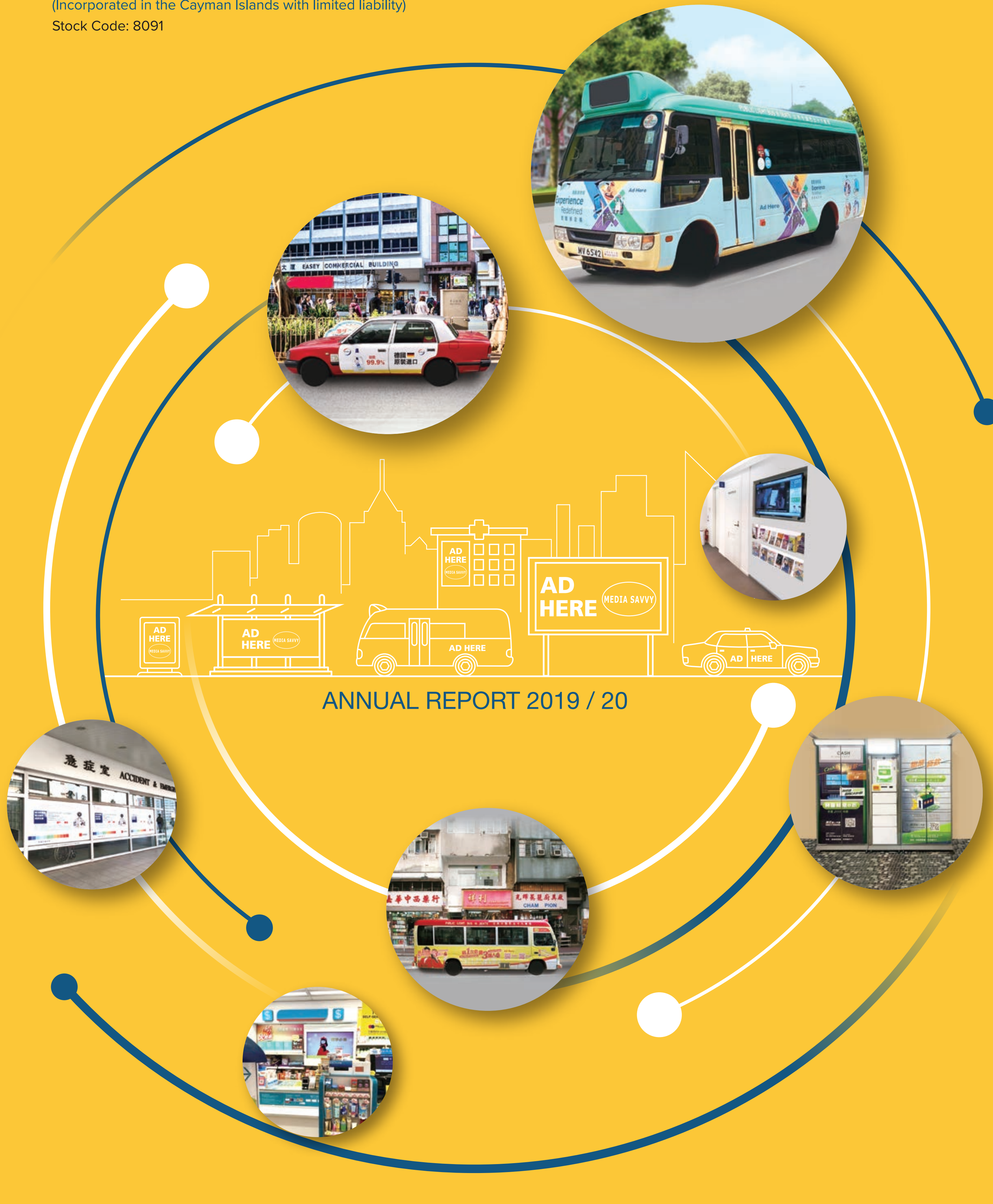
OOH Holdings Limited
奧傳思維控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8091



ANNUAL REPORT 2019 / 20

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*This report, for which the directors (the "**Directors**") of OOH Holdings Limited (the "**Company**") 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 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 report misleading.*

CONTENT

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

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

Non-Executive Director

Mr. DA SILVA Antonio Marcus

Independent Non-Executive Directors

Ms. AU Shui Ming Anna
Mr. LIANG Man Kit Jerry
Mr. LAM Yau Fung Curt

AUDIT COMMITTEE

Ms. AU Shui Ming Anna *(Chairlady)*
Mr. LIANG Man Kit Jerry
Mr. LAM Yau Fung Curt

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

Mr. LAM Yau Fung Curt *(Chairman)*
Ms. AU Shui Ming Anna
Ms. CHEUNG Kit Yi

CORPORATE GOVERNANCE COMMITTEE

Mr. LIANG Man Kit Jerry *(Chairman)*
Mr. LAM Yau Fung Curt
Mr. DA SILVA Antonio Marcus

COMPANY SECRETARY

Ms. FUNG Suk Han

COMPLIANCE OFFICER

Ms. CHAU Wai Chu Irene

AUTHORISED REPRESENTATIVES

Ms. CHEUNG Kit Yi
Ms. FUNG Suk Han

AUDITOR

BDO Limited
Certified Public Accountants
25/F, Wing On Centre
111 Connaught Road Central
Hong Kong

REGISTERED OFFICE

Cricket Square
Hutchins Drive, PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

CORPORATE INFORMATION

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite A5, 9/F, Jumbo Industrial Building
189 Wai Yip Street
Kwun Tong, Kowloon
Hong Kong

PRINCIPAL BANKERS

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
PO Box 2681, Grand Cayman
KY1-1111, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
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183 Queen's Road East
Hong Kong

COMPANY WEBSITE

www.ooh.com.hk

PLACE OF LISTING

The Stock Exchange of Hong Kong Limited

STOCK CODE

8091

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of Directors (the "**Board**"), I am pleased to present our annual report and the audited consolidated financial statements of OOH Holdings Limited (the "**Company**") together with its subsidiaries (the "**Group**") for the year ended 31 March 2020.

The Group remains as a leading out-of-home advertising company with focuses in minibus advertising in the past years and continue to provide advertising spaces and other related services to our customers in Hong Kong. In the past year, the Group has been expanding its business in minibus advertising through the expansion of our network coverage on both Green Top minibuses and Red Top minibuses on exclusive basis. We have signed up more exclusive minibus lines hence more advertising spaces in our network. Including both Green Top and Red Top minibuses, we have 1,372 minibus advertising spaces on exclusive basis as at 31 March 2020 compared to 1,356 minibus advertising spaces as at 31 March 2019, representing a growth of approximately 1.2% and another year of growth in our market share within the minibus advertising network and our market positioning. Apart from expanding our network on the Green Top minibus advertising front, the Group has also been expanding the network on Red Top minibus media and has increased Red Top exclusive minibus advertising spaces coverage by approximately 6.7% compared to the year ended 31 March 2019. Due to signs of economic slowdown in Hong Kong, advertisers are more cautious on their advertising expenditures especially on their out-of-home media placement. The Group believes that Red Top minibus may offer an alternative solution to advertisers as a good media format given its reasonable price and wide coverage which maybe suitable for brands to host campaigns with a broader spectrum. In the past year, the Group managed to develop relationship with more Red Top minibus managers as well as Red Top operators in order to source for the best price on exclusive basis. The Group is confident in developing this media format and will devote our time in the coming year on expanding the Red Top minibuses advertising network. Apart from expanding the market share in Hong Kong's out-of-home advertising field, the Group will continue to provide excellent service to our clients to provide them with a friendly user experience with maximum flexibility and creativity on their upcoming campaigns. The Group will continue to allocate resources to our in-house printing facilities by purchasing new printing machines to cater for the demand of our own minibus advertising. On the other hand, the Group has continued to provide other business services such as (i) advertising display services on the self-pickup locker platforms ("**Logistic Advertising Business**"); and (ii) advertising display services over the digital and online media platforms ("**Digital Media Business**") to secure our overall market position in the media advertising segment.

Moreover, the past year has been one of the most difficult period for businesses in Hong Kong, especially since the outbreak of COVID-19. The pandemic has sent economies in a stand still not only in Hong Kong and this part of the world. As confinement measures for COVID-19 were introduced around the world, people's spending pattern has shifted from retail to online spending so advertising spending has adjusted in response to it as well. Advertisers have adapted by following their consumers, which means prioritizing digital advertising in the past few months. The Group will adapt its business strategy and make necessary adjustments to the allocation of resources to the change of circumstances.

Last but not least, on behalf of the Board, I would like to express my sincere gratitude to my team for doing an excellent job during this difficult time, the Group would not have gone through this pandemic without all of their contribution. As for all our shareholders, investors, customers, suppliers, and business partners, I want to tender my heartfelt thanks for your kind support and believe in us.

For and on behalf of the Board,

CHAU Wai Chu Irene
Chairlady

Hong Kong, 19 June 2020

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group continued its principal business in the provision of out-of-home advertising spaces and services to its customers, which comprise end users aiming to promote their brands, products or services, and advertising agents acting for such advertisers. We also offer our customers design and production, advertisement logistics, installation and dismantling services on the different advertising platforms.

During the year ended 31 March 2020, the Group's principal business Transportation Business has recorded a slight growth in inventory of exclusive minibus advertising spaces in our fixed route minibus network from 1,356 units as at 31 March 2019 to 1,372 units as at 31 March 2020. Apart from broadening our coverage of exclusive minibus advertising spaces, the Group has strived to lower the production costs by strengthening control over our contractors. For instance, the Group has gradually reduced the number of outsourced printings since the Group has its own in-house printing facilities for the production of the outdoor advertising stickers during the year ended 31 March 2020. The Group has also purchased three new high quality printers for outdoor advertising stickers in May 2020 to cater the needs of our in-house printings.

For Digital Event Management Business, due to the business restructuring of the principal (the "**Principal**") operating the esports event management facilities in Taiwan, the service agreement entered into between the Group and the Principal was terminated on 31 May 2019.

On the other hand, the Group's first retail outlet of Mizimamei branded food and beverage products has commenced business in August 2019. Undoubtedly, the retail business is seriously affected by the local social movement and the outbreak of COVID-19. The Group has used its unsold outdoor media assets to promote the Mizimamei branded food and beverage products by offering discounts and new varieties of products to our customers. For instance, advertisements of Mizimamei branded food and beverage products were displayed on the Group's exclusive minibus advertising spaces and digital and online media platform. The Group also noticed that there are increased demands on take away orders so the Group has cooperated with take away service vendors to cater the demand. Localization and seasonal products such as winter hot drinks with Oolong tea and Hong Kong style milk tea have been introduced to satisfy our customers' preferences.

FINANCIAL REVIEW

Revenue

Total revenue of the Group decreased by 7.2% from approximately HK$61.2 million for the year ended 31 March 2019 to approximately HK$56.8 million for that of 2020. Such decrease was mainly due to (i) the decrease of revenue generated from Digital Event Management Business from approximately HK$5.4 million for the year ended 31 March 2019 to approximately HK$2.4 million for that of 2020; (ii) the decrease of revenue generated from Digital Media Business from approximately HK$5.7 million for the year ended 31 March 2019 to approximately HK$3.8 million for that of 2020; and (iii) the decrease of revenue generated from Healthcare Business from approximately HK$2.0 million for the year ended 31 March 2019 to approximately HK$0.8 million for that of 2020.

The decrease in revenue generated from Digital Event Management Business was mainly due to the fact that the service agreement has ended pursuant to the termination notice given to the Group in April 2019. The decrease in revenue generated from Digital Media Business was mainly due to the change of sales strategy and the resignation of our sales directors specialized in Digital Media Business in June 2019.

The decrease in revenue generated from Healthcare Business was mainly due to the cease of the hospital advertising and the health and beauty retail stores advertising business since the completion of the agreements for the use of advertising spaces at the public hospitals and the health and beauty retail stores on 30 April 2018 and 30 June 2018 respectively. Such decrease was partly offset by the increase in revenue generated from private hospital and clinics by approximately HK$0.2 million for the year ended 31 March 2020 as compared to that of 2019.

Revenue generated from minibus advertising increased by approximately HK$1.7 million or 3.7% from approximately HK$45.7 million for the year ended 31 March 2019 to approximately HK$47.4 million for that of 2020. Such increase was mainly due to the fact that (i) the Group has expanded the coverage of exclusive advertising spaces from 1,356 minibuses as at 31 March 2019 to 1,372 minibuses as at 31 March 2020; and (ii) the increase in election advertising campaigns due to the District Council Election held in November 2019.

Revenue generated from taxi advertising increased by approximately HK$0.1 million or 13.5% for the year ended 31 March 2020 as compared to that of 2019 due to increase of client base in the advertising platforms. Revenue generated from Logistic Advertising Business slightly decreased by approximately HK$60,000 for the year ended 31 March 2020 as compared to that of 2019.

Revenue generated from others advertising decreased by 46.2% from approximately HK$1.3 million for the year ended 31 March 2019 to approximately HK$0.7 million for that of 2020 mainly due to the temporary closure of MTR stations resulting from the social movement during the second half of 2019 and the fact that MTR decided not to put posters in relation to the District Council Election on its trains and stations.

Revenue generated from the new Food and Beverage Business was approximately HK$0.4 million since the commencement of the business in August 2019.

Cost of Sales and Gross Profit Margin

Cost of sales decreased by 2.8% from approximately HK$42.3 million for the year ended 31 March 2019 to approximately HK$41.1 million for that of 2020. The decrease was mainly due to (i) the Group's in-house printing facilities which led to the decrease of printing and production cost of our minibus advertising business; (ii) the decrease of license fee paid to the authority operating the public hospitals and the health and beauty retail stores due to the cease of business upon the completion of the agreements for the use of advertising spaces at the public hospitals and the health and beauty retail stores on 30 April 2018 and 30 June 2018 respectively; and (iii) the decrease of operating expenses of Digital Event Management Business.

The gross profit margin decreased by 3.3 percentage points from approximately 30.9% for the year ended 31 March 2019 to approximately 27.6% for that of 2020, which was mainly because of (i) the decrease in gross profit margin of minibus advertising from approximately 35.3% for the year ended 31 March 2019 to approximately 30.0% for that of 2020 due to the increase of depreciation of right-of-use assets (which has become effective during the year ended 31 March 2020 due to the adoption of HKFRS 16 "Leases") resulting from the increase in number of exclusive advertising spaces; and (ii) gross loss margin of the Food and Beverage Business due to the new Mizimamei retail outlet opened in August 2019 and the business was at a lower revenue during the infancy stage.

Selling Expenses

Selling expenses increased from approximately HK$7.2 million for the year ended 31 March 2019 to approximately HK$8.4 million for that of 2020 due to the increase of the quarterly commission paid to our sales team.

Administrative Expenses

Administrative expenses increased from approximately HK$13.1 million for the year ended 31 March 2019 to approximately HK$14.7 million for that of 2020. The increase was mainly attributable to (i) an increase of directors' remuneration of approximately HK$0.8 million; (ii) the increase in expenses in relation to the new Food and Beverage Business of approximately HK$0.4 million; and (iii) the increase of salaries of approximately HK$0.3 million mainly due to the new staff operating our in-house printing facilities.

Finance Costs

Finance costs was approximately HK$1.7 million for the year ended 31 March 2020. It represented interest on lease liabilities for the leases of which the Group is lessees under HKFRS 16 "Leases" which was adopted by the Group since 1 April 2019.

Loss/Profit Attributable to Owners of the Company

As a result, we recorded loss attributable to owners of the Company of approximately HK$5.7 million for the year ended 31 March 2020 as compared to profit attributable to owners of the Company of approximately HK$0.6 million for that of 2019.

Capital Structure

Details of the Company's share capital are set out in note 27 to the consolidated financial statements in this annual report.

Liquidity and Financial Resources

During the year ended 31 March 2020, the Group mainly financed its operations with its own working capital and the net proceeds from listing. As at 31 March 2020 and 31 March 2019, the Group had net current assets of approximately HK$32.1 million and approximately HK$58.8 million respectively, including cash and bank balances of approximately HK$54.9 million and approximately HK$62.3 million respectively. The Group did not have any pledged bank deposits as at 31 March 2020 (2019: bank deposit of approximately HK$1.0 million was pledged for a letter of guarantee issued by a bank).

As at 31 March 2020, the gearing ratio was 0% (2019: 0%), calculated on the Group's bank borrowings over the Group's total equity. As at 31 March 2020 and 31 March 2019, the Group had no bank borrowings.

Significant Investments Held

The Group did not have any significant investments held as at 31 March 2020 and 31 March 2019.

Material Acquisitions or Disposals of Subsidiaries and Affiliated Companies

Details of the acquisition of a subsidiary are set out in note 33 to the consolidated financial statements in this annual report.

Future Plans for Material Investments and Capital Assets

Save as those disclosed in the prospectus of the Company dated 23 December 2016 (the "**Prospectus**"), the Group currently has no other plan for material investments and capital assets.

Contingent Liabilities

The Group did not have any material contingent liabilities as at 31 March 2020 and 31 March 2019.

Commitments

The Group's contractual commitments primarily related to the leases of its office equipment, advertising spaces and office premises which were previously classified as operating lease under HKAS 17. The Group's operating leases commitments amounted to approximately HK$51.2 million as at 31 March 2019. Since 1 April 2019, the Group adopted HKFRS 16 using modified retrospective approach and recognised lease liabilities relating to these leases. As at 31 March 2020, the Group did not have any capital commitments (2019: Nil).

Please refer to note 35 to the consolidated financial statements in this annual report for details.

