GURU 2020

ANNUAL REPORT

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

(Incorporated in the Cayman Islands with limited liability) Stock Code: 8121

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

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

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

Non-executive Directors

Mr. Wang Zhong Lei
Ms. Cheung Laam

Independent non-executive Directors

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

AUTHORISED REPRESENTATIVES

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

COMPLIANCE OFFICER

Mr. Ng Chi Fung

COMPANY SECRETARY

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

REGISTERED OFFICE

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Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited
(formerly known as Estera Trust (Cayman) Limited)
Clifton House
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Grand Cayman KY1-1108
Cayman Islands

CORPORATE INFORMATION

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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LEGAL ADVISERS TO THE COMPANY

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Certified Public Accountants
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33 Hysan Avenue, Causeway Bay
Hong Kong

STOCK CODE

8121

COMPANY'S WEBSITE

www.guruonline.hk

CHAIRMAN'S STATEMENT

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "**Board**") of Directors of the Company, I am pleased to present the annual report of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 March 2020 (the "**Year**").

During the Year, the retail industry was weak, plus the impact of the outbreak of COVID-19 (the "**Pandemic**") in early 2020 to global economies, our performance was affected in the last quarter of the Year. When the Pandemic became increasingly severe in March 2020, the tourism industry was paralyzed, affecting many customers in the industry with promotional activities suspended. Fortunately, the Group already has in place an established customer base, and our revenue generated from customers in the tourism only constituted less than 3% of our total revenue for the Year. Our business operations can be conducted online, so we were able to switch to work-from-home mode for employees to protect the safety and health of our staff. We also maintained close communication with our business partners, to minimise the influence of the Pandemic on our business.

As a leader in the digital marketing industry, the Group has launched innovative marketing solutions. It integrates technologies such as programmable tools and artificial intelligence ("**AI**") into marketing projects. During the Year, the Group continued to push forward this development, as the spread of the Pandemic brought changes to the digital marketing industry. We have observed clients' intention to revise their marketing strategies, to reallocate resources from digital advertisements to other social media management services or creative and technology services, as evidenced by rising market demand for four major products, including online "Chatbot", augmented reality ("**AR**"), big data and short videos. New products tend to emphasise interaction with consumers, as customers clearly want to turn advertising investment into sales.

In addition, greater interactivity with consumers can strengthen their loyalty to the customers' brand. We have launched marketing activities with a famous indoor entertainment experience brand from northern Europe, which required the Group to use big data from different channels, integrate the customer data collected internally, externally and from websites through their programmable tool, and then strengthen the effect of promotion. We also replicated related big data algorithm and analysis models in a few countries in southeast Asia, including Singapore and Thailand, thus generating satisfactory growth in regional sales, thereby promoting appropriate marketing solutions as a strong appeal to our customers.

Apart from its business development, the Group also continued to gain industry recognition and maintained its leading market position. It garnered a number of awards at the Agency of the Year Awards 2019 organised by *Marketing* Magazine, including the "Innovative Agency of the Year (Gold Award and Local Hero)", "Social Media Agency of the Year (Silver Award)" and "Digital Agency of the Year (Bronze Award and Local Hero)". Some of the Group's customers also won industry awards for their marketing projects, reflecting the acknowledgement from external sectors for the Group's efforts. By adhering to its "innovation first" principle, the Group will continue to launch more marketing solutions that lead business trends.

CHAIRMAN'S STATEMENT

While the Pandemic has hit the economic growth of industries hard, the Group believes that the markets will gradually recover after the Pandemic and create more favorable conditions for economic recovery. The Group also sees new opportunities in the market despite the drastic changes the Pandemic has brought to everyday life and social interactions. Market demand for online products or services has been increasing and the time spent on the Internet by consumers has also reached a new historic high. The new amenities generated from distance business operations will also create more new markets. The Group will continue to explore new opportunities and its teams will realise their expertise and creativity to develop new solutions which meet market needs.

