SALE

	2019 **HK$'000**	2018 HK$'000
Carrying amount at the beginning of the reporting period	**–**	3,689
Transfer to investment properties (note 17)	**–**	(3,689)
Carrying amount at the end of the reporting period	**–**	–

During the year ended 31 March 2018, due to no consensus with potential buyers regarding the price, car parks were transferred to investment properties upon the change of plan hold such properties for the purpose of rental or capital appreciation.

25. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS/HELD FOR TRADING INVESTMENTS

	31/3/2019 **HK$'000**	1/4/2018 HK$'000	31/3/2018 HK$'000
Listed securities held for trading at fair value:			
Equity securities listed in Hong Kong	**2,375**	2,903	2,903
Equity securities listed in the United States	**–**	1,405	1,405
	2,375	4,308	4,308
Fund investment, at fair value:			
Listed fund	**6,336**	17,379	–
Unlisted fund	**2,060**	8,772	–
	8,396	26,151	–
Total	**10,771**	30,459	4,308

The investments above include investments in quoted equity securities that offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate. The fair values of these securities are based on closing quoted market prices on the last market day of the financial year.

25. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS/HELD FOR TRADING INVESTMENTS *(Continued)*

At 31 March 2019, the Group's listed funds investments comprised 9 investment funds domiciled in Luxembourg, the United States, the Cayman Islands and Hong Kong with a fair value of approximately HK$6,336,000 (1 April 2018: HK$17,379,000) with an aggregate initial investment cost of approximately HK$7,232,000 (1 April 2018: HK$17,494,000).

At 31 March 2019, the Group's unlisted funds investments comprised 2 investment funds domiciled in Luxembourg and Hong Kong with a fair value of approximately HK$2,060,000 (1 April 2018: HK$8,772,000) with an aggregate initial investment cost of approximately HK$2,986,000 (1 April 2018: HK$8,462,000). The investments are measured at fair value derived from observable market values of underlying assets at the end of the reporting period.

Included in held for trading investments are the following amounts denominated in currencies other than the functional currency of the respective reporting entities of the Group:

	31/3/2019 **HK$'000**	1/4/2018 HK$'000	31/3/2018 HK$'000
USD	**8,396**	27,556	1,405

26. BANK BALANCES AND CASH

At 31 March 2019, bank balances carry interest at market rates which range from 0.01% to 0.3% (2018: 0.01% to 0.3%) per annum.

Included in bank balances and cash are the following amounts denominated in currencies other than the functional currency of the respective reporting entities of the Group:

	2019 **HK$'000**	2018 HK$'000
HK$	**–**	7
USD	**1,501**	3,447
RMB	**670**	2,785

At 31 March 2019, the bank balances and cash of approximately HK$1,366,000 (2018: HK$6,650,000) denominated in RMB were placed with the banks in the PRC. RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. Cash at banks earns interest at floating rates based on daily bank deposit rates.

27. TRADE AND OTHER PAYABLES

	2019 **HK$'000**	2018 HK$'000
Trade payables	**17,194**	11,308
Other payables	**3,932**	2,333
	21,126	13,641

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period.

	2019 **HK$'000**	2018 HK$'000
Within 30 days	**5,064**	4,495
31 to 60 days	**1,413**	1,943
Over 60 days	**10,717**	4,870
	17,194	11,308

The trade payables were due according to the terms stated in the relevant contracts. The average credit period on purchase of services is 30 to 60 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

As at 31 March 2018, included in the balances of the trade payables were aggregate balances of approximately HK$39,000 which were payables to the associates of the Group, arising from acquisition of services in general trade credit term.