Charge on Group's Asset

As at 31 March 2020, the Group did not pledge any of its assets (2019: Nil, save for the pledged bank deposits) as securities for any facilities granted to the Group.

Foreign Exchange Exposure

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

Use of Net Proceeds from Listing

The net proceeds from the issue of a total of 180,000,000 new ordinary shares of the Company at the placing price of HK$0.27 per share under the placing as set out in the Prospectus, after deducting underwriting commission and other expenses relating to the Company's listing, amounted to approximately HK$29.9 million. The net proceeds were intended to be applied in the same proportion and in the same manner as shown in the Prospectus with estimated net proceeds amounted to HK$26.4 million, which was made under the assumption that the placing price would be HK$0.25 per share, being the mid-point of the indicative placing price range. Accordingly, approximately 69.7% (HK$20.9 million), 18.2% (HK$5.4 million), 9.8% (HK$2.9 million) and 2.3% (HK$0.7 million) will be applied for (i) expanding our coverage in the minibus advertising network; (ii) expanding our coverage in other transportation advertising platform; (iii) expanding our coverage in the healthcare-related advertising platform; and (iv) enhancing our information management system respectively. An analysis of the utilization of the net proceeds during the period from 5 January 2017 (the "**Listing Date**") to 31 March 2020 is set out below:

		Amount of usage of net proceeds from the Listing Date to 31 March 2020		**Unutilized net proceeds as at 31 March 2020**
		Estimated*	**Actual**	
		HK$ million	HK$ million	HK$ million
(i)	Expand our coverage in the minibus media	20.9	13.9	7.0
(ii)	Expand our coverage in other transportation	5.4	2.8	2.6
(iii)	Expand our coverage in the healthcare-related advertising	2.9	0.0	2.9
(iv)	Enhance our information management system	0.7	0.1	0.6
Total		**29.9**	**16.8**	**13.1**

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

The unutilized net proceeds as at 31 March 2020 were placed as bank balances with licensed bank in Hong Kong.

* The estimated amount of usage of net proceeds as at 31 March 2020 has been adjusted in the same proportion and in the same manner as stated in the Prospectus due to the above-mentioned difference between the estimated net proceeds and the actual net proceeds received.

An analysis comparing the business objective stated in the Prospectus with the Group's actual business progress as at 31 March 2020 is set out below:

Business objective and strategy	Actual business progress up to 31 March 2020
(i) Expand our coverage in the minibus media	The Group has obtained advertising spaces on 757 additional green minibuses and 56 additional red minibuses. The social movement and the outbreak of COVID-19 have led to an unprecedented impact to the economy of Hong Kong. Given the uncertainty of the global economy environment, the Group resolved to put in-vehicle LCD panel advertising services on hold until around 30 September 2020 subject to the economic and social conditions. However, the Group will continue to explore the possibility of expanding our coverage in the minibus media by obtaining valuable exclusive advertising spaces. For instance, some of the Group's competitors intend to give up their exclusive advertising spaces due to the economic downturn. The Group will consider taking over their exclusive advertising spaces subject to the pricing and duration of the exclusivity.
(ii) Expand our coverage in other transportation	The Group has executed an exclusive contract for the use of advertising spaces with a subsidiary of a prominent tour/coach bus operator in Hong Kong and obtained advertising spaces on not less than 100 tour/coach buses. The Group has obtained advertising spaces on 26 additional taxi with 50 additional taxi for Taxiboard media. The Group will reallocate the resources of light goods trucks media into other segments since the two light goods trucks operators that the Group has been in-touched have decided not to sub-contract their advertising service.
(iii) Expand our coverage in the healthcare-related advertising	Upon the completion of the agreement for the use of advertising spaces at the public hospitals on 30 April 2018 and the close down of the entire media platform in the health and beauty retail stores after 30 June 2018, the Group has assessed the effectiveness of expanding the coverage in the healthcare-related advertising. The Group has been considering the possibility of reallocating the resources of this segment into other segments to maximize the effectiveness of the use of proceeds.

Business objective and strategy	Actual business progress up to 31 March 2020
(iv) Enhance our information management system	The Group has appointed a contractor to develop a new information management system for the Logistic Advertising Business based on our existing information management system. The new information management system for the Logistic Advertising Business has been completed. The remaining proceeds will be reserved for other information technology enhancement projects in future.

Employees and Remuneration Policies

As at 31 March 2020, the Group had 38 employees (2019: 53 employees). The staff costs (including directors' emoluments) amounted to approximately HK$18.7 million for year ended 31 March 2020 (2019: approximately HK$17.9 million). The decrease in the number of employees was mainly due to the termination of our service agreement with the Principal operating the esports event management services in Taiwan.

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

OUTLOOK

COVID-19 has shocked the world and sent economies spinning. It was late 2019 when the virus first appeared in Asia. Initially, it only affected China, but its effects are now felt around the globe, with many countries in lockdown. As confinement measures for the outbreak of COVID-19 were introduced around the world, out-of-home advertising was undoubtedly affected. Meanwhile, in-home media usage went up. TV viewership has climbed, and digital consumption has increased dramatically such as the use of social platforms and streaming services. Wherever consumer behaviour has shifted, advertising spending has adjusted in response. Advertisers have adapted by following their consumers, which means prioritizing digital advertising in the past few months. The pandemic has caused advertisers of all sizes to rethink the type of campaigns they should run hence the advertising industry is adjusting to cope with the change of business environment.

The Group has been striving to develop other new media platforms to strengthen our competitive edge while improving our traditional transportation business to perfection. It goes without saying that the digital advertising is the future trend since the consumers are changing their spending habit from retail to online shopping. For instance, the Group's expansion into digital advertising is an uphill battle since we need to bring changes to our sales and operations techniques that our colleagues have to cope with. New sales pattern and client base have to be adapted to the new advertising regime as well. Given the change of business environment, the Group will employ a pragmatic approach to consider if reallocation of the use of proceeds is needed. By allocating resources to the new trend of our business, the Group shall grasp the opportunities to develop digital advertising with reference to the new business climate of the advertising industry. On the other hand, the Group will continue to lower the cost of sales from advertising materials, license fees to our suppliers, and the Group's human resources so as to maintain a reasonable investment return to our shareholders.

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Ms. CHAU Wai Chu Irene (周慧珠), aged 70, is the Chairlady of the Board, an Executive Director, the Chief Executive Officer and a controlling shareholder of the Company. She is also the compliance officer and a member of Remuneration Committee. Ms. Chau is responsible for providing leadership to the Board and advising on the business strategies of the Group. She was appointed as a Director on 28 June 2016. Ms. Chau had been a director of the Company's subsidiaries, Media Savvy Limited ("**MSL**") and Media Savvy Marketing Limited ("**MSML**") since July 2007 and December 2012, respectively. Ms. Chau was a co-founder of the Group and prior to becoming a director of MSL, Ms. Chau was a senior management of the Group responsible for managing the relationships with minibus route operators and taxi owners, and securing of advertising space with these operators. Ms. Chau also holds directorships in a number of the other subsidiaries within the Group, namely Media Savvy Marketing International Limited ("**MSBVI**"), Media Savvy In-Store Media Limited, Medic Savvy Media Limited ("**MedicSML**"), A1 Advertising & Production Company Limited ("**AAPCL**") and OOH La La Printing and Production Limited ("**OOH La La**"). Ms. Chau has over 20 years of experience in the outdoor media advertising industry. She has gained experience in the marketing field since the late 90's where she has held a senior role in the commercial field and also worked in non-profit organizations.

Ms. CHEUNG Kit Yi (張潔怡), aged 41, is an Executive Director and the Financial Controller of the Group. She is also a member of Nomination Committee. She was appointed as a Director on 28 June 2016. Ms. Cheung joined the Group in June 2011 and was later appointed as a director of certain subsidiaries of the Company, MSBVI, MSL and MSML. Ms. Cheung is in charge of the finance and accounts department of the Group. She has over 21 years of accounting and finance experience. Ms. Cheung obtained a Bachelor of Science with Honours in Accounting the University of Hull.

Mr. LEAN Chun Wai (梁俊威), aged 49, is an Executive Director. He was appointed as a Director on 28 June 2016. Mr. Lean is responsible for providing leadership in the operation department and managing the relationships and securing advertising space with the Group's advertising space providers in the healthcare media platform. Mr. Lean supervises the information management system of advertising spaces of the Group and also manages the design and production department of the Group, responsible for printing and installation of advertising materials, procurement and supplier's relationship. Mr. Lean joined the Group in June 2011 and served as marketing consultant. He was appointed as a director of the Company's subsidiaries, MSL and MSML in December 2012. He was later appointed as a director of certain subsidiaries of the Company, MSBVI, MedicSML, AAPCL, Toppa Media Savvy Limited ("**ToppaMS**"), OOH La La, MSMM Company Limited and Auto Savvy Limited. Mr. Lean has over 23 years of marketing experience.

Non-Executive Director

Mr. DA SILVA Antonio Marcus (施冠駒), aged 48, is a Non-Executive Director and a substantial shareholder of the Company. He is also a member of Corporate Governance Committee. Mr. Da Silva was appointed as a Director on 28 June 2016. Mr. Da Silva is responsible for providing corporate governance guidance to the Board and advising on the business strategies of the Group. Mr. Da Silva is the co-founder of the Group and has been a director of MSL and MSML since April 2014. He was later appointed as a director of the Company's subsidiary, ToppaMS in July 2018. Mr. Da Silva graduated from Carnegie Mellon University in the United States with the degrees of Bachelor of Science and Master of Information Systems, double majors in Information and Decision Systems and Industrial Management in 1996. Mr. Da Silva is now a business development director of Jet-Speed Air Cargo Forwarders (Hong Kong) Limited and is responsible for business development. Mr. Da Silva has over 18 years of business experience.

Independent Non-Executive Directors

Ms. AU Shui Ming Anna (區瑞明), aged 56, was appointed as an Independent Non-Executive Director on 19 December 2016. She is the chairlady of the Audit Committee and the Remuneration Committee. She is also a member of the Nomination Committee. Ms. Au holds a bachelor degree in Commerce, majoring in Accounting, from the University of Wollongong in Australia. She is a Certified Practicing Accountant of CPA Australia and a fellow member of the Hong Kong Institute of Certified Public Accountants. Ms. Au has extensive experience in the finance and accounting fields. She is currently the chief financial officer of New Horizon Capital (Group) Limited. In addition, Ms. Au is currently a director of i-Craftsmen Limited and Smart Education Company Limited, which are wholly-owned subsidiaries of Newtree Group Holdings Limited (stock code: 1323), which is listed on the Main Board of the Stock Exchange. She is an independent non-executive director of Deson Construction International Holdings Limited (stock code: 8268), a company listed on GEM of the Stock Exchange.

Mr. LIANG Man Kit Jerry (梁文傑), aged 46, was appointed as an Independent Non-Executive Director on 19 December 2016. He is the chairman of the Corporate Governance Committee and a member of the Audit Committee and the Remuneration Committee. In September 2014, Mr. Liang was appointed as the director and the chief operation officer at RT Management Limited to oversee the daily operation of the company. Mr. Liang is also a director of Media Venture Company Limited, an advertising and promotion agency. Mr. Liang was formerly the Editor-in-Chief of Precious Magazine.

Mr. LAM Yau Fung Curt (林右烽), aged 51, was appointed as an Independent Non-Executive Director on 23 August 2019. He is also the chairman of the Nomination Committee and a member of the Audit Committee and the Corporate Governance Committee. He is the general manager of Wanda Hotel Development Company Limited (stock code: 00169), which is listed on the Main Board of the Stock Exchange and a member of the Dalian Wanda Group. He was an executive director of Yuexiu Property Company Limited (stock code: 00123), a company listed on the Main Board of the Stock Exchange, and also the chief financial officer of the Yue Xiu Group. Mr. Lam was previously the head of corporate finance and business development at GOME Electrical Appliances Holding Limited (now known as GOME Retail Holdings Limited) (stock code: 00493) ("**GOME**"), one of China's largest electronics retailers, which is listed on the Main Board of the Stock Exchange. Prior to joining GOME, he spent about 10 years working in investment banking and capital markets at Schroders Asia, ABN AMRO Rothschild, and Deutsche Bank. He is a Chartered Financial Analyst (CFA) and holds a Master of Business Administration (MBA) degree from Rice University in the United States. Mr. Lam has extensive experience in corporate finance, financial and accounting fields.

Mr. Lam has been appointed as an independent non-executive director of Asia Allied Infrastructure Holding Limited (stock code: 00711), a company listed on the Main Board of the Stock Exchange, since January 2017 and is also currently the chairman of its remuneration committee and a member of its audit committee and nomination committee.

SENIOR MANAGEMENT

Mr. HUNG Kay Man (洪啟文), aged 55, is the Sales and Marketing Director of the Group. He joined the sales and marketing department of the Group in December 2011. He is responsible for providing leadership in our sales and marketing department, as well as building relationships with customers for all our media platforms to promote our advertising platforms to clients. Together with Ms. Chau, our Chairlady, Executive Director and Chief Executive Officer, Mr. Hung is responsible for setting up annual advertising rates for all media platforms as well as setting annual sales targets for the Group's sales team. He began his career as a junior floor manager at Television Broadcasts Limited in 1986. He has over 23 years of sales experience.

Ms. HO Hei Man (何希文), aged 31, is the Operation and Marketing Manager of the Group. She joined the operation and administration department of the Group in March 2012, and was later promoted to the assistant manager position in January 2014. Ms. Ho obtained a Bachelor of Arts (Hons) degree in marketing and management from the University of Hull, which is a part-time course held and conducted at the University of Hong Kong. Ms. Ho is responsible for the minibus operation where she oversees and manages daily operation and supports the sales team for achieving company goals.

COMPANY SECRETARY

Ms. FUNG Suk Han (馮淑嫻), aged 46, was appointed as the company secretary of the Company on 7 July 2017. She joined the Group in May 2017. Ms. Fung holds a Master degree in business administration from The Open University of Hong Kong. She is currently an associate member of The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom and The Hong Kong Institute of Chartered Secretaries. She has over 22 years of experience in company secretarial field and extensive experience in corporate governance practices with listed companies.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

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

The Company has adopted the principles and code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 15 to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**"). Save for the deviation as disclosed under the section headed "CHAIRMAN AND CHIEF EXECUTIVE" below, the Board viewed that the Company has complied with the CG Code during the year ended 31 March 2020 (the "**Year**").

DIRECTORS' SECURITIES TRANSACTIONS

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

BOARD OF DIRECTORS

Composition

As at 31 March 2020, the Board comprised three Executive Directors, one Non-executive Director and three Independent Non-executive Directors. The composition of the Board is set out as follows:

Executive Directors:

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

Non-Executive Director:

Mr. DA SILVA Antonio Marcus

Independent Non-Executive Directors:

Ms. AU Shui Ming Anna
Mr. LIANG Man Kit Jerry
Mr. LAM Yau Fung Curt

Functions, Roles and Responsibilities of the Board

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

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

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

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

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

Confirmation of Independence of Independent Non-Executive Directors

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

Term of Appointment of Non-Executive Directors

Pursuant to code provision A.4.1 of the CG Code, non-executive Directors should be appointed for specific term. The Non-Executive Director and each of the Independent Non-Executive Directors have entered into a letter of appointment with the Company for a term of three years, subject to retirement by rotation and re-election at the annual general meeting at least once every three years in accordance with the Company's articles of association (the "**Articles of Association**").

Board/Board Committee Meetings

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

During the Year, the Board held 5 meetings and the attendance of each Director is listed under the section heading "Meetings Held and Attendance" below on a named basis.

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

Meetings Held and Attendance

The composition of the Board and the committees, and the individual attendance records of each Director at the regular Board meetings, the respective Board committee meetings and the annual general meeting during the Year are set out below:

	Meetings attended/Number of meetings held during the Year					
Name of Directors	**Board Meeting**	**Audit Committee Meeting**	**Remuneration Committee Meeting**	**Nomination Committee Meeting**	**Corporate Governance Committee Meeting**	**Annual General Meeting**
Executive Directors:						
Ms. CHAU Wai Chu Irene *(Chairlady and Chief Executive Officer)*	5/5	N/A	2/2	N/A	N/A	1/1
Ms. CHEUNG Kit Yi	5/5	N/A	N/A	2/2	N/A	1/1
Mr. LEAN Chun Wai	5/5	N/A	N/A	N/A	N/A	1/1
Non-Executive Director:						
Mr. DA SILVA Antonio Marcus	4/5	N/A	N/A	N/A	1/1	1/1
Independent Non-Executive Directors:						
Ms. AU Shui Ming Anna	5/5	5/5	2/2	2/2	N/A	1/1
Mr. LIANG Man Kit Jerry	5/5	5/5	2/2	N/A	1/1	1/1
Mr. LAM Yau Fung Curt *(Note 1)*	2/2	2/2	N/A	N/A	N/A	N/A
Mr. HO Alfred Chak Wai *(Note 2)*	2/2	3/3	N/A	2/2	1/1	1/1

Notes:

1. Mr. LAM Yau Fung Curt was appointed as an independent non-executive Director after the conclusion of the Company's annual general meeting held on 23 August 2019. He was also appointed as the chairman of Nomination Committee and a member of each Audit Committee and Corporate Governance Committee on the same day.

2. Mr. HO Alfred Chak Wai retired as an independent non-executive Director after the conclusion of the Company's annual general meeting held on 23 August 2019 and ceased as the chairman of Nomination Committee and a member of each Audit Committee and Corporate Governance Committee on the same day.

Continuing Professional Development

Pursuant to code provision A.6.5 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant.