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

Yip Shek Lun
Chief Executive Officer, Chairman of the Board and Executive Director
18 June 2020

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

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

BUSINESS REVIEW

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

During the Year under review, a variety of uncertainties plagued the global economic development. Consequently, the retail market reported a weak performance and customers reduced their marketing efforts. Pandemic aggravated the already sluggish economic environment. The tourism industry was the first to be hit hard and has operated under tough conditions, and customers in this industry were forced to suspend marketing campaigns. Fortunately, the Group has previously established a customer base. Our revenue generated from customers in the tourism industry constituted less than 3% of our total revenue for the Year. Nevertheless, our overall performance for the Year was still adversely affected. In facing challenges, the Group adopted a flexible approach to adjust its work arrangement. It implemented remote working procedures when the Pandemic became increasingly severe, so that business operations could be carried out through the Internet. While ensuring the safety and health of our staff, the measure also enabled the Group to maintain close communication with its customers, in order to minimise the impact of the Pandemic.

During the Year, the trend of the customers' market strategies began to shift. There were signs that resources allocated for digital advertisement were being allocated to other social media management services or creative and technology services. The Group continued to integrate technology into its marketing projects through the adoption of programmable tools and AI. As more and more customers are demanding online products with the "Chatbot" feature, the market will more readily accept the marketing activities powered by an automated system around-the-clock. With the Pandemic, there was an apparent upward trend for the demand of both new and existing customers for online "Chatbot". As such, the "Chatbot" has enhanced the Group's role from purely customer services to customer relationship management as well as driving traffic, thereby presenting new business opportunities.

Consumers stayed at home to spend money during the Pandemic. Some particular industries reported a growth in online sales. Customers of the Group had to look for means to provide a meaningful shopping experience for consumers in order to retain their own customers. During the Year, the Group has launched AR online marketing solutions for social media platforms for several Japanese cosmetic and sushi chain brands. This allows consumers to enjoy online shopping safely without having to leave their homes. Since there is still no clear sign as to when the Pandemic will be completely over, it is believed that more customers will be interested in similar solutions in the future.

Big data is another segment offering huge development potential. The Group has collaborated with a renowned indoor entertainment experience brand in northern Europe since the last financial year and the performance has been satisfactory. During the Year under review, the two companies started working on big data-based solutions together by consolidating the data received from both internal and external channels as well as websites through programmable tools. This enabled the customer to assess the needs of target consumer groups more accurately and thus enhanced the marketing effectiveness. The Group has also successfully replicated the algorithm and analysis model of big data-related solutions for a few countries in southeast Asia, including Singapore and Thailand.

In addition, the Group has considered short videos as a new trend in social media content since the last financial year, with enormous development potential. To tap that potential, the Group has signed a cooperation agreement with one of the most popular social video platforms in China. While the revenue generated by short videos was not significant during the Year, we believe that it can enrich its product portfolio in the long term, thereby allowing the Group to offer more comprehensive and diverse digital marketing solutions to our customers.

FINANCIAL REVIEW

Revenue

The Group's revenue was generated from the integrated digital marketing business which divided from the provision of (i) social media management services; (ii) creative and technology services; and (iii) digital advertisement placement services. For the Year, our total revenue amounted to approximately HK$153.40 million (2019: HK$207.13 million).

For the Year, our revenue generated from (i) social media management services amounted to approximately HK$72.75 million (2019: approximately HK$79.45 million), representing approximately 47.43% of our total revenue (2019: approximately 38.36%); (ii) digital advertisement placement services amounted to approximately HK$17.52 million (2019: approximately HK$30.11 million), representing approximately 11.42% of our total revenue (2019: approximately 14.53%); and (iii) creative and technology services amounted to approximately HK$63.14 million (2019: approximately HK$97.57 million), representing approximately 41.15% of our total revenue (2019: approximately 47.11%).

Overall, our total revenue decreased by approximately 25.94% from approximately HK$207.13 million for the year ended 31 March 2019 to approximately HK$153.40 million for the Year. Such decrease was mainly driven by the decrease in revenue generated from digital advertisement placement services and creative and technology services. During the Year, the Group minimised the operation cost incurred in cost of services. As a result, the Group's gross profit margin increased from approximately 31.86% for the year ended 31 March 2019 to approximately 34.41% for the Year.

Other income, gains or losses

Our other income, gains or losses increased by approximately 52.94% from approximately HK$1.36 million for the year ended 31 March 2019 to approximately HK$2.08 million for the Year, which was mainly attributable to the increase in disposal of blockchain projects.

SELLING EXPENSES

Staff costs

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

For the year ended 31 March 2019 and the Year, our staff cost under selling expenses amounted to approximately HK$10.08 million and HK$9.05 million, representing approximately 4.87% and 5.90% of our total revenue, respectively

Sales commission

For the year ended 31 March 2019 and the Year, our sales commission amounted to approximately HK$6.59 million and HK$5.26 million, representing approximately 3.18% and 3.43% of our total revenue, respectively.