Included in the trade payables are the following amounts denominated in currencies other than the functional currency of the relevant group entities:

	2019 **HK$'000**	2018 HK$'000
USD	**2,825**	904
RMB	**1,962**	404

28. DEFERRED TAXATION

The movements in the deferred tax (assets) liability during the current and prior years were as follows:

	Tax losses HK$'000	Accelerated tax depreciation HK$'000	Total HK$'000
At 1 April 2017	(444)	444	–
Charge to profit or loss	(130)	130	–
At 31 March 2018 and 1 April 2018	(574)	574	–
Charge to profit or loss	116	(116)	–
At 31 March 2019	(458)	458	–

At 31 March 2019, the Group has unused tax losses of approximately HK$56,021,000 (2018: HK$30,893,000) available to offset against future profits. At 31 March 2019, a deferred tax asset had been recognised in respect of tax losses of approximately HK$2,776,000 (2018: HK$3,479,000). No deferred tax asset has been recognised in respect of the remaining HK$53,245,000 (2018: HK$27,414,000) due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately HK$12,508,000 (2018: HK$996,000) that will be expired after five years from the year of assessment to which they related to. Other losses may be carried forward indefinitely.

29. SHARE CAPITAL

Details of the share capital of the Company are as follows:

	Number of shares	Amount HK$
Authorised		
Ordinary shares of HK$0.01 each		
At 1 April 2017, 31 March 2018 and 31 March 2019	10,000,000,000	100,000,000
Issued and fully paid		
Ordinary shares, issued and fully paid:		
Ordinary shares of HK$0.01 each		
At 1 April 2017, 31 March 2018 and 2019	1,667,200,000	16,672,000

30. OPERATING LEASES

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

	2019 **HK$'000**	2018 HK$'000
Within one year	**7,056**	7,993
In the second to fifth year inclusive	**95**	6,837
	7,151	14,830

Operating lease payments represent rentals payable by the Group for certain of its rented premises. Leases are negotiated for terms ranged from one to three (2018: one to three) years with fixed rentals.

The Group as lessor

Property rental income earned during the year was approximately HK$202,000 (2018: HK$94,000). The properties are expected to generate rental yields of 4.13% on an ongoing basis. All of the properties held have committed tenants for 1 year (2018: 2 years).

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

	2019 **HK$'000**	2018 HK$'000
Within one year	**79**	113
In the second to fifth year inclusive	**–**	46
	79	159

31. SHARE-BASED PAYMENT TRANSACTIONS

Equity-settled share option scheme of the Company:

The Company's share option scheme (the "**Scheme**"), was adopted pursuant to a resolution passed on 20 May 2015 for the primary purpose of providing incentives to directors, eligible employees and other selected participants for their contributions to the Group. Under the Scheme, the board of directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

At 31 March 2019, no shares options had been granted during the year. All the share options were lapsed at the end of reporting period.

At 31 March 2018, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 68,767,600, representing 4.1% of the shares of the Company in issue at that date. The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK$5 million must be approved in advance by the Company's shareholders.

No consideration is payable on the grant of an option. Options may be exercised after the vesting period. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant; (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's shares. For details of the terms of the share options, please refer to the announcements dated on 14 July 2015 and 10 December 2015.

31. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

Equity-settled share option scheme of the Company: *(Continued)*

Details of specific categories of options are as follows:

Category participant	Date of grant	Vesting period	Exercise period	Exercise Price HK$
Scheme II	13 July 2015	First tranche: 13 July 2015 to 11 October 2015	12 October 2015 to 11 April 2017	0.63
		Second tranche: 13 July 2015 to 11 October 2017	12 October 2016 to 11 April 2017	
Scheme IB	13 July 2015	First tranche: 13 July 2015 to 11 October 2015	12 October 2015 to 11 April 2018	0.63
		Second tranche: 13 July 2015 to 11 October 2016	12 October 2016 to 11 April 2018	
		Third tranche: 13 July 2015 to 11 October 2017	12 October 2017 to 11 April 2018	
Scheme III	9 December 2015	First tranche: 9 December 2015 to 30 June 2016	1 July 2016 to 30 June 2018	0.315
		Second tranche: 9 December 2015 to 31 December 2016	1 January 2017 to 30 June 2018	
		Third tranche: 9 December 2015 to 31 December 2017	1 January 2018 to 30 June 2018	

31. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

Equity-settled share option scheme of the Company: *(Continued)*

The following table discloses movements of the Company's share options held by directors, employees and consultants during the year:

For the year ended 31 March 2019

Category participant	Outstanding at 1/4/2018	Granted during the year	Lapsed during the year	Outstanding at 31/3/2019
Scheme IB	13,777,600	–	(13,777,600)	**–**
Scheme III	54,990,000	–	(54,990,000)	**–**
	68,767,600	–	(68,767,600)	**–**
Exercisable at the end of the year				**–**
Weighted average exercise price				**HK$0.00**

For the year ended 31 March 2018

Category participant	Outstanding at 1/4/2017	Granted during the year	Lapsed during the year	Outstanding at 31/3/2018
Scheme II	5,500,000	–	(5,500,000)	–
Scheme IB	14,117,600	–	(340,000)	13,777,600
Scheme III	55,070,000	–	(80,000)	54,990,000
	74,687,600	–	(5,920,000)	68,767,600
Exercisable at the end of the year				68,767,600
Weighted average exercise price				HK$0.38

The Group recognised HK$532,000 for the year ended 31 March 2018 in relation to share options granted by the Company.

No share options have been exercised during the years ended 31 March 2019 and 31 March 2018.

32. RETIREMENT BENEFITS PLAN

Hong Kong

The Group operates a MPF Scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, each of the Group companies (the "**employer**") in Hong Kong contributes 5% of relevant payroll costs, capped at HK$1,500 per month, to the MPF Scheme, in which the contribution is matched by employees.

The PRC

As stipulated by rules and regulations in the PRC, subsidiaries in the PRC are required to contribute to a state-managed retirement plan for all its employees at a certain percentage of the basic salaries of its employees. The state-managed retirement plan is responsible for the entire pension obligations payable to all retired employees. Under the state-managed retirement plan, the Group has no further obligations for the actual pension payments or post-retirement benefits beyond the annual contributions.

During the year ended 31 March 2019, the total amount contributed by the Group to these schemes and charged to the consolidated statement of profit or loss and other comprehensive income was approximately HK$2,555,000 (2018: HK$2,556,000).

33. RELATED PARTY TRANSACTIONS

(a) Transactions

Saved as disclosed elsewhere in the consolidated financial statements, during the years ended 31 March 2019 and 2018, the Group had the following transactions with related parties:

Name of the related party	Relationship	Nature of transactions	2019 HK$'000	2018 HK$'000
Qooza Interactive Limited	Associate	Cost of services	**2**	13

(b) Balances

Details of the Group's non-trade outstanding balances with related parties are set out in the consolidated statement of financial position and in note 23 and 27.

33. RELATED PARTY TRANSACTIONS *(Continued)*

(c) Compensation of key management personnel

The remuneration of directors of the Company and other members of key management during the respective reporting periods were as follows:

	2019 HK$'000	2018 HK$'000
Short-term benefits	**20,961**	16,517
Post-employment benefits	**72**	72
Share-based payment	**–**	349
	21,033	16,938

The remuneration of directors of the Company and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	NOTE	2019 HK$'000	2018 HK$'000
Non-current asset			
Investments in subsidiaries		**–**	16,838
Current assets			
Prepayments		**234**	238
Amount due from subsidiaries		**68,800**	84,505
		69,034	84,743
Current liabilities			
Accruals		**832**	803
Net current assets		**68,202**	83,940
Total assets less current liabilities		**68,202**	100,778
Capital and reserves			
Share capital		**16,672**	16,672
Reserves	(a)	**51,530**	84,106
		68,202	100,778

34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

Note:

(a) Movement in reserves

	Share premium	Share options reserve	Other reserve (Note)	Accumulated losses	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2017	78,559	5,136	44,608	(5,656)	122,647
Recognition of equity-settled share-based payment	–	532	–	–	532
Share options lapsed	–	(623)	–	623	–
Loss and total comprehensive expense for the year	–	–	–	(39,073)	(39,073)
At 31 March 2018	78,559	5,045	44,608	(44,106)	84,106
Recognition of equity-settled share-based payment	–	–	–	–	–
Share options lapsed	–	(5,045)	–	5,045	–
Loss and total comprehensive expense for the year	–	–	–	(32,576)	(32,576)
At 31 March 2019	**78,559**	**–**	**44,608**	**(71,637)**	**51,530**

Note:

Other reserve represented the difference between the nominal amount of the share issued for acquisition of its subsidiaries and the net assets value of the subsidiaries of the Company upon the group reorganisation on 16 May 2015.

35. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Details of the Company's subsidiaries as at 31 March 2019 and 2018 are as follows:

Name of subsidiary	Place of incorporation/ operation	Class of shares held	Issued and fully paid share capital/ registered capital	Proportion ownership interest held by the Company				Principal activities
				2019		2018		
				Directly	**Indirectly**	Directly	Indirectly	
AdBeyond Holdings Limited	The BVI	Ordinary	HK$32,249	**100%**	**-**	100%	–	Investment holding
iMinds Interactive Holdings Limited	The BVI	Ordinary	US$1	**100%**	**-**	100%	–	Investment holding
COMO Group Holding Limited	The BVI	Ordinary	US$1	**100%**	**-**	100%	–	Investment holding
AdBeyond (Group) Limited	Hong Kong	Ordinary	HK$34,427,774	**-**	**100%**	–	100%	Provision of marketing services
iMinds Interactive Limited	Hong Kong	Ordinary	HK$1	**-**	**100%**	–	100%	Provision of digital media services
Glo Media Limited (formerly known as COMO Group Limited)	Hong Kong	Ordinary	HK$500,000	**-**	**100%**	–	100%	Engagement in internet marketing platform for the travel industry
廣州超帆信息科技有限公司	The PRC	Registered capital	HK$6,000,000	**-**	**100%**	–	100%	Provision of marketing services
北京超帆文化傳播發展有限公司	The PRC	Registered capital	RMB1,000,000	**-**	**100%**	–	100%	Provision of marketing services
南京高訊文化傳媒有限公司(formerly known as 南京看團資訊科技有限公司)	The PRC	Registered capital	–	**-**	**100%**	–	100%	Provision of marketing services; provision of marketing services for the travel industry

Note: None of the subsidiaries had issued any debt securities at the end of both years or during the years.

FINANCIAL SUMMARY

For the year ended 31 March 2019

RESULTS

	2019 HK'000	2018 HK'000	2017 HK'000	2016 HK$'000	2015 HK$'000
Revenue	**207,130**	176,764	175,771	160,505	140,278
(Loss) Profit before taxation	**(27,579)**	(28,306)	(15,782)	(18,477)	12,417
Income tax expense	**–**	(583)	(238)	(1,025)	(3,299)
(Loss) Profit for the year attributable to owners of the Company	**(27,579)**	(28,889)	(16,020)	(19,502)	9,118

ASSETS AND LIABILITIES

	2019 HK$'000	2018 HK$'000	2017 HK$'000	2016 HK$'000	2015 HK$'000
Total assets	**105,067**	132,498	150,604	153,755	77,952
Total liabilities	**(36,850)**	(36,068)	(27,466)	(16,092)	(17,872)
Total equity	**68,217**	96,430	123,138	137,663	60,080

Note:

The financial information for the years ended 31 March 2014 were extracted from the prospectus of the Company dated 22 May 2015. Such summary was prepared as if the current structure of the Group had been in existence throughout these financial years and is presented on the basis as set out in note 4 to the consolidated financial statements.