According to the records maintained by the Company, during the Year, training sessions on the updates of the GEM Listing Rules and directors' responsibilities and relevant reading materials were arranged to all the Directors and the Directors' participation is as follows:

Name of Directors	Attending training session(s)	Reading materials
Executive Directors:		
Ms. CHAU Wai Chu Irene *(Chairlady and Chief Executive Officer)*	✔	✔
Ms. CHEUNG Kit Yi	✔	✔
Mr. LEAN Chun Wai	✔	✔
Non-Executive Director:		
Mr. DA SILVA Antonio Marcus	✔	✔
Independent Non-Executive Directors:		
Ms. AU Shui Ming Anna	✔	✔
Mr. LIANG Man Kit Jerry	✔	✔
Mr. LAM Yau Fung Curt	✔	✔
Mr. HO Alfred Chak Wai	✔	✔

CHAIRMAN AND CHIEF EXECUTIVE

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

Code provision A.2.7 of the CG Code requires the chairman of the Board to hold meetings at least annually with the independent non-executive directors without the presence of other Directors. During the Year, a meeting between the Chairlady of the Board and the Independent Non-Executive Directors was held.

BOARD COMMITTEES

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

Audit Committee

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

The Audit Committee held five meetings during the Year and the attendance of each member of Audit Committee is listed under the section heading "Meetings Held and Attendance" above on a named basis. During the Year, the Audit Committee reviewed the Group's audited annual results for the year ended 31 March 2019 and the unaudited quarterly and interim results for the year ended 31 March 2020, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosure had been made. The Audit Committee discussed the audit planning memorandum in relation to the audit for annual results 2018/19. The Audit Committee also reviewed the internal control systems review report of the Group and also considered the effectiveness on the risk management and internal control systems under the GEM Listing Rules.

As at the date of this annual report, the Audit Committee has discussed and reviewed with management the audited consolidated financial statements of the Group for the Year and also reviewed and approved the Group's audit fee for the Year.

Remuneration Committee

The Remuneration Committee has been established with written terms of reference in compliance with the CG Code from time to time. The Remuneration Committee currently consists of two Independent Non-Executive Directors and one Executive Director, namely, Ms. AU Shui Ming Anna, Mr. LIANG Man Kit Jerry and Ms. Chau. Ms. AU Shui Ming Anna is the chairlady of the Remuneration Committee. The primary duties of the Remuneration Committee include, among others, to review on the remuneration packages of the Directors and senior management, and to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy.

During the Year, the Remuneration Committee held two meetings and the attendance of each member of Remuneration Committee is listed under the section heading "Meetings Held and Attendance" above on a named basis. The Remuneration Committee reviewed the remuneration packages of the Directors and senior management and its terms of reference during the Year. The Remuneration Committee also reviewed the renewed service contracts and letters of appointment with Directors and the letter of appointment with newly appointed Independent Non-Executive Director was reviewed and recommended to the Board. No Director or any of his/her associates is involved in deciding his/her own remuneration.

Details of the remuneration paid to the senior management of the Group (including the Directors) by band for the year ended 31 March 2020 are set out in note 13 to the Consolidated Financial Statements.

Nomination Committee

The Nomination Committee has been established with written terms of reference in compliance with the CG Code from time to time. The Nomination Committee currently consists of two Independent Non-Executive Directors and one Executive Director, namely, Mr. LAM Yau Fung Curt, Ms. AU Shui Ming Anna and Ms. CHEUNG Kit Yi. Mr. LAM Yau Fung Curt is the chairman of the Nomination Committee. The primary duties of the Nomination Committee include, among others, to review and monitor the structure, size and composition of the Board and make recommendations on any proposed changes to the Board to complement of the Group's strategy; to identify individuals suitably qualified to become members of the Board; to assess the independence of Independent Non-Executive Directors; and to make recommendations to the Board on the appointment or re-appointment of Directors, succession planning for Directors and to review the board diversity policy and the nomination policy of the Company.

During the Year, the Nomination Committee held two meetings and the attendance of each member of Remuneration Committee is listed under the section heading "Meetings Held and Attendance" above on a named basis. The Nomination Committee reviewed the Board's structure and composition, reviewed the independence of the Independent Non-Executive Directors, considered the re-election of retiring Directors and also reviewed the proposed candidate to fill the casual vacancy as an independent non-executive Director in accordance with the Company's nomination policy and board diversity policy and recommended to the Board during the Year.

Nomination Policy

The Company was adopted a nomination policy on 11 February 2019, which establishes written guidelines to Nomination Committee to identify individuals suitably qualified to become Board members and make recommendations to the Board on the selection of individuals nominated for directorships with reference to the formulated criteria.

Selection Criteria

In assessing the suitability of a proposed candidate, the Nomination Committee would consider the certain factors including but not limit to the proposed candidate's reputation for integrity, accomplishment, experience and reputation in the industry which the Group operates, commitment in respect of sufficient time, interest and attention to the Company's business and diversity in all aspects as set out in the board diversity policy adopted by the Company from time to time, the ability to assist and support management and make significant contributions to the Company's success, and whether the candidates would be considered independent with reference to the independence guidelines as set out in the GEM Listing Rules in case of selection of Independent Non-Executive Directors. The Nomination Committee and the Board have the discretion to nominate any person, as it considers appropriate.

Nomination Procedures

Proposed candidates will be asked to submit the necessary personal information, together with their written consent to be appointed as a director and to the public disclosure of their personal data on any documents or the relevant websites for the purpose of or in relation to their standing for election as a director. The Nomination Committee may request candidates to provide additional information and documents, if considered necessary. The secretary of the Nomination Committee shall convene a meeting of the Nomination Committee, and invite nominations of candidates from Board members if any, for consideration by the Nomination Committee prior to its meeting. The Nomination Committee may also put forward candidates who are not nominated by Board members. For filling a casual vacancy and/or as an addition to the Board, the Nomination Committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation.

Board Diversity Policy

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

The Nomination Committee reviewed the Board's composition under diversified perspectives, and monitored the implementation of the Board Diversity Policy during the Year.

As at the date of this annual report, the Board's composition under major diversified perspectives was summarised as follows:

Board Diversity

<table>
<tr><td>Designation</td><td colspan="3">Executive Director</td><td>Non-Executive Director</td><td colspan="3">Independent Non-Executive Director</td></tr>
<tr><td>Gender</td><td colspan="4">Male</td><td colspan="3">Female</td></tr>
<tr><td>Ethnicity</td><td colspan="7">Chinese</td></tr>
<tr><td>Age group</td><td colspan="4">41–50</td><td colspan="2">51–60</td><td>61–70</td></tr>
<tr><td>Length of service</td><td colspan="3">Less than 5 years</td><td colspan="2">5 to 10 years</td><td colspan="2">Over 10 years</td></tr>
<tr><td>Number of Directors</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td></tr>
</table>

Corporate Governance Committee

The Corporate Governance Committee has been established with written terms of reference in compliance with the relevant code provisions from time to time. The Corporate Governance Committee currently consists of two Independent Non-Executive Directors and the Non-Executive Director, namely, Mr. LIANG Man Kit Jerry, Mr. LAM Yau Fung Curt and Mr. DA SILVA Antonio Marcus. Mr. LIANG Man Kit Jerry is the chairman of the Corporate Governance Committee. The primary duties of the Corporate Governance Committee include, among others, to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board; to review and monitor the training and continuous professional development of directors and senior management; to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and to review the Company's compliance with the code and disclosure in the corporate governance report contained in the annual report.

During the Year, the Corporate Governance Committee held one meeting and the attendance of each member of Corporate Governance Committee is listed under the section heading "Meetings Held and Attendance" above on a named basis. The Corporate Governance Committee reviewed the corporate government report for the year ended 31 March 2019, the risk management and internal control systems of the Company and to consider and review the separation roles of the Chairlady and the Chief Executive Officer during the Year.

ACCOUNTABILITY AND AUDIT

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

The responsibility statement of the Company's auditor, BDO Limited, in respect of the consolidated financial statements is set out in the section headed "Independent Auditor's Report" on pages 48 to 52 of this annual report. For the year ended 31 March 2020, the fees in respect of the audit and non-audit services provided to the Group by BDO Limited, are set out as follows:

Nature of services	**For the year ended 31 March 2020 HK$**
Audit services	530,000
Non-audit services	
— Agreed-upon procedures in respect of lease calculation upon the adoption of HKFRS16 "Leases" for the six months ended 30 September 2019	65,000
Total	595,000

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the Group's risk management and internal control systems and reviewing their effectiveness on an ongoing basis. 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.

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

The Group's internal audit function is performed by the management of the Company, including analysing and appraising the adequacy and effectiveness of the Group's risk management and internal control systems. For the enhancement of the quality of the internal audit, the Company has engaged an external consultant to execute a certain agreed scope of internal audit function. Deficiencies in the design and implementation of internal controls were identified and recommendations to be proposed for improvement. Significant internal control deficiencies should be reported to the Audit Committee and the Board to ensure prompt remediation actions should be taken.

During the year ended 31 March 2020, the Board has performed annual review on the effectiveness of the Group's risk management and internal control systems, including but not limit to the Group's ability to cope with its business transformation and changing external environment; the scope and quality of management's review on risk management and internal control systems; result of internal audit work; the extent and frequency of communications with the Board in relation to result of risk and internal control review; significant failures or weaknesses identified and their related implications; and status of compliance with the GEM Listing Rules. The Board of Directors considers the Group's risk management and internal control systems are effective and adequate.

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

The Company has adopted its information disclosure policy and related procedures with regard to the "Guidelines on Disclosure of Inside Information" issued by the Securities and Futures Commission. The policy stipulates the responsibilities of the Group, key disclosure requirements under Part XIVA of the Securities and Futures Ordinance and Rules 17.10, 17.11 and 17.11A of the GEM Listing Rules, control measures and reporting procedures of handling confidential information and monitoring information disclosure. The Group adopts an upward reporting approach within the Group for identifying and escalating any potential inside information to the Board. The policy is reviewed regularly and all reasonable measures have to be taken from time to time to ensure proper safeguards to prevent any breach of disclosure requirements and to maintain strict confidentiality of information.

COMPANY SECRETARY

Ms. FUNG Suk Han ("**Ms. Fung**") is the company secretary of the Company. Ms. Fung reports to the Executive Directors and is responsible for advising the Board on corporate governance and other company secretarial matters. Please refer to her biographical details as set out on page 16 of this annual report.

During the Year, Ms. Fung has undertaken not less than 15 hours of relevant professional training in accordance with Rule 5.15 of the GEM Listing Rules.

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the shareholder(s) of the Company ("**Shareholder(s)**") 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 EGM and Procedures

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

Right to Put Enquiries to the Board

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

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

Right to Put Forward Proposals at General Meetings

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

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

Right to Propose a Person for Election as a Director

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

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

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

COMMUNICATION WITH SHAREHOLDERS

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

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

DIVIDEND POLICY

The Company has adopted a dividend policy on 11 February 2019. Pursuant to the policy, the Company should maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its shareholder value in recommending or declaring dividends. The Company does not have any pre-determined dividend distribution ratio. The proposal of payment and the amount of dividends will be made at the discretion of the Board and will depend on the Group's results of operations, earnings, financial condition, cash requirements and availability, future capital expenditure and development requirements, business conditions and strategies, interests of shareholders, any restrictions on payment of dividends and any other factors that the Board may consider relevant. The Board will review the dividend policy as appropriate from time to time.

CONSTITUTIONAL DOCUMENTS

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The board of directors (the "**Board**") of the Company and its subsidiaries (collectively the "**Group**") would like to present the environment, social and governance ("**ESG**") report ("**ESG Report**") for the year ended 31 March 2020 (the "**Year**"), in accordance with Appendix 20 — Environmental, Social and Governance Reporting Guide published by Hong Kong Exchanges and Clearing Limited. This report aims to provide the Group's stakeholders with an overview of the Group's efforts regarding ESG impacts arising from its daily operations.

The Group is principally engaged in the operation of advertising business on transportation and outdoor sector. The scope of this ESG Report focuses on the environmental and social performance within the operational boundaries of the Group in Hong Kong during the Year and it covers the data and information from the head office, in-house printing facilities and the new retail outlet for Mizimamei branded food and beverage products, in which all of them are located in Hong Kong. The Group continues strengthening information collection in order to enhance our performance in environmental realm and to disclose relative information of sustainable development.

The information disclosed in the ESG Report is taken from the Group's internal documents and statistical data. The ESG Report has been confirmed and approved by the Board on 19 June 2020.

STAKEHOLDERS ENGAGEMENT

The Group continues to maintain the relationships and communicate with its key stakeholders, including but not limit to employees, customers, suppliers, investors, Shareholders, government bodies and communities through various channels such as conferences, electronic platforms and public events so as to understand the concerns of various stakeholders. To formulate the operational strategies and ESG measures, the Group takes into account the expectations of stakeholders and strives to improve its performance through mutual cooperation with the stakeholders, resulting in creating greater value for the community.

A. ENVIRONMENTAL

A1. Emissions

A1.1 Emissions from vehicle usage

During the Year, air pollutants for nitrogen oxides ("**NOx**"), sulphur oxides ("**SOx**") and particulate matter ("**PM**") were mainly generated from motor vehicles of the Group. The key environmental performance indicators of NOx, SOx and PM produced from the Group's operation are shown in the following table:

Type of air pollutants	Unit	2019/20	2018/19
NOx	kg	7.32	6.95
SOx	kg	0.25	0.24
PM	kg	0.54	0.51

The level of the air pollutants from vehicle usage was slightly increased due to the purchase of a private car during the Year. The Group would continue the work to ensure the efficient usage of private cars. The Group has implemented the following measures so as to achieve the environmental friendly approach; (i) avoid peak hour traffic; (ii) encourage taking public transport; and (iii) utilize the vehicle usage by carpooling with different staff.

A1.2 Greenhouse Gas ("GHG") Emissions

GHG emissions are categorised into direct and indirect emissions. The main sources of direct GHG emission from operations are the use of motor vehicles owned by the Group. The main sources of indirect GHG emission from operations are the use of purchased electricity and paper waste disposed at landfills. The key environmental performance indicators of GHG emissions produced by the Group's operation during the Year are shown as below:

	2019/20		2018/19	
GHG emissions	**tCO_2e**	**Intensity — tCO_2e per employee**	tCO_2e	Intensity — tCO_2e per employee
Scope 1 — Direct emission by combustion of fuels in mobile sources *(Note 1)*	**45.62**	**1.20**	44.13	0.83
Scope 2 — Energy indirect emission by electricity consumption *(Note 2)*	**36.75**	**0.97**	23.13	0.44
Scope 3 — Other indirect emission by paper consumption	**1.00**	**0.03**	0.86	0.02
Total GHG emissions	**83.37**	**2.20**	68.12	1.29

Notes:

1. Direct GHG emissions from combustion of fuels in mobile sources refer to the sum of carbon dioxide ("**CO_2**") emission and the CO_2 equivalent emissions of methane ("**CH_4**") and nitrous oxide ("**N_2O**"). The data is sourced from the petrol consumption on purchasing volume of unleaded petrol of the Group's passenger cars. The figures of 2018/19 were adjusted based on the above calculation.

2. The electricity data 2019/20 is sourced from electricity bills issued by China Light & Power and Hong Kong Electric (due to the establishment of new retail outlet in Central, Hong Kong during the Year).

During the Year, the Group's total GHG emissions amounted to approximately 83.37 tonnes (2019: 68.12 tonnes) and the total GHG emission per employee was 2.20 tonnes (2019: 1.29 tonnes). The increase of total GHG emissions was mainly due to the increase of number of vehicle under the Group and the establishment of new retail outlet. The Group will continue to further manage environmental performance attributable to its operations to enhance for using fuels and electricity more efficiently. The Group has implemented a number of measures to mitigate energy consumption such as turning off the lighting and the air-conditioning system at night or when leaving office, paperless processing in internal communications, duplex printing and copying etc..

A1.3 Hazardous Waste

During the Year, hazardous waste from the Group was mainly from inks used for in-house printing facilities. The amount of hazardous waste generation was insignificant, thus related data is not reported.

The Group required the related employees to handle the hazardous wastes properly. Clear instructions and the protection equipment are provided to employees handling the wastes and the hazardous wastes are stored in rigid containers to avoid spillage and at designed storage area.

A1.4 Non-Hazardous Waste

Non-hazardous waste from the Group's operation was mainly the stickers for the advertising materials and the plastic sheet for the display of advertisement on the advertising board ("**Advertising Waste**") and paper waste. During the Year, the consumption volume generated by the Group is shown as below:

	2019/20		2018/19	
Category of Non-hazardous waste	**Quantity (tonnes)**	**Intensity — Unit per employee**	Quantity (tonnes)	Intensity — Unit per employee
Advertising Waste	**12.53**	**0.330**	11.30	0.213
Paper waste	**0.21**	**0.006**	0.18	0.003
Total non-hazardous waste	**12.74**	**0.336**	11.48	0.216

During the Year, total quantity of non-hazardous waste increased compared to the correspondence period in 2018/19 due to the increase demand of advertising materials.

The Group continuously improves the efficiency of resources and disposal of waste in reasonable manner. We have implemented paperless processing in its internal communications, including for employee time sheets, payrolls and memorandum, etc.. Moreover, duplex printing and copying has become the norm within the Group, which is greatly reducing paper consumption and saving costs. Usage data of office printing machines is regularly collected and assessed, to monitor the efficiency of a paperless environment. Besides, the Group will consider to adopt the waste management plan to ensure appropriate handle the Advertising Waste.