Marketing-related expenses

For the year ended 31 March 2019 and the Year, our marketing-related expenses amounted to approximately HK$4.25 million and HK$3.44 million, representing approximately 2.05% and 2.24% of our total revenue, respectively.

ADMINISTRATIVE EXPENSES

Our administrative expenses decreased by approximately 14.33% from approximately HK$65.72 million for the year ended 31 March 2019 to approximately HK$56.30 million for the Year. Our administrative expenses mainly comprised administrative staff costs, foreign exchange loss, depreciation of right-of-use assets, utility expenses, building management fees, recruitment-related expenses and legal and professional fees. The decrease in our administrative expenses for the Year was mainly due to the decrease in administrative staff costs.

FINANCE COSTS

Our finance costs increased to approximately HK$0.17 million for the Year (2019: Nil) due to the adoption of HKFRS 16. This item comprises interest expense on lease liabilities.

INCOME TAX EXPENSE

The income tax expense increased from nil for the year ended 31 March 2019 to approximately HK$0.32 million for the Year, which was mainly attributable to the increase in PRC Enterprise Income Tax and Taiwan Corporate Income Tax for the Year.

LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY

For the Year, loss attributable to owners of the Company amounted to approximately HK$26.21 million, as compared to approximately HK$27.58 million for the year ended 31 March 2019. The decrease in loss attributable to owners of the Company was mainly due to the continuing implementation of the expense control policy, via which there was a decrease in staff costs incurred in administrative expenses and a decrease in marketing-related expenses incurred in selling expenses.

LIQUIDITY AND CAPITAL RESOURCES

As at 31 March 2020, the Group's current ratio was 1.19, compared to 1.78 as at 31 March 2019. The decrease in current ratio was mainly due to decrease in financial asset at fair value through profit or loss, increase contract liability and accrued expenses. As at 31 March 2020, the Group's bank balances and cash amounted to approximately HK$24.57 million (2019: approximately HK$7.96 million).

The total interest-bearing loans and borrowings (interest-bearing bank borrowings and bank overdrafts) of the Group as at 31 March 2020 were nil (2019: Nil).

During the Year, the Group did not experience any withdrawal of facilities, default in payment of trade and other payables, bank borrowing or breach of financial covenants. As at 31 March 2020, there was no amount due to related parties (2019: Nil). The Group does not have a foreign currency hedging policy. However, we monitor our exposure to foreign currency risk on an ongoing basis and would consider hedging against significant foreign currency exposure should it be necessary. The Group's financial position remained solid and we have sufficient bank balances and cash denominated in RMB to meet our foreign exchange liabilities as they become due.

CAPITAL STRUCTURE

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

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save for the business plan as disclosed in the prospectus of the Company dated 22 May 2015 (the "**Prospectus**") or otherwise disclosed in this annual report, the Group did not have any future plans for material investments or capital assets as at 31 March 2020.

SIGNIFICANT INVESTMENTS HELD

Financial asset at fair value through other comprehensive income

	As at 31 March 2020 HK$'000	As at 31 March 2019 HK$'000
Unlisted investments	**2,500**	2,500

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

As at 31 March 2020, the Group had unlisted investments at fair value of approximately HK$2.50 million which had been classified as non-current assets (2019: approximately HK$2.50 million). These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the Directors have elected to designate these investments in equity instruments at fair value through other comprehensive income as they believe that recognising short-term fluctuations of these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding them for long-term investment purposes and realising their performance potential in the long run.

The details of such investment are set out in note 20 to the consolidated financial statements.

Financial asset at fair value through profit or loss

The following table sets out the particulars and movement of our financial asset at fair value through profit or loss at the end of the reporting period:

Name/fund details	Nature of business	Number of shares/Units held as at 31 March 2020	Carrying amount as at 31 March 2019 HK$'000	Disposal during the Year HK$'000	Unrealised gain (loss) on change in fair value HK$'000	Realised gain (loss) on disposal during the Year HK$'000	Carrying amount as at 31 March 2020 HK$'000	Percentage to the Group's total assets as at 31 March 2020	Dividend received during the Year HK$'000
SIS International Holdings Limited	Note A	50,000	1,148	(712)	197	(535)	98	0.10%	20
Tencent Holdings Limited	Note B	–	361	(396)	48	(13)	–	–	1
ICBC CSOP S&P New China Sectors ETF	Note C	–	357	(345)	42	(54)	–	–	–
Premia CSI Caixin China Bedrock Economy ETF	Note D	–	340	(294)	47	(93)	–	–	–
Greenland Hong Kong Holdings Limited	Note E	–	169	(191)	(12)	34	–	–	–
Listed equity securities			**2,375**	**(1,938)**	**322**	**(661)**	**98**	**0.10%**	**21**

Name/fund details	Nature of business	Number of shares/Units held as at 31 March 2020	Carrying amount as at 31 March 2019 HK$'000	Disposal during the Year HK$'000	Unrealised gain (loss) on change in fair value HK$'000	Realised gain (loss) on disposal during the Year HK$'000	Carrying amount as at 31 March 2020 HK$'000	Percentage to the Group's total assets as at 31 March 2020	Dividend received during the Year HK$'000
BlackRock Global Funds SICAV – Asian Growth Leaders Fund A2-capitalisation	Investment in fund	–	342	(349)	49	(42)	–	–	–
Fidelity Funds Sicav – Asian High Yield Funds A-USD-Mdist	Investment in fund	–	747	(657)	36	(126)	–	–	46
First Trust Exchange-Traded AlphaDEX Fund II Emerging Markets Small Cap	Investment in fund	–	679	(675)	116	(120)	–	–	5
iShares Edge MSCI Multifactor Emerging Markets ETF	Investment in fund	–	1,064	(1,029)	206	(241)	–	–	8
iShares Edge MSCI Multifactor Global ETF	Investment in fund	–	721	(696)	58	(83)	–	–	–
iShares MSCI India Small Cap Index Fund	Investment in fund	–	191	(176)	36	(51)	–	–	–
JPMorgan Vietnam Opportunities Fund USD-acc	Investment in fund	2,298.85	310	–	(108)	–	202	0.21%	–
UBS (Cay) China A Opportunity A	Investment in fund	–	1,921	(2,046)	37	88	–	–	–
WisdomTree Emerging Markets ex-State-Owned Enterprises Fund	Investment in fund	–	361	(339)	35	(57)	–	–	–
Listed fund investments			**6,336**	**(5,967)**	**465**	**(632)**	**202**	**0.21%**	**59**
Manulife Inv Allianz and Growth Fund (dist)	Investment in fund	128,187.25	930	–	(162)	–	768	0.81%	78
UBS (LUX) Equity Fund FCP-China Opportunity (USD) P-acc	Investment in fund	–	1,130	(1,233)	(141)	244	–	–	2
Unlisted fund investments			**2,060**	**(1,233)**	**(303)**	**244**	**768**	**0.81%**	**80**
Total			**10,771**	**(9,138)**	**484**	**(1,049)**	**1,068**	**1.12%**	**160**

Note A: Distribution of mobile and IT products, investments in promising businesses and investments in real estate.

Note B: Principally engaged in the provision of value-added services and online advertising services to users in the PRC.

Note C: It is a physical Exchange Traded Fund ("**ETF**") which invests directly in the S&P New China Sector Index securities, which is designed to reflect the performance of the new growth China consumption and services-oriented entities selected by float-adjusted market capitalisation.

Note D: Premia CSI Caixin China New Economy ETF (the "**Sub-Fund**") is a sub-fund of Premia ETF Series, which is an umbrella unit trust established under Hong Kong law. The units of the Sub-Fund are listed on the Stock Exchange.

Note E: Greenland has cultivated a multilateral layout of "real estate development as the main business, associated with the other fields of large infrastructure, large finance, large consumption, health care industry, and science and technology" in the world.

Investment properties

As at 31 March 2020, the Group had investment properties measured at cost less accumulated depreciation and impairment, and the aggregate carrying amount of which amounted to approximately HK$21.34 million (2019: approximately HK$26.76 million), which consisted of 5 car parks spaces and 3 leasehold premises (2019: 8 car parks spaces and 3 leasehold premises). The investment properties were purchased from different parties at consideration ranging from approximately HK$3.89 million to HK$6.08 million. The fair value of the investment properties as at 31 March 2020 was approximately HK$22.94 million (2019: approximately HK$32.52 million). The Group intends to hold the investment properties for capital appreciation. The details of investment properties are set out in note 17 to the consolidated financial statements.