The Group has continued to make its best endeavors to protect the environment from its business activities and workplace during the Year. Although the Group's principal business does not generate significant hazardous emissions, wastes or pollutants, the Board recognizes that as a world citizen, we should combat climate change and adopt green practices in our operations and activities. The Group educates its employees on their awareness of promoting a "green" environment. The Group seeks to identify and manage environmental impacts attributable to its operation, in order to minimize the impacts. The relevant measures have been taken during the daily operation and have formulated policies and procedures relating the environmental management to govern limited greenhouse gas emissions, hazardous and non-hazardous wastes generated from our operations.

A2. Use of Resources

A2.1 Energy consumption

During the Year, the Group's energy consumption in total and intensity were shown as below:

	Unit	2019/20	2018/19
Total energy consumption	kWh	228,825	200,567
Intensity per unit of employee	kWh/employee	6,021.71	3,784.28

The Group tries to reduce the energy consumption through specific measures. We strives to utilize telephone conference to minimize face-to-face meetings in order to reduce petrol consumption in travelling and unnecessary business trip. The Group encourages resources saving in daily office operation and proactively fosters a low-carbon corporate culture, which further increase our employees' awareness in energy conservation.

A2.2 Water consumption and use of packaging materials

For the Group's head office and in-house printing facilities, our water usage arises mainly from water tap and drinking water. During the Year, we operated in leased premises in Hong Kong of which both of the water supply and discharge are solely controlled by the respective building management which considered that provision of water withdrawal and discharge data or sub-meter for individual occupant not feasible. The relevant data are therefore not disclosed.

For the retail outlet, due to the implementation of waiver measure from Water Supplies Department, the issue of bills for water and sewage charges to non-domestic consumers had been suspended since December 2019. The Group therefore could not obtain the relevant data from the bills throughout the Year. The Group expects that the key performance indicators for water consumption shall be disclosed next year.

To avoid unnecessary water consumption from daily operation, we promote good staff behavior by encouraging employees to always turn taps off tightly so they do not drip and giving priority to effective water-saving products.

Besides, the Group did not generate the significant packaging material and hence the disclosure is immaterial to the Group during the Year.

To strengthen the "green" environment launched by the Group, the Group will implement a systematic data collection strategy in future.

A3. The Environment and Natural Resources

The Group strives to promote environmental protection and make effective use of its resources and adopts the concepts of reduce, reuse, recycle and replacement.

The Group aims to maximize energy conservation by promoting efficient use of resources and adopting green technologies. For instance, for our transportation media platform, we have encouraged our suppliers to use solvent based ink and recyclable sticker/backsheet to minimize the impact to the environment. To minimize the wastage of the materials, we have given directions to our design department to maximize to usage of the printable area of each sticker and to reduce the test-print outputs by encouraging the advertisers to approve the design layout via electronic copies rather than physical hardcopies. Also, the establishment of the in-house printing facilities enabled the Group a better control on the material used for the printing. It includes the solvent to be used for the printing machines; the advertising stickers and the packaging materials. Since the Group has been operating the facilities internally, packaging materials have been minimized. The Group has been using recycling material and/or discarded stickers as the test print for internal use.

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

The establishment of the digital media business and digital event management business further reduced the use of the environment and natural resources since the digital media does not require the advertisement in a physical printed format while the advertisements were displayed through browsing the internet and esports gaming software.

The Group regularly reviews, measures and actions to reduce significant impact on the environment and natural resources and ensure that the relevant laws and regulations are complied with.

B. SOCIETY

B1. Employment

The Group believes that a motivated and balanced workforce is crucial for building a sustainable business model and delivering long-term returns. The employees of the Group are the most valuable resources. As at 31 March 2020, the Group has 38 employees.

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

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

B2. Health and Safety

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

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

In relation to the outbreak of COVID-19, the Group has adopted a series of preventive measures, including but not limit to (i) tracking the health status of employees in a timely manner; (ii) requiring employees to wear a mask at all time; and (iii) reminding employees to conscious of personal hygiene, so as to fully protect the health and safety of employees and tide out the pandemic together.

The Group strives to provide a safe and healthy working environment for the employees under reasonable and practicable conditions. During the Year, the Group has complied with the applicable laws and regulations in relation to the health and safety workplace.

B3. Development and Training

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

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

B4. Labour Standards

The Group strictly prohibits employing any child labour or forced labour in its operations in Hong Kong. The Group has established a well-defined recruitment process which examines the background of candidates. During the recruitment process, the age of job applicant is required to provide valid identity documents to ensure that applicants are lawfully employable. Besides, the Group conducts regular reviews and inspections to prevent any child labour or forced labour in operation.

During the Year, the Group was not aware of any non-compliance with relevant laws and regulations on preventing child labour or forced labour, including but not limited to the Employment of Children Regulations (Chapter 57B of the Laws of Hong Kong) under the Employment Ordinance (Chapter 57 of the Laws of Hong Kong).

B5. Supply Chain Management

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

The Group maintains close liaison with its suppliers to monitor its performance to ensure that it is consistent with its service commitment.

B6. Product Responsibilities/Customer Services

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

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

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

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

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

During the Year, there was no violation of the relevant laws governing the confidentiality of data and intellectual property within the Group.

B7. Anti-corruption/Anti-money Laundering

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

During the Year, the Group was not aware of any material non-compliance with the laws and regulations pertaining to the prevention of bribery, extortion, fraud and money laundering including the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong) enforced by the Independent Commission Against Corruption. No legal case regarding corrupt practices was brought against the Group or its employees and no whistleblowing concerning a criminal offence or misconduct was reported.

B8. Community Investment

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

In recognition of the Group's continuous contribution to the community, the Group had awarded "Caring Company" for ten consecutive years (2009–2019) by the Hong Kong Council of Social Service.

DIRECTORS' REPORT

The directors of the Company (the "**Directors**") have pleasure in presenting their annual report together with the audited consolidated financial statements (the "**Consolidated Financial Statements**") of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 March 2020.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and those of the principal subsidiaries of the Company are set out in note 31 to the Consolidated Financial Statements.

SEGMENT INFORMATION

An analysis of the segment results and geographical area of operations of the Group for the year ended 31 March 2020 is set out in note 6 to the Consolidated Financial Statements.

BUSINESS REVIEW

The business review of the Group for the year ended 31 March 2020 and its future business development as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) can be found in the "Management Discussion and Analysis" as set out on pages 7 to 13 of this annual report. These discussions form part of this Directors' Report. Description of the principal risks and uncertainties facing the Group are set out in the section headed "Risk and Uncertainties" below.

The Board has not identified any important events affecting the Group that have occurred since the year ended 31 March 2020 and up to the date of this report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the year ended 31 March 2020, as far as the Board and management are aware, there was no material breach of or non-compliance with the applicable laws and regulations by the Group that has a significant impact on the business and operation of the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

A discussion on the Group's environmental policies and performance is set out in the "Environmental, Social and Governance Report" on pages 29 to 36 of this annual report.

RISKS AND UNCERTAINTIES

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

Economic risks

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

Operational risks

- Failure to compete in the competitive environment which the Group operated in;
- Unable to maintain or expand the operations if the license agreements for advertising spaces are terminated or not renewed or if failing to obtain additional spaces;
- Failure to attract, train, retain, and motivate qualified managerial, sales, marketing, operating, and technical personnel, the loss of key personnel, or the inability to find additional qualified personnel; and
- The service agreement was terminated by the principal pursuant to the termination clause of the agreement which the Group is no longer an eligible party to perform its services under the service agreement.

Regulatory risks

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

Financial risks

- Details of financial risks are set out in note 39 to the Consolidated Financial Statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2020 are set out in the Consolidated Financial Statements on pages 53 to 117 of this annual report.

The Board does not recommend the payment of final dividend for the year ended 31 March 2020 (2019: Nil).

FINANCIAL SUMMARY

A summary of the published results, assets and liabilities of the Group for the last five financial years is set out on page 118 of this annual report. The summary does not form part of the Consolidated Financial Statements.

SHARE CAPITAL

Details of share capital of the Company during the year are set out in note 27 to the Consolidated Financial Statements.

RESERVES

Details of movements in reserves of the Group and the Company during the year are set out in the Consolidated Statement of Changes in Equity and in note 29 to the Consolidated Financial Statements respectively.

DISTRIBUTABLE RESERVES

As at 31 March 2020, the Company had no distribution reserves available for distribution to the shareholders of the Company (2019: Nil).

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2020, sales to the Group's five largest customers accounted for approximately 21.55% of the total sales for the year and sales to the largest customer included therein amounted to approximately 6.07%.

For the year ended 31 March 2020, purchases from the Group's five largest suppliers accounted for approximately 39.93% of the total purchases for the year and purchases from the largest supplier included therein amounted to approximately 13.84%.

To the best knowledge of the Directors, none of the Directors, their respective close associates or any shareholders of the Company who owned more than 5% of the Company's issued share capital, had any beneficial interest in any of the Group's five largest customers or suppliers during the year ended 31 March 2020.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment during the year are set out in note 15 to the Consolidated Financial Statements.

DIRECTORS

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

Executive Directors:

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

Non-Executive Director:

Mr. DA SILVA Antonio Marcus

Independent Non-Executive Directors:

Ms. AU Shui Ming Anna
Mr. LIANG Man Kit Jerry
Mr. LAM Yau Fung Curt *(appointed on 23 August 2019)*
Mr. HO Alfred Chak Wai *(retired on 23 August 2019)*

In accordance with article 83(3) of the Company's articles of association, any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting after his appointment and be subject to re-election at such meeting. Accordingly, Mr. LAM Yau Fung Curt shall retire and, being eligible, offer himself for forthcoming annual general meeting.

In accordance with article 84(1) of the Company's articles of association, at each annual general meeting one-third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. Accordingly, Ms. CHAU Wai Chu Irene and Mr. LEAN Chun Wai shall retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

DIRECTORS' SERVICE CONTRACTS

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

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

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

INDEPENDENCE FROM INDEPENDENT NON-EXECUTIVE DIRECTORS

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

PERMITTED INDEMNITY PROVISIONS

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

DIRECTORS' INTERESTS IN CONTRACTS

Save as aforesaid, there was no contract of significance to which the Company or its holding company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director had a material interests, whether directly or indirectly, subsisted during or at the end of the year.

DIRECTORS AND SENIOR MANAGEMENT

The biographical details of the Directors and senior management are disclosed in the section headed "Profile of Directors and Senior Management" on pages 14 to 16 of this annual report.

EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the five highest paid individuals of the Group are set out in notes 13(a) and 13(b) to the Consolidated Financial Statements respectively.

RETIREMENT BENEFIT SCHEME

Details of retirement benefit scheme of the Group for the year ended 31 March 2020 are set out in note 38 to the consolidated financial statements.

MANAGEMENT CONTRACTS

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

EXEMPTED CONTINUING CONNECTED TRANSACTION

During the year, the Group entered into certain transactions with "related parties" as defined under the applicable accounting standards and the details of the material related party transactions (the "**Transactions**") are disclosed in note 34 to the Consolidated Financial Statements.

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

SHARE OPTION SCHEME

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

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

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

An option may be accepted by a participant within 21 days from the date of the offer for the grant of options. A nominal consideration of HK$1 is payable by the grantee of an option to the Company on acceptance of the grant of an option. The subscription price for the Shares under the Scheme shall be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Shares on the date of the offer for the grant, which must be a business day; (ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations for the five business days immediately preceding the date of the offer for the grant; and (iii) the nominal value of a Share.

The total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Scheme and any other share option scheme of the Company must not in aggregate exceed 10% of the Shares in issue on the Listing Date, being 72,000,000 Shares. The Company may at any time refresh such limit, subject to the shareholders' approval and issue of a circular in compliance with the GEM Listing Rules, provided that the total number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under all the share option schemes of the Company does not exceed 30% of the Shares in issue from time to time.

The total number of Shares which issued and which may fall to be issued upon exercise of the options granted under the Scheme and any other share option scheme of the Group (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1% of the Shares in issue unless approved by the shareholders of the Company and issue of a circular and all other information in compliance with the GEM Listing Rules.

An option may be exercised in accordance with the terms of the Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence from the date of the offer for the grant of options is made, but shall end in any event not later than ten years from the date of grant subject to the provisions of early termination thereof.

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

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATION

As at 31 March 2020, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "**SFO**")) which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO), or as recorded in the register maintained by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

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

Notes:

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

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

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

Long Positions in Shares of Associated Corporation

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

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

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

Save as disclosed above, as at 31 March 2020, none of the Directors and the chief executive of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

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

So far as is known to the Directors, as at 31 March 2020, the following persons/entities had the interests or short positions in the shares or underlying shares which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or as recorded in the register of the Company required to be kept under Section 336 of the SFO as follows:

Name of shareholder	Capacity/ Nature of interest	Number and class of securities[(1)]	Approximate percentage of shareholding interest
Goldcore[(2)]	Beneficial owner	278,640,000 ordinary shares (L)	38.70%
Ms. Chau[(2)]	Interest in a controlled corporation	278,640,000 ordinary shares (L)	38.70%
AL Capital Limited[(3)] ("**AL Capital**")	Beneficial owner	139,968,000 ordinary shares (L)	19.44%
Mr. LAU Anthony Chi Sing[(3)] ("**Mr. Lau**")	Interest in a controlled corporation	139,968,000 ordinary shares (L)	19.44%
Silver Pro[(4)]	Beneficial owner	93,960,000 ordinary shares (L)	13.05%
Mr. Da Silva[(4)]	Interest in a controlled corporation	93,960,000 ordinary shares (L)	13.05%
Ms. CHU Sau Kuen Jeanny[(4)]	Interest of spouse (spouse of Mr. Da Silva)	93,960,000 ordinary shares (L)	13.05%

Notes:

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

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

(3) All issued shares in AL Capital are solely owned by Mr. Lau. Accordingly, Mr. Lau is deemed to be interested in all the Shares held by AL Capital by virtue of the SFO.

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

Save as disclosed above and so far as is known to the Directors, as at 31 March 2020, no other interests or short positions in the shares or underlying shares of the Company which were required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO or were recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTOR'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Its Associated Corporation" above, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective associates (as defined in the GEM Listing Rules), or were any rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

NON-COMPETE UNDERTAKINGS

As disclosed in the Prospectus, the Controlling Shareholders (as defined in the Prospectus) (collectively, the "**Covenantors**") have given non-compete undertakings (the "**Non-Compete Undertakings**") in favor of the Company which are contained in the share swap agreement dated 30 November 2016. The Covenantors have provided the Group with written confirmation that they and their respective close associates and/or companies controlled by them (other than the Group) have fully complied with the Non-Compete Undertakings throughout the year ended 31 March 2020.

The Independent Non-Executive Directors conduct an annual review on the Covenantors' compliance with the Non-Compete Undertakings by the Controlling Shareholders and if any, the options, pre-emptive rights or first rights of refusals provided by the Controlling Shareholders and/or their respective close associates on their existing or future competing businesses.

During the year ended 31 March 2020, the Covenantors and their respective close associates did not direct any Restricted Activity (as defined in the Prospectus) to the Group. Hence, the Independent Non-Executive Directors did not conduct any review on the decision made in relation to Restricted Activity.

COMPETING INTERESTS

None of the Directors, the directors of the Company's subsidiaries or controlling shareholders of the Company, or any of its respective close associates (as defined in the GEM Listing Rules) had interest in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, or has any other conflict of interests with the Group (other than being a Director and/or a director of its subsidiaries and their respective associates) during the year ended 31 March 2020.

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

During the year ended 31 March 2020, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

PRE-EMPTIVE RIGHTS

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

SUFFICIENCY OF PUBLIC FLOAT

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

EVENTS AFTER THE REPORTING PERIOD

Details of significant events of the Group after the reporting period are set out in note 40 to the Consolidated Financial Statements.

AUDIT COMMITTEE

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

AUDITOR

There has been no change in auditor in preceding three financial years. The Consolidated Financial Statements have been audited by BDO Limited, who will retire, being eligible, offer themselves for reappointment at the forthcoming annual general meeting of the Company. A resolution will be proposed at the forthcoming annual general meeting of the Company to reappoint BDO Limited as the auditor of the Company.

On behalf of the Board of
OOH Holdings Limited

CHAU Wai Chu Irene
Chairlady

Hong Kong, 19 June 2020

INDEPENDENT AUDITOR'S REPORT

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

OPINION

We have audited the consolidated financial statements of OOH Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 53 to 117, which comprise the consolidated statement of financial position as at 31 March 2020, 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 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the HKICPA's "Code of Ethics for Professional Accountants" (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

Recognition of advertising display service income

(refer to notes 4.11 on the significant accounting policies, and 7 to the consolidated financial statements)

The Group's revenue from advertising display services is recognised as described in note 4.11 to the consolidated financial statements.

During the year, the Group recognised revenue from the advertising display services rendered of approximately HK$53,988,000 in total. As at 31 March 2020, the Group had receipts in advance, representing contract liabilities, of approximately HK$9,045,000 relating to such services.

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

Our Responses

Our procedures in relation to this key audit matter included:

— Reviewing contracts with customers as appropriate;

— Conducting analytical procedures on revenue;

— Scrutinising journals related to revenue;

— Performing test of controls related to revenue; and

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

Adoption of HKFRS 16 — Leases

(refer to notes 2(a) on adoption of new or revised HKFRSs, 4.7.1 on the significant accounting policies, and 16 to the consolidated financial statements)

As set out in notes 2(a) and 4.7.1 to the consolidated financial statements, HKFRS 16 — Leases ("HKFRS 16") is first effective for the financial year beginning on 1 April 2019 and the Group has elected to use the modified retrospective approach. As at 31 March 2020, the Group has recognised right-of-use assets and lease liabilities of HK$37,466,000 and HK$35,758,000, respectively.