Save as disclosed above and the investments in subsidiaries and associates by the Company, the Group did not hold any significant investments during the Year.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 March 2020 (2019: Nil).

CHARGE OF ASSETS

The Group did not have any charges on its assets as at 31 March 2020 (2019: Nil).

FOREIGN EXCHANGE EXPOSURE

As at 31 March 2020, the Group had a portion of its bank deposits denominated in RMB. The Group does not have a foreign currency hedging policy but the management of the Group monitors the Group's exposure to foreign currency risk and would consider taking appropriate actions when necessary. The above-mentioned bank deposits denominated in RMB amounted to approximately HK$1.57 million as at 31 March 2020 (2019: approximately HK$0.67 million).

GEARING RATIO

As at 31 March 2020, the Group did not have any interest-bearing debt and hence gearing ratio was not applicable (2019: Nil).

DIVIDEND

The Board has resolved not to recommend a final dividend for the Year (2019: Nil).

TREASURY POLICIES

The Group has adopted a conservative approach towards its treasury policies. The credit risk facing the Group is primarily attributable to trade receivables, rental deposits, amounts due from associates, and bank balances. In order to minimise the credit risk, the management of the Group regularly reviews the recoverable amount of each individual trade debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. Through these actions, the Directors considered that the Group's credit risk on trade debts has been significantly reduced. Our concentration of credit risk by geographical locations is mainly in Hong Kong, which accounted for approximately 80% and 76% of the total trade receivables as at 31 March 2020 and 2019, respectively.

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

FINANCIAL KEY PERFORMANCE INDICATORS

For the Year, our total revenue amounted to approximately HK$153.40 million (2019: approximately HK$207.13 million). Loss attributable to owners of the Company amounted to approximately HK$26.21 million (2019: HK$27.58 million). Loss per share attributable to owners of the Company for the Year was HK1.57 cents (2019: HK1.65 cents).

During the Year, the Group recorded a decrease in loss mainly due to the continuing implementation of the expense control policy, via which there was a decrease in staff costs incurred in administrative expenses and a decrease in marketing-related expenses incurred in selling expenses.

As at 31 March 2020, the current ratio was approximately 1.19 (2019: approximately 1.78). The Group did not have any interest-bearing debt and hence gearing ratio was not applicable as at 31 March 2020 (2019: Nil). The Group's financial position remained solid.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2020, the Group employed 200 full-time employees (2019: 241). For the Year, our staff costs (including Directors' emoluments) were approximately HK$85.22 million (2019: approximately HK$99.46 million). Remuneration is determined with reference to market terms and the performance, qualification and experience of the employees aiming at attracting and retaining eligible employees to contribute to the Group. Apart from basic remuneration, share options may be granted under the share option scheme of the Company to eligible employees by reference to the Group's performance as well as the individual's contribution.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's principal risks and uncertainties are summarised as follows:

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

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

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

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

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

ENVIRONMENTAL POLICIES AND PERFORMANCE

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

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

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

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

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

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

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

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

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

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

OUTLOOK AND PROSPECTS

Looking ahead, in spite of the ongoing uncertainties in the macroeconomic environment, the Group still believes that there are still vast scope for development in the digital marketing sector. During the Pandemic, the Group has proactively maintained close communication with its customers. Although some of its customers postponed their marketing activities, the Group was still able to maintain the overall number of customers similar to that of last year. This success demonstrates the Group's solid long-term and good relationship with its customers.

The Group believes that the global economy will gradually revive as the Pandemic recedes, and the Pandemic will present new opportunities to the market. New ancillary businesses derived from remote business operation are also expected to create new markets. If customers witness a significant increase in the receptivity of consumers to online sales, they will tend to allocate more resources to integrated digital marketing products in order to grasp early mover advantages. The Group believes that the technology-driven marketing projects, which are integrated with programmable tools and AI technology, will further promote overall development of the digital marketing sector. In the future, the Group will continue to incorporate technology elements to its services in order to boost total revenue.

Moreover, apart from delivering faster speed over the internet network, the arrival of the 5G era is also expected to create more opportunities for the digital marketing sector. With the introduction of the commercial use of 5G, video content format will gradually become a mainstream. Furthermore, virtual reality and AR applications will be more widely deployed to offer a richer visual presentation of product advertising and render the advertising more lively, with the aim of enhancing the consumer online shopping experience. The Group is eagerly looking forward to the arrival of the 5G era and providing more innovative digital marketing solutions to a greater number of customers.