We consider this a key audit matter because of the significance of the amounts of the right-of-use assets and lease liabilities to these consolidated financial statements and the measurement of the lease liabilities requires the use of significant judgements and estimates in the assessment of lease terms where the leases contain extension or termination options and in determination of appropriate discount rates.

Our Responses

Our procedures in relation to this key audit matter included:

— understanding the established policies and procedures with respect to the identification and recognition of leases;

— evaluating the appropriateness of the transition approach and accounting policies adopted, including the application of practical expedients and recognition exemptions available under HKFRS 16, compared to the requirements of HKFRS 16;

— assessing the reasonableness of the data and assumptions adopted by management to determine the discount rates based on the length of lease terms and our knowledge of the business;

— re-performing the calculation of the right-of-use assets and lease liabilities on a sample basis, testing the accuracy of the data used in the calculation compared to the associated contracts and other relevant documentation, and assessing the reasonableness of management's judgements and assumptions adopted when determining the length of the lease term where the lease contains extension or termination options or was modified; and

— assessing the disclosures in the consolidated financial statements in respect of leases, including transition disclosures.

OTHER INFORMATION IN THE ANNUAL REPORT

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

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

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

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

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

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

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

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

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

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

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

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

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

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

Hong Kong, 19 June 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2020

	Notes	**2020** **HK$'000**	2019 HK$'000
Revenue	*6,7*	**56,755**	61,192
Cost of sales		**(41,115)**	(42,301)
Gross profit		**15,640**	18,891
Other income and gains, net	*8*	**3,477**	2,200
Selling expenses		**(8,401)**	(7,223)
Administrative expenses		**(14,727)**	(13,075)
Finance costs	*9*	**(1,731)**	—
(Loss)/Profit before income tax (expense)/credit	*10*	**(5,742)**	793
Income tax (expense)/credit	*11*	**(135)**	15
(Loss)/Profit and total comprehensive income for the year		**(5,877)**	808
(Loss)/Profit and total comprehensive income for the year attributable to:			
Owners of the Company		**(5,687)**	644
Non-controlling interests		**(190)**	164
		(5,877)	808
		HK cents	HK cents
(Loss)/Earnings per share for (loss)/profit attributable to owners of the Company			
Basic and diluted	*14*	**(0.79)**	0.09

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2020

	Notes	2020 HK$'000	2019 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	15	2,491	1,527
Right-of-use assets	16	37,466	—
Intangible assets	17	3,477	2,626
Goodwill	18	—	39
Interest in an associate	19	—	—
Prepayment	22	—	942
		43,434	5,134
Current assets			
Inventories	20	46	—
Trade receivables	21	4,099	5,561
Deposits, prepayments and other receivables	22	2,394	6,545
Tax recoverable		151	716
Pledged bank deposits	23	—	1,029
Cash and bank balances	23	54,944	62,331
		61,634	76,182
Current liabilities			
Trade payables	24	456	841
Accruals and other payables	25	1,725	4,381
Contract liabilities	26	9,045	12,078
Lease liabilities	16	18,107	—
Amount due to an associate	19	47	57
Tax payable		164	29
		29,544	17,386
Net current assets		32,090	58,796
Total assets less current liabilities		75,524	63,930
Non-current liability			
Lease liabilities	16	17,651	—
		17,651	—
Net assets		57,873	63,930

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2020

	Notes	2020 HK$'000	2019 HK$'000
CAPITAL AND RESERVES			
Capital and reserves attributable to owners of the Company			
Share capital	*27*	**7,200**	7,200
Reserves	*29*	**50,543**	56,230
		57,743	63,430
Non-controlling interests	*32*	**130**	500
Total equity		**57,873**	63,930

On behalf of the board of directors

Ms. Chau Wai Chu Irene
Director

Mr. Lean Chun Wai
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2020

	Attributable to owners of the Company						
	Share capital *(note 27)* HK$'000	Share premium* *(note 29(a))* HK$'000	Other reserve* *(note 29(b))* HK$'000	Retained earnings* HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2018	7,200	35,371	(90)	20,305	62,786	—	62,786
Profit and total comprehensive income for the year	—	—	—	644	644	164	808
Capital injection from non-controlling interests	—	—	—	—	—	353	353
Acquisition of a subsidiary	—	—	—	—	—	(17)	(17)
At 31 March and 1 April 2019	7,200	35,371	(90)	20,949	63,430	500	63,930
Loss and total comprehensive income for the year	**—**	**—**	**—**	**(5,687)**	**(5,687)**	**(190)**	**(5,877)**
Dividends declared by a subsidiary	**—**	**—**	**—**	**—**	**—**	**(180)**	**(180)**
At 31 March 2020	**7,200**	**35,371**	**(90)**	**15,262**	**57,743**	**130**	**57,873**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2020

	Notes	2020 HK$'000	2019 HK$'000
Cash flows from operating activities			
(Loss)/Profit before income tax (expense)/credit		(5,742)	793
Adjustments for:			
Write off of temporary receipts		(2,081)	(2,159)
Bank interest income	8	(386)	(110)
Depreciation of property, plant and equipment	15	563	352
Amortisation of intangible assets	17	91	—
Provision of impairment of trade receivables	21	307	—
Bad debt written off	10	12	—
Depreciation of right-of-use assets	16	20,882	—
Interest on lease liabilities	9	1,731	—
Impairment of goodwill	18	39	—
Loss on disposal of property, plant and equipment		105	—
Gain on modification of leases	8	(19)	—
Operating profit/(loss) before working capital changes		15,502	(1,124)
Decrease/(Increase) in trade receivables		1,143	(183)
Decrease/(Increase) in deposits, prepayments and other receivables		810	(50)
Increase in inventories		(46)	—
Decrease in trade payables		(385)	(1,316)
(Decrease)/Increase in accruals and other payables		(575)	3,134
(Decrease)/Increase in contract liabilities		(3,033)	680
Decrease in amount due to an associate		(10)	(13)
Cash generated from operations		13,406	1,128
Income tax refunded		565	494
Net cash generated from operating activities		13,971	1,622
Cash flows from investing activities			
Purchases of property, plant and equipment	15	(1,824)	(955)
Proceeds from sale of property, plant and equipment		192	—
Acquisition of a subsidiary, net of cash		—	106
Prepayment of an intangible asset		—	(942)
Decrease in pledged bank deposits		1,029	898
Decrease/(Increase) in fixed deposits with original maturity of over three months		605	(605)
Interest received		386	110
Net cash generated from/(used in) investing activities		388	(1,388)
Cash flows from financing activities			
Repayment of lease liabilities	16	(21,141)	—
Capital injection from non-controlling interest		—	3
Net cash (used in)/generated from financing activities		(21,141)	3
Net (decrease)/increase in cash and cash equivalents		(6,782)	237
Cash and cash equivalents at beginning of the year		61,726	61,489
Cash and cash equivalents at end of the year	23	54,944	61,726

1. GENERAL INFORMATION

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

The principal activity of the Company (together with its subsidiaries as the "Group") is investment holding. The Group is principally engaged in the provision of advertising display services. The principal activities of the subsidiaries are set out in note 31 to the consolidated financial statements.

As at 31 March 2020, the directors of the Company consider Goldcore Global Investments Limited ("Goldcore"), a company incorporated in the British Virgin Islands ("BVI") with limited liability as the immediate and ultimate holding company.

The consolidated financial statements for the year ended 31 March 2020 were approved for issue by the board of directors on 19 June 2020.

2. ADOPTION OF NEW OR REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new or revised HKFRSs — effective from 1 April 2019

In the current year, the Group has applied for the first time the following new or revised HKFRSs, issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which are relevant and effective for the Group's consolidated financial statements for the annual period beginning on 1 April 2019:

HKFRS 16	Leases
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Annual Improvements to HKFRSs 2015–2017 Cycle	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23

The impact of the adoption of HKFRS 16 "Leases" have been summarised below. The other new or revised HKFRSs that are effective from 1 April 2019 did not have any significant impact on the Group's accounting policies.

2. ADOPTION OF NEW OR REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

(a) Adoption of new or revised HKFRSs — effective from 1 April 2019 (Continued)

HKFRS 16 — Leases

(i) Impact of the adoption of HKFRS 16

HKFRS 16 brings significant changes in accounting treatment for lease accounting, primarily for accounting for lessees. It replaces HKAS 17 "Leases" ("HKAS 17"), HK(IFRIC)-Int 4 "Determining whether an Arrangement contains a Lease" ("HK(IFRIC)-Int 4"), HK(SIC)-Int 15 "Operating Leases-Incentives" and HK(SIC)-Int 27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease". From a lessee's perspective, almost all leases are recognised in the statement of financial position as right-of-use assets and lease liabilities, with the narrow exception to this principle for leases which the underlying assets are of low-value or are determined as short-term leases. From a lessor's perspective, the accounting treatment is substantially unchanged from HKAS 17. For details of HKFRS 16 regarding its new definition of a lease, its impact on the Group's accounting policies and the transition method adopted by the Group as allowed under HKFRS 16, please refer to section (ii) to (iv) of this note.

The Group has applied HKFRS 16 using the modified retrospective approach and recognised all the cumulative effect of initially applying HKFRS 16 as an adjustment to the opening balance of retained earnings, if any, non-current assets, current liabilities and non-current liabilities at the date of initial application. The comparative information presented as of 31 March 2019 has not been restated and continues to be reported under HKAS 17 and related interpretations as allowed by the transition provision in HKFRS 16.

The following table summarised the impact of transition to HKFRS 16 on the consolidated statement of financial position as of 31 March 2019 to that of 1 April 2019 as follows:

	Increase/ (Decrease) HK$'000
As at 1 April 2019	
Right-of-use assets	49,050
Lease liabilities (non-current)	30,518
Lease liabilities (current)	15,371
Prepayments	(3,161)

2. ADOPTION OF NEW OR REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

(a) Adoption of new or revised HKFRSs — effective from 1 April 2019 (Continued)

HKFRS 16 — Leases (Continued)

(i) Impact of the adoption of HKFRS 16 (Continued)

The following reconciliation explains how the operating lease commitments disclosed applying HKAS 17 as at 31 March 2019 could be reconciled to the lease liabilities at the date of initial application recognised in the consolidated statement of financial position as at 1 April 2019:

	HK$'000
Operating lease commitments as at 31 March 2019	51,157
Less: short-term leases for which lease terms end within 31 March 2020	(2,819)
Less: future interest expenses	(2,712)
Add: leases included in extension option which the Group considers reasonably certain to exercise	263
Total lease liabilities as at 1 April 2019	45,889

The weighted average lessee's incremental borrowing rate applied to lease liabilities recognised in the consolidated statement of financial position as at 1 April 2019 is 4.125% per annum.

(ii) The new definition of a lease

Under HKFRS 16, a lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A contract conveys the right to control the use of an identified asset for a period of time when the customer, throughout the period of use, has both: (a) the right to obtain substantially all of the economic benefits from use of the identified asset and (b) the right to direct the use of the identified asset.

For a contract that contains a lease component and one or more additional lease or non-lease components, a lessee shall allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, unless the lessee apply the practical expedient which allows the lessee to elect, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

2. ADOPTION OF NEW OR REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

(a) Adoption of new or revised HKFRSs — effective from 1 April 2019 (Continued)

HKFRS 16 — Leases (Continued)

(iii) Accounting as a lessee

Under HKAS 17, a lessee has to classify a lease as an operating lease or a finance lease based on the extent to which risks and rewards incidental to ownership of a lease asset lie with the lessor or the lessee. If a lease is determined as an operating lease, the lessee would recognise the lease payments under the operating lease as an expense over the lease term. The asset under the lease would not be recognised in the statement of financial position of the lessee.

Under HKFRS 16, all leases (irrespective of they are operating leases or finance leases) are required to be capitalised in the statement of financial position as right-of-use assets and lease liabilities, but HKFRS 16 provides accounting policy choices for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term less than 12 months. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

The Group recognised a right-of-use asset and a lease liability at the commencement date of a lease.

Right-of-use asset

The right-of-use asset should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Subsequent to commencement date, under the cost model, the Group measures the right-of-use asset at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability. Unless the Group is reasonably certain to obtain ownership of the lease asset at the end of the lease term, the recognised right-of-use assets are depreciated on straight-line basis over the shorter of useful lives and lease term.

2. ADOPTION OF NEW OR REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

(a) Adoption of new or revised HKFRSs — effective from 1 April 2019 (Continued)

HKFRS 16 — Leases (Continued)

(iii) Accounting as a lessee (Continued)

Lease liability

The lease liability should be recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group shall use the Group's incremental borrowing rate.

The following payments for the right-to-use of the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, a lessee shall measure the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g. a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the substance fixed lease payments or a change in assessment to purchase the underlying asset.

(iv) Transition

As mentioned above, the Group has applied HKFRS 16 using the modified retrospective approach and recognised all the cumulative effect of initially applying HKFRS 16 as an adjustment to the opening balance of retained earnings, if any, non-current assets, current liabilities and non-current liabilities at the date of initial application (i.e. 1 April 2019). The comparative information presented as of 31 March 2019 has not been restated and continues to be reported under HKAS 17 and related interpretations as allowed by the transition provision in HKFRS 16.

The Group has recognised the lease liabilities at the date of 1 April 2019 for leases previously classified as operating leases applying HKAS 17 and measured those lease liabilities at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at 1 April 2019.

The Group has elected to recognise all the right-of-use assets at 1 April 2019 for leases previously classified operating leases under HKAS 17 at an amount equal to the amount recognised for the remaining lease liabilities, adjusted by the amount of any prepaid or accrued lease payments related to those leases recognised in the consolidated statement of financial position immediately before the date of initial application and discounted using the lessee's incremental borrowing rate at the date of initial application. For all these right-of-use assets, the Group has applied HKAS 36 Impairment of Assets at 1 April 2019 to assess if there was any impairment as on that date.

2. ADOPTION OF NEW OR REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

(a) Adoption of new or revised HKFRSs — effective from 1 April 2019 (Continued)

HKFRS 16 — Leases (Continued)

(iv) Transition (Continued)

The Group has also applied the follow practical expedients: (i) applied a single discount rate to a portfolio of leases with reasonably similar characteristics; (ii) applied the exemption of not to recognise right-of-use assets and lease liabilities for leases with term that will end within 12 months of the date of initial application (i.e. 1 April 2019) and accounted for those leases as short-term leases; (iii) exclude the initial direct costs from the measurement of the right-of-use asset at 1 April 2019 and (iv) used hindsight in determining the lease terms if the contracts contain options to extend or terminate the leases.

In addition, the Group has also applied the practical expedients such that: (i) HKFRS 16 is applied to all of the Group's lease contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 and (ii) not to apply HKFRS 16 to contracts that were not previously identified as containing a lease under HKAS 17 and HK(IFRIC)-Int 4.

HK(IFRIC)-Int 23 — Uncertainty over Income Tax Treatments

The interpretation supports the requirements of HKAS 12 "Income Taxes" by providing guidance over how to reflect the effects of uncertainty in accounting for income taxes. Under the interpretation, the entity shall determine whether to consider each uncertain tax treatment separately or together based on which approach better predicts the resolution of the uncertainty. The entity shall also assume the tax authority will examine amounts that it has a right to examine and have full knowledge of all related information when making those examinations. If the entity determines it is probable that the tax authority will accept an uncertain tax treatment, then the entity should measure current and deferred tax in line with its tax filings. If the entity determines it is not probable, then the uncertainty in the determination of tax is reflected using either the "most likely amount" or the "expected value" approach, whichever better predicts the resolution of the uncertainty.

Amendments to HKFRS 9 — Prepayment Features with Negative Compensation

The amendments clarify that prepayable financial assets with negative compensation can be measured at amortised cost or at fair value through other comprehensive income if specified conditions are met — instead of at fair value through profit or loss.

Amendments to HKAS 28 — Long-term Interests in Associates and Joint Ventures

The amendment clarifies that HKFRS 9 applies to long-term interests ("LTI") in associates or joint ventures which form part of the net investment in the associates or joint ventures and stipulates that HKFRS 9 is applied to these LTI before the impairment losses guidance within HKAS 28.

Annual Improvements to HKFRSs 2015–2017 Cycle — Amendments to HKFRS 3, Business Combinations

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 3 which clarifies that when a joint operator of a business obtains control over a joint operation, this is a business combination achieved in stages and the previously held equity interest should therefore be remeasured to its acquisition date fair value.

2. ADOPTION OF NEW OR REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

(a) Adoption of new or revised HKFRSs — effective from 1 April 2019 (Continued)

Annual Improvements to HKFRSs 2015–2017 Cycle — Amendments to HKFRS 11, Joint Arrangements

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 11 which clarify that when a party that participates in, but does not have joint control of, a joint operation which is a business and subsequently obtains joint control of the joint operation, the previously held equity interest should not be remeasured to its acquisition date fair value.

Annual Improvements to HKFRSs 2015–2017 Cycle — Amendments to HKAS 12, Income Taxes

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKAS 12 which clarify that all income tax consequences of dividends are recognised consistently with the transactions that generated the distributable profits, either in profit or loss, other comprehensive income or directly in equity.

Annual Improvements to HKFRSs 2015–2017 Cycle — Amendments to HKAS 23, Borrowing Costs

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKAS 23 which clarifies that a borrowing made specifically to obtain a qualifying asset which remains outstanding after the related qualifying asset is ready for its intended use or sale would become part of the funds an entity borrows generally and therefore included in the general pool.

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

The following new or revised HKFRSs, potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKFRS 3	Definition of a Business[1]
Amendments to HKAS 1 and HKAS 8	Definition of Material[1]
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to HKFRS 16	COVID-19 — Related Rent Concession[3]

1 Effective for annual periods beginning on or after 1 January 2020.

2 The amendments were originally intended to be effective for periods beginning on or after 1 January 2018. The effective date has now been deferred/removed. Early application of the amendments continue to be permitted.

3 Effective for annual periods beginning on or after 1 June 2020.

2. ADOPTION OF NEW OR REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

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

Amendments to HKFRS 3 — Definition of a Business

The amendments clarify that a business must include, as a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs, together with providing extensive guidance on what is meant by a "substantive process".

Additionally, the amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs, whilst narrowing the definition of "outputs" and a "business" to focus on returns from selling goods and services to customers, rather than on cost reductions.

An optional concentration test has also been added that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

Amendments to HKAS 1 and HKAS 8 — Definition of Material

The amendments clarify the definition and explanation of "material", aligning the definition across all HKFRS Standards and the Conceptual Framework, and incorporating supporting requirements in HKAS 1 into the definition.

Amendments to HKFRS 9, HKAS 39 and HKFRS 7 — Interest Rate Benchmark Reform

The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainties caused by interest rate benchmark reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

Amendments to HKFRS 10 and HKAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business the gain or loss is recognised in full, conversely when the transaction involves assets that do not constitute a business the gain or loss is recognised only to the extent of the unrelated investors' interests in the joint venture or associate.

Amendments to HKFRS 16 — COVID-19 — Related Rent Concessions

The amendment exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications.

The Group is not yet in a position to state whether these new pronouncements will result in substantial changes to the Group's accounting policies and consolidated financial statements.

3. BASIS OF PREPARATION

3.1 Statement of compliance

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

3.2 Basis of measurement

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

3.3 Foreign currency translation

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

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

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

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as foreign exchange reserve (attributed to minority interests as appropriate). Exchange differences recognised in profit or loss of group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as foreign exchange reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of reporting period. Exchange differences arising are recognised in the foreign exchange reserve.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of consolidation

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

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the dates of acquisition or up to the dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by HKFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.2 Subsidiaries

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

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

4.3 Associate

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

Associate is accounted for using the equity method whereby it is initially recognised at cost and thereafter, its carrying amount are adjusted for the Group's share of the post-acquisition change in the associate's net assets except that losses in excess of the Group's interest in the associate are not recognised unless there is an obligation to make good those losses.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

4.4 Property, plant and equipment

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.4 Property, plant and equipment (Continued)

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

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

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

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

4.5 Goodwill

Where the fair value of identifiable assets and liabilities exceed the aggregate of the fair value of consideration paid, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of the acquirer's previously held equity interest in the acquiree, the excess is recognised in profit or loss on the acquisition date, after re-assessment.

Goodwill is measured at cost less impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units ("CGU") that are expected to benefit from the synergies of the acquisition. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. A CGU to which goodwill has been allocated is tested for impairment annually, by comparing its carrying amount with its recoverable amount (see note 4.14), and whenever there is an indication that the unit may be impaired.

For goodwill arising on an acquisition in a financial year, the CGU to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro-rata on the basis of the carrying amount to each asset in the unit. However, the loss allocated to each asset will not reduce the individual asset's carrying amount to below its fair value less cost of disposal (if measurable) or its value in use (if determinable), whichever is the higher. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.6 Intangible assets

Intangible assets acquired separately are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is provided on a straight-line basis over the useful life of the intangible asset with finite useful life below. The amortisation expense is recognised in profit or loss and included in administrative expenses.

License right	6 years

Club membership with indefinite life is carried at cost less any subsequent accumulated impairment losses.

Impairment

Intangible assets with finite lives are tested for impairment when there is an indication that an asset may be impaired. Intangible assets with indefinite useful lives are tested for impairment annually, irrespective of whether there is any indication that they may be impaired. Intangible assets are tested for impairment by comparing their carrying amounts with their recoverable amounts.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is recognised as an expense immediately.

4.7 Leasing

4.7.1 Accounting policies applied from 1 April 2019

Accounting as a lessee

All leases (irrespective of they are operating leases or finance leases) are required to be capitalised in the consolidated statement of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term less than 12 months. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.7 Leasing (Continued)

4.7.1 Accounting policies applied from 1 April 2019 (Continued)

Accounting as a lessee (Continued)

Right-of-use asset

The right-of-use asset should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Subsequent to the commencement date, under the cost model, the Group measures the right-of-use asset at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability. Unless the Group is reasonably certain to obtain ownership of the lease asset at the end of the lease term, the recognised right-of-use assets are depreciated on straight-line basis over the shorter of useful lives and lease term.

Lease liability

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, the Group measures the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g. a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in substance fixed lease payments or a change in assessment to purchase the underlying asset.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.7 Leasing (Continued)

4.7.2 Accounting policies applied until 31 March 2019

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

The Group as lessee

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

4.8 Financial instruments

(i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There is only one measurement category into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.8 Financial instruments (Continued)

(i) Financial assets (Continued)

Impairment loss on financial assets

The Group recognises loss allowances for expected credit loss ("ECLs") on trade receivables and financial assets measured at amortised cost. The ECLs are measured on either of the following bases: (1) 12-months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured 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. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group has elected to measure loss allowances for trade receivables using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are based on the 12-months ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due unless reasonable and supportable information demonstrate the otherwise.

The Group considers a financial asset to be credit-impaired when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due unless reasonable and supportable information demonstrate the otherwise.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.8 Financial instruments (Continued)

(i) Financial assets (Continued)

Impairment loss on financial assets (Continued)

The Group considers default occur when a financial asset is more than 90 days past due unless reasonable and supportable information suggested the otherwise.

The Group directly reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non-credit-impaired financial assets interest income is calculated based on the gross carrying amount.

(ii) Financial liabilities

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

Financial liabilities at amortised cost

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

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

(iii) Effective interest method

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

(iv) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.9 Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in, first-out method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

4.10 Cash and cash equivalents

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

4.11 Revenue and other income recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customer, or the lessee has the right to use the asset, at an amount that reflects consideration to which the Group is expected to be entitled, in exchange for those goods or services excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or services may be transferred over time or at a point in time. Control of the goods or services is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.11 Revenue and other income recognition (Continued)

Advertising display services

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

Some of the Group's advertising display contracts provide customers a volume rebate if the customer hit the sales volume hurdles and settled all the invoices due within the contract period. The volume rebates give rise to variable consideration. The Group applies the most likely amount method to estimate the variable consideration. A refund liability would be recognised based on the estimate of the most likely amount to be paid to customer's volume-based rebate. In the comparative period, the Group estimated the most likely amount of volume rebates and recognised it as a reduction of revenue as the sales are recognised. A provision of rebate will be recognised in trade and other payables, if any.

Esports event management services

Esports event management services income is recognised over time over the contract period as the Group has determined that the customers simultaneously receives and consumes the benefits of the Group's performance.

Sales of food and beverage products

Revenue from sales of food and beverage products is recognised at the point in time when control of the goods has been transferred when the products are accepted by the customers. The customers have full discretion over the products, and there is no unfulfilled obligation that could affect customer's acceptance of the products.

Bank interest income

Interest income is accrued on a time basis on the principal outstanding at the applicable interest rate.

Contract liabilities

Upon entering into a contract with a customer, the Group obtains right to receive consideration from the customer and assumes performance obligations to transfer goods or provide services to the customer. The combination of those rights and performance obligations give rise to a net asset or a net liability depending on the relationship between the remaining rights and the performance obligations. Contract liabilities are recognised for services to be provided to customers represented by the excess of consideration received from the customers according to agreed customer billing schedules over cumulative revenue recognised.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.12 Income taxes

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

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

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

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

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

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

4.13 Employee benefits

(i) Short term employee benefits

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

(ii) Defined contribution retirement plan

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.13 Employee benefits (Continued)

(ii) Defined contribution retirement plan (Continued)

According to the existing relevant regulations in Taiwan, a branch of the Group established in Taiwan is required to participate in the retirement plan or scheme operated by the government of Taiwan (the "Taiwan Scheme") for the provision of pension benefits to its employees. The Taiwan branch is required to contribute a certain percentage of its payroll costs to the Taiwan Scheme to fund the benefits. The Group has no further payment obligations once the contributions have been paid.

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

4.14 Impairment of non-financial assets

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

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

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

Value in use is based on the estimated future cash flows expected to be derived from the asset or CGU, 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 or CGU.

4.15 Provisions and contingent liabilities

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.16 Related parties

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

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of key management personnel of the Group or the Company's parent.

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

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Company's parent.

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

(i) that person's children and spouse or domestic partner;

(ii) children of that person's spouse or domestic partner; and

(iii) dependents of that person or that person's spouse or domestic partner.

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Key sources of estimation uncertainty

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

(i) Impairment of trade and other receivables

The Group determines the provision for impairment of trade and other receivables based on assumptions about risk of default and expected loss rates. The provision matrix is determined based on the Group's historical observed default rates over the expected life of the trade receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. The ECLs of other receivables is based on the 12-month ECLs. In making the judgement, management considers available reasonable and supportable forward-looking information such as actual or expected significant adverse changes in business and customers' financial position. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed by the management.

(ii) Principal versus agent considerations

Determination of whether the Group is acting as a principal or as an agent in the provision of advertising display services and esports event management services requires judgements and considerations of all relevant facts and circumstances. The Group is a principal in a transaction if the Group obtains control of services provided before they are transferred to customers. Indicators that the Group controls the specified service before it is transferred to the customer include, but are not limited to the following: (a) the Group is primarily responsible for fulfilling the promise to provide the specified service; (b) the Group has inventory risk before the specified service has been transferred to a customer or after transfer of control to the customer; and (c) the Group has discretion in establishing the price for the specified service. If control is unclear, when the Group is primarily obligated in a transaction, and has latitude in establishing prices and deciding how the services are performed, or has several but not all of these indicators, the Group records revenues on a gross basis. Otherwise, the Group records the net amount earned as commissions from services provided. For the years ended 31 March 2020 and 2019, all revenue was recognised on gross basis as the Group has acted as a principal in relation to the services provided.

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

(iii) Determination of lease term and incremental borrowing rates of lease contracts

In determining the lease term at the commencement date for leases that include renewal options or early termination options exercisable by the Group, the Group exercises judgement to evaluate the likelihood of exercising the renewal options or early termination options taking into account all relevant facts and circumstances that create economic incentive for the Group to exercise the option, including favourable terms, leasehold improvements undertaken, penalties for early termination and the importance of that underlying asset to the Group's operation. Any changes in the lease term would affect the amount of right-of-use assets and lease liabilities recognised in future years. The Group also exercises judgement to determine whether there is a significant event or change in circumstance that is within the Group's control that would require the lease term to be reassessed.

In determining incremental borrowing rates of lease contracts, the Group applies judgement to determine the applicable rates, taking into account the nature of the underlying assets, the terms and condition of the leases, creditworthiness of the relevant group entities and economic environment, at both the commencement date and the effective date of the modification to calculate the present value of lease payments. The incremental borrowing rates of the Group applied significantly affect the amounts of lease liabilities and right-of-use assets recognised.

6. SEGMENT INFORMATION

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

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

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

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

— Provision of advertising display services over the digital and online media platforms ("Digital Media Business");

— Provision of advertising display services over the self-pickup lockers platforms ("Logistic Advertising Business");

— Provision of esports event management services ("Digital Event Management Business"), which has ceased its business operation since June 2019; and

— Sales of Mizimamei branded food and beverage products in Hong Kong ("Food and Beverage Business"), which is a new business segment operated by the Group in the current year.

6. SEGMENT INFORMATION (Continued)

Segment revenue and results

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

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

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

	Transportation Business HK$'000	Healthcare Business HK$'000	Digital Media Business HK$'000	Logistic Advertising Business HK$'000	Digital Event Management Business HK$'000	Food and Beverage Business HK$'000	Total HK$'000
Year ended 31 March 2020							
Revenue							
— From external customers	49,000	800	3,844	344	2,391	376	56,755
Cost of sales	(34,284)	(251)	(3,329)	(196)	(2,083)	(972)	(41,115)
Gross profit	14,716	549	515	148	308	(596)	15,640
Unallocated other income and gains, net							3,477
Corporate and other unallocated expenses							(23,128)
Finance costs							(1,731)
Loss before income tax expense							(5,742)

6. SEGMENT INFORMATION (Continued)

	Transportation Business HK$'000	Healthcare Business HK$'000	Digital Media Business HK$'000	Logistic Advertising Business HK$'000	Digital Event Management Business HK$'000	Total HK$'000
Year ended 31 March 2019						
Revenue						
— From external customers	47,771	1,978	5,683	403	5,357	61,192
Cost of sales	(31,362)	(1,873)	(4,317)	(240)	(4,509)	(42,301)
Gross profit	16,409	105	1,366	163	848	18,891
Unallocated other income and gains, net						2,200
Corporate and other unallocated expenses						(20,298)
Profit before income tax credit						793

6. SEGMENT INFORMATION (Continued)

Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical markets, major platforms and service lines and timing of revenue recognition.

	Transportation Business HK$'000	Healthcare Business HK$'000	Digital Media Business HK$'000	Logistic Advertising Business HK$'000	Digital Event Management Business HK$'000	Food and Beverage Business HK$'000	Total HK$'000
Year ended 31 March 2020							
Primary geographical markets							
Hong Kong (place of domicile)	49,000	800	3,844	344	475	376	54,839
Taiwan	–	–	–	–	1,916	–	1,916
	49,000	800	3,844	344	2,391	376	56,755
Major services lines							
Advertising display services							
— Minibus	47,432	–	–	–	–	–	47,432
— Taxi	865	–	–	–	–	–	865
— Others	703	–	–	–	–	–	703
— Hospitals and clinics	–	800	–	–	–	–	800
— Digital and online media	–	–	3,844	–	–	–	3,844
— Self-pickup lockers	–	–	–	344	–	–	344
	49,000	800	3,844	344	–	–	53,988
Esports event management services	–	–	–	–	2,391	–	2,391
Food and beverage services	–	–	–	–	–	376	376
	49,000	800	3,844	344	2,391	376	56,755
Timing of revenue recognition							
Transferred over time	49,000	800	3,844	344	2,391	–	56,379
At a point in time	–	–	–	–	–	376	376
	49,000	800	3,844	344	2,391	376	56,755

6. SEGMENT INFORMATION (Continued)

Disaggregation of revenue (Continued)

	Transportation Business HK$'000	Healthcare Business HK$'000	Digital Media Business HK$'000	Logistic Advertising Business HK$'000	Digital Event Management Business HK$'000	Total HK$'000
Year ended 31 March 2019						
Primary geographical markets						
Hong Kong (place of domicile)	47,771	1,978	5,683	403	769	56,604
Taiwan	—	—	—	—	4,588	4,588
	47,771	1,978	5,683	403	5,357	61,192
Major services lines						
Advertising display services						
— Minibus	45,738	—	—	—	—	45,738
— Taxi	762	—	—	—	—	762
— Others	1,271	—	—	—	—	1,271
— Hospitals and clinics	—	1,307	—	—	—	1,307
— Health and beauty retail stores	—	671	—	—	—	671
— Digital and online media	—	—	5,683	—	—	5,683
— Self-pickup lockers	—	—	—	403	—	403
	47,771	1,978	5,683	403	—	55,835
Esports event management services	—	—	—	—	5,357	5,357
	47,771	1,978	5,683	403	5,357	61,192
Timing of revenue recognition						
Transferred over time	47,771	1,978	5,683	403	5,357	61,192

Geographical information

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

The following table provides an analysis of the Group's revenue from external customers and non-current assets other than financial asset ("Specified non-current assets").

6. SEGMENT INFORMATION (Continued)

Geographical information (Continued)

	Revenue from external customers		Specified non-current assets	
	2020	2019	**2020**	2019
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong (place of domicile)	**54,839**	56,604	**43,434**	5,134
Taiwan	**1,916**	4,588	**—**	—
	56,755	61,192	**43,434**	5,134

Information about major customers

No single customer contributed to 10% or more of the Group's revenue during theyears ended 31 March 2020 and 31 March 2019.

7. REVENUE

Revenue is derived from provision of advertising display services, esports event management services and sales of food and beverage products during the year. Further details are disclosed in note 6.

	2020	2019
	HK$'000	HK$'000
Sales of food and beverage products	**376**	—
Provision of services	**56,379**	61,192
	56,755	61,192

The following table provides information about trade receivables and contract liabilities from contracts with customers.

	2020	2019
	HK$'000	HK$'000
Trade receivables *(note 21)*	**4,099**	5,561
Contract liabilities *(note 26)*	**9,045**	12,078

7. REVENUE (Continued)

The contract liabilities mainly relate to the advance payments received from customers.

As at 31 March 2020, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is HK$9,045,000 (2019: HK$12,078,000). This amount represents revenue expected to be recognised in the future from partially-completed advertising display service contracts. The Group will recognise the expected revenue in future when or as the work is completed, which is expected to occur in the next 12 months.

8. OTHER INCOME AND GAINS, NET

	2020	2019
	HK$'000	HK$'000
Bank interest income	**386**	110
Exchange losses, net	**(178)**	(154)
Gain on modification of leases *(note 16)*	**19**	—
Others	**3,250**	2,244
	3,477	2,200

9. FINANCE COSTS

	2020	2019
	HK$'000	HK$'000
Interest on lease liabilities *(note 16)*	**1,731**	—

10. (LOSS)/PROFIT BEFORE INCOME TAX (EXPENSE)/CREDIT

(Loss)/Profit before income tax (expense)/credit is arrived at after charging the following:

	2020 **HK$'000**	2019 HK$'000
Auditor's remuneration	**595**	540
Provision of impairment of trade receivables *(note 21)*	**307**	—
Bad debt written off	**12**	—
Depreciation of property, plant and equipment *(note 15)*	**563**	352
Loss on disposal of property, plant and equipment	**105**	—
Employee costs (including directors' emoluments) *(note 12)*	**18,695**	17,859
Amortisation of intangible assets *(note 17)*	**91**	—
Depreciation of right-of-use assets *(note 16)*		
— Advertising spaces (included in cost of sales)	**20,536**	—
— Premises	**323**	—
— Office equipment	**23**	—
Short-term leases expenses *(note 16)*		
— Advertising spaces (included in cost of sales)	**10,430**	—
— Premises	**477**	—
Operating lease rental for lease previously classified as operating leases under HKAS 17 in respect of:		
— Advertising spaces (included in cost of sales)	**—**	29,116
— Premises	**—**	413

11. INCOME TAX EXPENSE/(CREDIT)

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

	2020 HK$'000	2019 HK$'000
Current tax — Hong Kong Profits Tax		
— Tax for the year	68	158
— Over-provision in respect of prior year	(11)	(173)
	57	(15)
Current tax — Taiwan Profits Tax	78	—
	135	(15)

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

Hong Kong Profits Tax is calculated at 8.25% on the first HK$2 million of estimated assessable profits and at 16.5% for the portion of the estimated assessable profits above HK$2 million for the years ended 31 March 2020 and 2019.

Taiwan Profit Seeking Enterprise Income Tax arising from operations in Taiwan is calculated at 20% on the estimated assessable profits for the year ended 31 March 2020. During the year ended 31 March 2019, no assessable profit was derived from the operation in Taiwan.

11. INCOME TAX EXPENSE/(CREDIT) (Continued)

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

	2020 HK$'000	2019 HK$'000
(Loss)/Profit before income tax expense/(credit)	(5,742)	793
Tax calculated at the domestic tax rate of 16.5% (2019: 16.5%)	(947)	131
Tax effect on adoption of two-tiered profits tax rates regime	—	(132)
Tax effect of different tax rate of a foreign operation	4	9
Tax effect of non-deductible items	347	288
Tax effect of non-taxable items	(112)	(35)
Tax effect of temporary differences not recognised	192	(83)
Over-provision in respect of prior year	(11)	(173)
Tax effect of tax losses not recognised	684	—
Others	(22)	(20)
Income tax expense/(credit)	135	(15)

At the end of the reporting period, the Group has tax losses arising in Hong Kong of approximately HK$4,145,000 that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of tax losses arising from subsidiaries in Hong Kong, as it is not probable that taxable profits will be available against which the tax losses can be utilised in the foreseeable future. The tax losses have no expiry date and are yet to be agreed by the Inland Revenue Department.

No deferred tax has been recognised for the year ended 31 March 2019 as there were no material temporary differences.

12. EMPLOYEE COSTS

	2020 HK$'000	2019 HK$'000
Employee costs (including directors' emoluments) comprise:		
Salaries and other benefits in kind	18,307	17,368
Retirement scheme contributions	388	491
	18,695	17,859

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

(a) Directors' emoluments

Directors' emoluments are disclosed as follows:

	Notes	Fees HK$'000	Salaries and other benefits in kind HK$'000	Retirement scheme contributions HK$'000	Total HK$'000
Year ended 31 March 2020					
Executive Directors					
Ms. Chau Wai Chu Irene	*(i)*	–	2,586	–	2,586
Ms. Cheung Kit Yi		–	420	18	438
Mr. Lean Chun Wai		–	1,141	18	1,159
Non-Executive Director					
Mr. Da Silva Antonio Marcus		240	–	–	240
Independent Non-Executive Directors					
Ms. Au Shui Ming Anna		113	–	–	113
Mr. Liang Man Kit Jerry		96	–	–	96
Mr. Ho Alfred Chak Wai	*(ii)*	38	–	–	38
Mr. Lam Yau Fung Curt	*(iii)*	58	–	–	58
		545	4,147	36	4,728

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

(a) Directors' emoluments (Continued)

	Notes	Fees HK$'000	Salaries and other benefits in kind HK$'000	Retirement scheme contributions HK$'000	Total HK$'000
Year ended 31 March 2019					
Executive Directors					
Ms. Chau Wai Chu Irene	*(i)*	—	2,176	—	2,176
Ms. Cheung Kit Yi		—	420	18	438
Mr. Lean Chun Wai		—	890	18	908
Non-Executive Director					
Mr. Da Silva Antonio Marcus		100	—	—	100
Independent Non-Executive Directors					
Ms. Au Shui Ming Anna		120	—	—	120
Mr. Liang Man Kit Jerry		96	—	—	96
Mr. Ho Alfred Chak Wai		96	—	—	96
		412	3,486	36	3,934

Notes:

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

(ii) Mr. Ho Alfred Chak Wai resigned as independent non-executive director on 23 August 2019.

(iii) Mr. Lam Yau Fung Curt was appointed as independent non-executive director on 23 August 2019.

(iv) There was no arrangement under which a director waived or agreed to waive any emoluments during the year ended 31 March 2020 (2019: Nil).

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

(b) The five highest paid individuals

Of the five individuals with the highest emoluments in the Group, two (2019: two) are directors of the Company whose emolument is included in the disclosures above. The emoluments of the remaining three (2019: three) individuals are as follows:

	2020	2019
	HK$'000	HK$'000
Salaries and other benefits in kind	**3,149**	3,060
Retirement scheme contributions	**50**	50
	3,199	3,110

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

	2020	2019
	Number of individuals	Number of individuals
Nil — HK$1,000,000	**2**	2
HK$1,000,001 to HK$1,500,000	**1**	1

14. (LOSS)/EARNINGS PER SHARE

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

	2020	2019
	HK$'000	HK$'000
(Loss)/Earnings		
(Loss)/Earnings for the purposes of basic and diluted (loss)/earnings per share	**(5,687)**	644
Number of shares	**'000**	'000
Weighted average number of ordinary shares for the purposes of basic and diluted (loss)/earnings per share	**720,000**	720,000

The weighted average of 720,000,000 ordinary shares for the years ended 31 March 2020 and 31 March 2019 were same as the number of ordinary shares of the Company in issue throughout the years.

Diluted earnings per share were the same as the basic (loss)/earnings per share as the Group had no potential dilutive ordinary shares during the years ended 31 March 2020 and 2019.

15. PROPERTY, PLANT AND EQUIPMENT

	Display monitors and devices HK$'000	Furniture and fixtures HK$'000	Motor vehicles HK$'000	Total HK$'000
At 1 April 2018				
Cost	2,485	739	792	4,016
Accumulated depreciation	(2,446)	(563)	(83)	(3,092)
Net carrying amount	39	176	709	924
Year ended 31 March 2019				
Opening net carrying amount	39	176	709	924
Additions	199	103	653	955
Depreciation	(46)	(64)	(242)	(352)
Closing net carrying amount	192	215	1,120	1,527
At 31 March 2019 and 1 April 2019				
Cost	1,793	842	1,445	4,080
Accumulated depreciation	(1,601)	(627)	(325)	(2,553)
Net carrying amount	192	215	1,120	1,527
Year ended 31 March 2020				
Opening net carrying amount	**192**	**215**	**1,120**	**1,527**
Additions	**—**	**536**	**1,288**	**1,824**
Disposal	**—**	**(1)**	**(296)**	**(297)**
Depreciation	**(40)**	**(146)**	**(377)**	**(563)**
Closing net carrying amount	**152**	**604**	**1,735**	**2,491**
At 31 March 2020				
Cost	**1,793**	**1,371**	**2,355**	**5,519**
Accumulated depreciation	**(1,641)**	**(767)**	**(620)**	**(3,028)**
Net carrying amount	**152**	**604**	**1,735**	**2,491**

16. RIGHT-OF-USE ASSETS/LEASE LIABILITIES

HKFRS 16 was adopted on 1 April 2019 without restatement of comparative figures. For an explanation of the transitional requirements that were applied as at 1 April 2019, see note 2(a). The accounting policies applied subsequent to the date of initial application, i.e. 1 April 2019, as disclosed in note 4.7.1.

Nature of leasing activities (in the capacity as lessee)

The Group leases office equipment, certain advertising spaces and rental premise in Hong Kong. The leases comprise only fixed payments over the lease terms.

Certain lease contracts granted the Group as lessee extension or termination options which are only exercised by the Group and not by the respective lessor.

Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	31 March 2020 **HK$'000**	1 April 2019 HK$'000
Leased for own use, carried at depreciated cost:		
Advertising spaces	**37,028**	48,988
Rental premise	**399**	—
Office equipment	**39**	62
	37,466	49,050

Movements of right-of-use assets during the year:

	Advertising spaces HK$'000	**Rental premise** HK$'000	**Office equipment** HK$'000	**Total** HK$'000
At 1 April 2019	48,988	—	62	49,050
Additions	12,613	727	—	13,340
Depreciation	(20,536)	(323)	(23)	(20,882)
Effect on modification of leases	(4,037)	(5)	—	(4,042)
At 31 March 2020	37,028	399	39	37,466

16. RIGHT-OF-USE ASSETS/LEASE LIABILITIES (Continued)

Nature of leasing activities (in the capacity as lessee) (Continued)

Lease liabilities

The analysis of the present value of future lease payments is as follows:

	31 March 2020	1 April 2019
	HK$'000	HK$'000
Current liabilities	**18,107**	15,371
Non-current liabilities	**17,651**	30,518
	35,758	45,889

Movements of lease liabilities during the year:

	Advertising spaces	**Rental premise**	**Office equipment**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2019	45,827	—	62	45,889
Additions	12,613	727	—	13,340
Lease payments	(20,791)	(326)	(24)	(21,141)
Interest expenses	1,707	22	2	1,731
Effect on modification of leases	(4,056)	(5)	—	(4,061)
At 31 March 2020	35,300	418	40	35,758

Future lease payments are due as follows:

At 31 March 2020 *(note)*

	Minimum lease payments	**Interest**	**Present value**
	HK$'000	**HK$'000**	**HK$'000**
Not later than one year	**19,234**	**1,127**	**18,107**
Later than one year and not later than two years	**12,700**	**439**	**12,261**
Later than two years and not later than five years	**5,463**	**73**	**5,390**
	37,397	**1,639**	**35,758**

16. RIGHT-OF-USE ASSETS/LEASE LIABILITIES (Continued)

Nature of leasing activities (in the capacity as lessee) (Continued)

Lease liabilities (Continued)

At 1 April 2019 *(note)*

	Minimum lease payments HK$'000	Interest HK$'000	Present value HK$'000
Not later than one year	16,972	1,601	15,371
Later than one year and not later than two years	19,694	827	18,867
Later than two years and not later than five years	11,935	284	11,651
	48,601	2,712	45,889

At 31 March 2019 *(note)*

	Minimum lease payments HK$'000	Interest HK$'000	Present value HK$'000
Not later than one year	—	—	—
Later than one year and not later than two years	—	—	—
Later than two years and not later than five years	—	—	—
	—	—	—

Note: The Group has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 April 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under HKAS 17.

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2020 HK$'000
Depreciation of right-of-use assets	**20,882**
Interest on lease liabilities *(note 9)*	**1,731**
Short-term lease expenses *(note 10)*	**10,907**
Gain on modification of leases *(note 8)*	**(19)**
Total amount recognised in profit or loss	**33,501**

17. INTANGIBLE ASSETS

	Club membership HK$'000 *(Note (a))*	License right HK$'000 *(Note (b))*	Total HK$'000
At 1 April 2018, 31 March 2019 and 1 April 2019			
Cost	2,626	—	2,626
Accumulated amortisation	—	—	—
Net carrying amount	2,626	—	2,626
Year ended 31 March 2020			
Opening net carrying amount	2,626	—	2,626
Addition	—	942	942
Amortisation	—	(91)	(91)
Closing net carrying amount	2,626	851	3,477
At 31 March 2020			
Cost	2,626	942	3,568
Accumulated amortisation	—	(91)	(91)
Net carrying amount	2,626	851	3,477

Notes:

(a) The club membership represented the membership debenture of The Aberdeen Marina Club Limited which has no specific maturity date pursuant to the terms and conditions of the membership. It is tested for impairment annually and whenever there is an indication that may be impaired. The directors of the Company are of the opinion that no impairment loss was identified with reference to market value.

(b) The license right represented an exclusive right to distribute and market the Mizimamei branded food and beverage products and its retail brand in Hong Kong. On 3 May 2019, the Group entered into an agreement with an independent third party to acquire an exclusive right to distribute and market its branded food and beverage products and the retail brand of the individual third party in Hong Kong, including but not limited to the right to set up self-operated retail outlets in Hong Kong and the right to franchise the brand to potential local retailer in Hong Kong through franchising arrangement (the "Agreement") at a consideration of US$120,000 (equivalent to approximately HK$942,000). The consideration was fully paid and recorded as prepayments as at 31 March 2019. As stipulated by the terms in the Agreement, the prepayment has been recognised as a license right. It is stated at cost less accumulated amortisation and impairment and is tested for impairment wherever there is an indicator that may be impaired.

18. GOODWILL

	2020 HK$'000	2019 HK$'000
At beginning of the year	**39**	—
Acquired through business combinations *(note 33)*	**—**	39
Impairment losses recognised during the year	**(39)**	—
At end of the year	**—**	39

Goodwill is allocated to Toppa Media Savvy Limited ("Toppa"). During the year ended 31 March 2020, the Group has fully impaired the goodwill with an impairment loss of HK$39,000 recognised in profit or loss with reference to the recoverable amount of the CGU due to the underperformance of the CGU.

19. INTEREST IN AN ASSOCIATE

	2020 HK$'000	2019 HK$'000
Share of net assets	**—**	—
Amount due to an associate	**47**	57

(a) Details of the associate as at 31 March 2020 and 31 March 2019 are as follows:

Name	Place of incorporation	Issued capital	Percentage of ownership interest attribute to the Group	Principal activities
M Savvy Media Limited	Hong Kong	HK$10,000	20%	Inactive/ no business operation

The associate was a former subsidiary indirectly owned by the Company and has become an associate since 14 November 2017.

(b) The carrying amount of the associate was nil as at 31 March 2020 and 31 March 2019. There are no other contingent liabilities related to the Group's interest in the associate.

(c) The amount due to an associate was unsecured, interest free and repayable on demand.

20. INVENTORIES

	2020 HK$'000	2019 HK$'000
Food and beverages materials	46	—

21. TRADE RECEIVABLES

	2020 HK$'000	2019 HK$'000
Trade receivables	4,406	5,561
Provision of impairment of trade receivables	(307)	—
	4,099	5,561

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

	2020 HK$'000	2019 HK$'000
0–90 days	1,827	3,809
91–180 days	1,363	1,332
181–365 days	909	420
	4,099	5,561

The Group has no specified credit terms for its customers for advertising display services since advance payments are normally required. The Group grants its customers for esports event management services with credit terms of generally 30 days. Overdue balances are reviewed regularly by senior management.

21. TRADE RECEIVABLES (Continued)

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

	2020 **HK$'000**	2019 HK$'000
At beginning of the year	**–**	61
Write off	**–**	(61)
Impairment loss recognised *(note 10)*	**307**	—
At end of the year	**307**	—

The maximum exposure to credit risk as at 31 March 2020 was the carrying amount mentioned above. Trade receivables that were not impaired related to a large number of independent customers that had a good track record of credit with the Group. In general, the Group does not hold any collateral or other credit enhancements over these balances.

The Group applies the simplified approach to provide for ECLs prescribed by HKFRS 9, which permits the use of lifetime ECLs provision for all trade receivables. To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The ECLs also incorporate forward-looking information. As at 31 March 2020 and 31 March 2019, the directors of the Company considered ECLs against the gross amounts of trade receivables is immaterial.

22. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2020 **HK$'000**	2019 HK$'000
Non-current asset		
Prepayment for acquisition of an intangible asset *(note)*	**–**	942
Current assets		
Payments in advance	**1,537**	5,597
Deposits	**290**	169
Prepayments	**482**	377
Other receivables	**85**	402
	2,394	6,545

The maximum exposure to credit risk at the reporting date is the carrying amounts of each class of receivables mentioned above. The Group does not hold any collateral as security.

Note: As at 31 March 2019, the prepayment was paid for the acquisition of an exclusive license right as set out in note 17(b). Accordingly, the acquisition is a non-cash transaction during the current year.

23. PLEDGED BANK DEPOSITS AND CASH AND BANK BALANCES

	2020 **HK$'000**	2019 HK$'000
Cash at banks and in hand	**38,310**	45,058
Fixed deposits	**16,634**	18,302
	54,944	63,360
Less: Pledged bank deposits	**—**	(1,029)
Less: Fixed deposits with original maturity of over 3 months	**—**	(605)
Total cash and cash equivalents	**54,944**	61,726

The Group's cash and bank balances consist of bank deposits carrying interests at floating rates based on daily bank deposit rates and short-term bank deposits carrying interests at prevailing market interest rates ranging from 1.6% to 2.2% (2019: 0.45% to 2.50%) per annum as at 31 March 2020, with an original maturity of three months or less. As at 31 March 2019, certain deposits were restricted bank balances pledged to banks as securities mainly for letters of guarantee issued to certain third party suppliers on behalf of the Group.

24. TRADE PAYABLES

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

	2020 **HK$'000**	2019 HK$'000
0–90 days	**365**	376
91–180 days	**24**	134
181–365 days	**67**	—
Over 365 days	**—**	331
	456	841

25. ACCRUALS AND OTHER PAYABLES

	2020 **HK$'000**	2019 HK$'000
Accrued expenses	**984**	1,460
Other payables	**741**	2,921
	1,725	4,381

26. CONTRACT LIABILITIES

	2020 **HK$'000**	2019 HK$'000
Contract liabilities arising from:		
Advertising display services	**9,045**	12,078

These contract liabilities represent advance payments received from customers for services that have not yet been performed to the customers which are rendered over the period of display of the advertisements.

The Group expects to render the services to satisfy the remaining obligations of these contract liabilities within the next 12 months.

	2020 **HK$'000**	2019 HK$'000
Balance at beginning of the year	**12,078**	11,398
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	**(11,453)**	(11,027)
Increase in contract liabilities as a result of billing in advance of advertising display service, excluding those recognised as revenue in the current year	**8,420**	11,707
Balance at end of the year	**9,045**	12,078

27. SHARE CAPITAL

	2020		2019	
	Number of shares '000	**Amount HK$'000**	Number of shares '000	Amount HK$'000
Authorised:				
At the beginning and end of the year	7,200,000	72,000	7,200,000	72,000

	Number of shares '000	Amount HK$'000
Issued:		
At 1 April 2018, 31 March 2019 and 31 March 2020	720,000	7,200

28. SHARE OPTION SCHEME

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

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

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

28. SHARE OPTION SCHEME (Continued)

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

No share options were granted under the Scheme during the years ended 31 March 2020 and 31 March 2019. Share options do not confer rights to the holders to dividends or to vote at shareholders' meetings.

29. RESERVES

The Group

Please refer to the consolidated statement of changes in equity on page 56 for reserves of the Group.

(a) Share premium

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

(b) Other reserve

This represents the difference between the nominal value of the share capital of the subsidiaries acquired and the nominal value of the shares of the Company issued in exchange thereof pursuant to the group reorganisation in 2016 prior to the listing of the Company.

The Company

	Share premium HK$'000	Other reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2018	35,371	(100)	(14,400)	20,871
Loss for the year	—	—	(1,468)	(1,468)
At 31 March and 1 April 2019	**35,371**	**(100)**	**(15,868)**	**19,403**
Loss for the year	**—**	**—**	**(1,175)**	**(1,175)**
At 31 March 2020	**35,371**	**(100)**	**(17,043)**	**18,228**

30. HOLDING COMPANY STATEMENT OF FINANCIAL POSITION

	Notes	**2020 HK$'000**	2019 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Interest in a subsidiary	*31*	**1**	1
Current assets			
Prepayments		**211**	210
Cash and bank balances		**25,216**	26,689
		25,427	26,899
Current liabilities			
Accruals		**–**	119
Amount due to a subsidiary		**–**	178
		–	297
Net current assets		**25,427**	26,602
Net assets		**25,428**	26,603
CAPITAL AND RESERVES			
Share capital	*27*	**7,200**	7,200
Reserves	*29*	**18,228**	19,403
Total equity		**25,428**	26,603

On behalf of the directors

Ms. Chau Wai Chu Irene	**Mr. Lean Chun Wai**
Director	*Director*

31. INTERESTS IN SUBSIDIARIES

Details of the subsidiaries as at 31 March 2020 are as follows:

Name of company	Place of incorporation and/or operation	Particulars of issued and paid up capital	Percentage of effective interests held by the Company	Principal activities
Media Savvy Marketing International Limited*	BVI	100 shares totalling US$100	100%	Investment holding
Media Savvy Limited ("MSL")	Hong Kong	10,000 shares totalling HK$10,000	100%	Investment holding
Media Savvy Marketing Limited	Hong Kong	100 shares totalling HK$100	100%	Provision of advertising display services
Media Savvy In-Store Media Limited	Hong Kong	10,000 shares totalling HK$10,000	100%	Inactive/no business operation
Medic Savvy Media Limited	Hong Kong	10,000 shares totalling HK$10,000	100%	Inactive/no business operation
A1 Advertising & Production Company Limited	Hong Kong	10,000 shares totalling HK$10,000	100%	Inactive/no business operation
Toppa	Hong Kong/ Taiwan	100 shares totalling HK$100	70%	Provision of esports event management services and became inactive since June 2019
OOH La La Printing And Production Limited ("OOH La La")	Hong Kong	10,000 shares totalling HK$10,000	70%	Provision of printing services
MSMM Company Limited ("MSMM")	Hong Kong	1,000,000 shares totalling HK$1,000,000	65%	Sales of food and beverage products
Auto Savvy Limited	Hong Kong	1,000 shares totalling HK$1,000	100%	Not yet commenced business

* Issued capital held directly by the Company

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

32. NON-CONTROLLING INTERESTS

The total non-controlling interests as at 31 March 2020 is HK$130,000 (2019: HK$500,000), of which profits of HK$14,000 (2019: HK$104,000) is attributable to the non-controlling interest of Toppa, profits of HK$139,000 (2019: HK$62,000) is attributable to the non-controlling interest of OOH La La and a loss of HK$343,000 (2019: HK$2,000) is attributable to the non-controlling interest of MSMM. The non-controlling interests of these subsidiaries that are not 100% owned by the Group are considered to be immaterial.

During the year ended 31 March 2020, the Group's subsidiary, OOH La La, has declared a dividend of HK$180,000 to the non-controlling interests which was settled through the current account with the non-controlling interests.

During the year ended 31 March 2019, total capital injection from non-controlling interests was HK$353,000. Capital injection of HK$3,000 was paid by cash and the remaining HK$350,000 was settled through the current account with the subsidiaries.

33. ACQUISITION OF A SUBSIDIARY

On 26 July 2018, the Group completed the acquisition of 70% equity interests in Toppa from an independent third party at a cash consideration of HK$70. Toppa was incorporated in Hong Kong on 14 March 2018 and its principal activity is provision of esports event management services.

The fair value of identifiable assets and liabilities of Toppa as at the date of acquisition were:

	HK$
Net assets acquired:	
Trade receivables	1,009,096
Other receivables, deposits and prepayments	984,844
Cash and cash equivalents	106,498
Other payables and accruals	(2,155,838)
The fair value of net assets acquired	(55,400)
Add: non-controlling interests	16,620
	(38,780)
Goodwill arising on acquisition *(note 18)*	38,850
Fair value of consideration	70
Consideration satisfied by:	
Cash	70
Net cash inflows arising on acquisition	106,498

33. ACQUISITION OF A SUBSIDIARY (Continued)

The above cash consideration of HK$70 was included in other payables as at 31 March 2019 and has been settled during the year ended 31 March 2020.

(a) The fair value of trade receivables and other receivables, deposits and prepayments amounted to HK$1,009,096 and HK$984,844 respectively. The gross amount and recoverable amount of these receivables were HK$1,009,096 and HK$984,844 respectively. None of these receivables was impaired and it was expected that the full contractual amount can be collected.

(b) Goodwill of HK$38,850 arose on this acquisition, which was not deductible for tax purposes, comprises the acquired workforce and the expected synergies arising from the acquisition. The directors of the Company believed that this would diversify the source of income and enhance future development of the Group.

(c) The acquisition-related costs were considered to be immaterial.

(d) The acquired business contributed revenue of approximately HK$5,357,000 and profit after tax of approximately HK$347,000 to the Group for the period from 26 July 2018 to 31 March 2019.

(e) Had the acquisition occurred on 1 April 2018, the Group's revenue and profit after tax would had been approximately HK$62,173,000 and HK$807,644 respectively for the year ended 31 March 2019.

(f) This pro forma information was for illustrative purpose and was not necessarily an indication of revenue and the results of operations of the Group that actually would had been achieved had the acquisition been completed on 1 April 2018, nor was it intended to be a projection of future results.

34. RELATED PARTY TRANSACTIONS

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

(i) Significant related party transactions during the year

	2020 **HK$'000**	2019 HK$'000
Operating lease rental paid to a related company — Golden Billion Investment Limited ("Golden Billion")	**450**	401

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

34. RELATED PARTY TRANSACTIONS (Continued)

(ii) Compensation of key management personnel

	2020 **HK$'000**	2019 HK$'000
Short-term benefits	**5,974**	5,198
Post-employment benefits	**70**	70
	6,044	5,268

35. OPERATING LEASE COMMITMENTS

The Group leased office equipment and certain advertising spaces under non-cancellable operating leases. The leases ran for an initial period of one to five years during the year ended 31 March 2019.

	2019 HK$'000
Office equipment:	
Not later than one year	24
Later than one year and not later than five years	41
	65
Advertising spaces:	
Not later than one year	19,854
Later than one year and not later than five years	31,126
	50,980
Leasing of premises:	
Not later than one year	112
	112
	51,157

35. OPERATING LEASE COMMITMENTS (Continued)

The Group is the lessee in respect of office equipment, advertising spaces and premises held under leases which were previously classified as operating lease under HKAS 17. The Group has initially applied HKFRS 16 using the modified retrospective approach. Under this approach, the Group adjusted the opening balances of retained earnings, if any, non-current assets, current liabilities and non-current liabilities at 1 April 2019 to recognise lease liabilities relating to these leases (see note 2(a)). From 1 April 2019 onwards, future leases payments are recognised as lease liabilities in the consolidated statement of financial position in accordance with the policies set out in note 4.7.1, and the details regarding the Group's future lease payments are disclosed in note 16.

36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below represents the details changes in the Group's liabilities from financing activities:

	Lease liabilities HK$'000 *(note 16)*
At 31 March 2019	—
— Impact of adoption of HKFRS 16	45,889
At 1 April 2019	45,889
Changes from cash flows:	
— Repayment of lease liabilities	(21,141)
Total changes from financing cash flows	(21,141)
Other changes:	
— Increase in lease liabilities arising from new leases during the year	13,340
— Effect on modification of leases	(4,061)
— Interest on lease liabilities	1,731
Total other changes	11,010
At 31 March 2020	35,758

37. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group's capital management objectives include:

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

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

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

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

Management of the Group regards total equity as capital. The amount of capital attributable to the owners of the Company as at 31 March 2020 amounted to HK$57,743,000 (2019: HK$63,430,000), which the management considers as optimal having considered the projected capital expenditures and the projected strategic investment opportunities.

38. RETIREMENT SCHEME

Under the Mandatory Provident Fund Schemes Ordinance regulated by the Mandatory Provident Fund ("MPF") Schemes Authority in Hong Kong, with effect from 1 December 2000, the Group participates in a MPF scheme operated by an approved trustee in Hong Kong and makes contributions for its eligible employees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income. The cap of monthly relevant income has been increased from HK$25,000 to HK$30,000 since 1 June 2014. Contributions to the MPF Scheme vest immediately.

The Group is also required to contribute a certain percentage of employees' monthly basic salaries to the defined contribution retirement schemes in Taiwan.

For the year ended 31 March 2020, the aggregate amounts of employer's contributions made by the Group were HK$388,000 (2019: HK$491,000). No forfeited contribution is available for offset against existing contributions during the year.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

(a) Credit risk

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

The Group's exposure to credit risk mainly arises from granting credits to customers in the ordinary course of its operations and is limited to the carrying amounts of financial assets recognised at the end of the reporting period, as summarised in note 39(f).

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

The Group applies the simplified approach to provide for ECLs prescribed by HKFRS 9, which permits the use of the lifetime ECLs provision for all trade receivables. The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables is estimated based on a provisional matrix by reference to past default experience of the debtor and current market condition in relation to each debtor's exposure. The ECLs also incorporates forward-looking information with reference to general macroeconomic conditions that may affect the ability of the debtors to settle receivables. To measure the ECLs, the trade receivables have been grouped based on share credit risk characteristics and the days past due.

The directors of the Company considered the loss allowance provision for trade receivables was immaterial arising from the ECL Model during the year.

However, a specific allowance on impairment loss of HK$307,000 (2019: Nil) has been recognised during the year in respect of certain trade debts since the debtors are past due over one year and the management considered that the debts might be irrecoverable.

The Group takes into account the historical default experience and forward-looking information, as appropriate, for example the Group considers the consistently low historical default rates of counterparties, and concludes that credit risk inherent in the Group's outstanding other receivables is insignificant. The Group has assessed that other receivables do not have a significant increase in credit risk since initial recognition and risk of default is insignificant, therefore the ECLs for these receivables were immaterial under the 12-month ECLs method and no loss allowance provision was recognised during the year.

Expected loss rates are based on actual loss experience over the past two years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The Group expects that there is no significant credit risk associated with cash at bank since they are deposited with credit worthy financial institutions.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Credit risk (Continued)

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

(b) Liquidity risk

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

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

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

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

	Carrying amount HK$'000	Total contractual undiscounted cash flows HK$'000	On demand HK$'000	Less than three months HK$'000	Three months to one year HK$'000	One to five years HK$'000
At 31 March 2020						
Non-derivatives:						
Trade payables	456	456	451	5	—	—
Accruals and other payables	1,703	1,703	887	523	293	—
Amount due to an associate	47	47	47	—	—	—
Lease liabilities	35,758	37,397	—	2,611	16,623	18,163
	37,964	39,603	1,385	3,139	16,916	18,163
At 31 March 2019						
Non-derivatives:						
Trade payables	841	841	825	16	—	—
Accruals and other payables	2,351	2,351	1,298	834	219	—
Amount due to an associate	57	57	57	—	—	—
	3,249	3,249	2,180	850	219	—

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Interest rate risk

As of 31 March 2020 and 31 March 2019, the Group had no bank borrowings. The interest rate risk on the bank balances are considered minimal as they are short-term instruments with maturities of less than three month.

(d) Currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group mainly operates in Hong Kong and Taiwan. The functional currency of the Company and its subsidiaries are HK$ and Taiwan Dollars. Most of the Group's business transactions are settled in the functional currencies of the Company and its subsidiaries. The Group does not have significant exposure to risk resulting from changes in foreign currency exchange rates.

(e) Fair value

Due to the short-term nature, the carrying value of financial instruments is not measured at fair value and is detailed in note 39(f).

(f) Summary of financial assets and liabilities by category

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

	2020 **HK$'000**	2019 HK$'000
Financial assets		
Financial assets measured at amortised cost (including cash and bank balances):		
Trade receivables	**4,099**	5,561
Deposits and other receivables	**375**	571
Pledged bank deposits	**—**	1,029
Cash and bank balances	**54,944**	62,331
	59,418	69,492
Financial liabilities		
Financial liabilities measured at amortised cost:		
Trade payables	**456**	841
Accruals and other payables	**1,703**	2,351
Amount due to an associate	**47**	57
Lease liabilities	**35,758**	—
	37,964	3,249

40. EVENTS AFTER THE REPORTING DATE

For the year ended 31 March 2020

The continuous outbreak of novel coronavirus ("COVID-19") from January 2020 has impacted the global business environment. Up to the date of these consolidated financial statements, COVID-19 has not caused material impact to the Group. Subject to the development and spread of COVID-19 subsequent to the date of these consolidated financial statements, it may have further impact on the Group's financial results, the extent of which could not be estimated as at the date of these consolidated financial statements. The Group will keep continuous attention on the change of situation and make timely responses and adjustments in the future.

For the year ended 31 March 2019

On 3 May 2019, Medic Savvy Media Limited, an indirectly wholly-owned subsidiary of the Company, entered into the Agreement with an independent third party pursuant to which the Group was granted the exclusive right to distribute and market the branded food and beverage products and the retail brand of the independent third party in Hong Kong through franchising arrangement of which details are set out in note 17(b).

FINANCIAL SUMMARY

The summary of the consolidated results of the Group for the year ended 31 March 2016 and of the assets, liabilities and equity as at 31 March 2016 have been extracted from the Prospectus. The consolidated results of the Group for the years ended 31 March 2017, 2018, 2019 and 2020 and the consolidated assets, liabilities and equity of the Group as at 31 March 2017, 2018, 2019 and 2020 are set out in the audited consolidated financial statements. The Group has initially applied HKFRS 16 at 1 April 2019. Under modified retrospective approach, comparative information is not restated. Further details of the change in accounting policies are disclosed in note 2(a) of the consolidated financial statement.

RESULTS

	Year ended 31 March				
	2020	2019	2018	2017	2016
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
REVENUE	**56,755**	61,192	56,946	59,528	55,824
(LOSS)/PROFIT BEFORE INCOME TAX (EXPENSE)/CREDIT	**(5,742)**	793	4,525	443*	16,731
INCOME TAX (EXPENSE)/CREDIT	**(135)**	15	(1,086)	(2,327)	(2,535)
(LOSS)/PROFIT FOR THE YEAR	**(5,877)**	808	3,439	(1,884)	14,196
(LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY	**(5,687)**	644	3,439	(1,884)	14,196

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

ASSETS AND LIABILITIES

	As at 31 March				
	2020	2019	2018	2017	2016
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
NON-CURRENT ASSETS	**43,434**	5,134	3,550	210	296
CURRENT ASSETS	**61,634**	76,182	74,111	70,705	41,712
TOTAL ASSETS	**105,068**	81,316	77,661	70,915	42,008
NON-CURRENT LIABILITY	**17,651**	—	—	—	—
CURRENT LIABILITIES	**29,544**	17,386	14,875	11,568	13,342
TOTAL LIABILITIES	**47,195**	17,386	14,875	11,568	13,342
NET ASSETS	**57,873**	63,930	62,786	59,347	28,666
EQUITY					
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	**57,743**	63,430	62,786	59,347	28,666