The Group has established a solid reputation in the Hong Kong and PRC markets. As a market leader, it has launched many marketing solutions that advanced the reach of its business and plans to further expand its market presence. Last year, the Group embarked on its business expansion plan to the Taiwan region, establishing an office in Taipei which will commence operation after the Pandemic wanes. The Group believes that there is strong demand for digital marketing in Taiwan, particularly from general consumer business clients, so the expansion into Taiwan will bring significant benefits to its overall development in the long run.

To summarise, despite the uncertain macroeconomic environment, the management still maintains its confidence in the Group's long-term development. The Group will seize increasing business opportunities in the internet industry, keep abreast of and promptly respond to the market changes, and create the best value for its shareholders and customers.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Yip Shek Lun (葉碩麟), aged 38, was appointed as an executive Director on 6 February 2014 and has been holding this position since then. He is also the chief executive officer and chairman of the Board. Mr. Yip is one of the founders of the Group and one of the controlling shareholders of the Company. Mr. Yip is primarily responsible for the day-to-day management of the Group, formulating overall business development strategies and overseeing the PRC operations of the Group. He is a member of the remuneration committee and nomination committee of the Board. Mr. Yip is the spouse of Ms. Wan Wai Ting, an executive Director.

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

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

Mr. Ng Chi Fung (伍致豐), aged 37, was appointed as a Director on 10 January 2014 and was re-designated as an executive Director on 6 February 2014. He has been an executive Director since then. Mr. Ng is also one of the founders of the Group and one of the controlling shareholders of the Company. Mr. Ng is primarily responsible for the overall business administration, sales and marketing and management of the Group.

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

* *For identification purpose only*

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

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

Ms. Wan Wai Ting (尹瑋婷), aged 37, was appointed as an executive Director on 6 February 2014 and has been holding this position since then. Ms. Wan is also one of the founders of the Group and one of the controlling shareholders of the Company. Ms. Wan is the chief creative director of AdBeyond HK, a wholly-owned subsidiary of the Company. She is responsible for supervising our PRC business development and projects. Ms. Wan is the spouse of Mr. Yip Shek Lun, an executive Director, chief executive officer and chairman of the Board.

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

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

* *For identification purpose only*

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

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

NON-EXECUTIVE DIRECTORS

Mr. Wang Zhong Lei (王忠磊), aged 50, was appointed as a non-executive Director on 9 December 2015 and has been holding this position since then. Mr. Wang graduated from Beijing Youth Politics College. He has nearly 20 years of management experience in marketing and is a well-known film producer in the PRC.

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

Ms. Cheung Laam (張嵐), aged 45, was appointed as a non-executive Director on 6 February 2014 and has been holding this position since then. Ms. Cheung is the sister of Mr. Cheung Wing Hon, a former Director.

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

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

* *For identification purpose only*

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tso Ping Cheong, Brian (曹炳昌), aged 40, was appointed as an independent non-executive Director on 28 May 2014 and has been holding this position since then. He is the chairman of the audit committee and a member of the nomination committee of the Board.

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

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

Mr. Tso is currently an independent non-executive director of the following companies listed on the Stock Exchange: Newtree Group Holdings Limited (stock code: 1323), Shenglong Splendecor International Limited (stock code: 8481), EFT Solutions Holdings Limited (stock code: 8062) and Maxicity Holdings Limited (stock code: 8216).

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BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Mr. David Tsoi (蔡大維), aged 73, was appointed as our independent non-executive Director on 28 May 2014 and has been holding this position since then. He is a member of the audit committee of the Board.

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

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

Mr. Hong Ming Sang (項明生), aged 50, was appointed as an independent non-executive Director on 28 May 2014 and has been holding this position since then. He is a member of the audit committee and the chairman of the remuneration committee of the Board.

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

* *For identification purpose only*

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Lam Tung Leung (林棟樑), aged 35, was appointed as an independent non-executive Director on 28 May 2014 and has been holding this position since then. He is a member of the remuneration committee and the chairman of the nomination committee of the Board.

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

SENIOR MANAGEMENT

Mr. Wong Yuet Fu, Alfred (黃越富), aged 35, joined the Group in October 2011 as the chief accountant of AdBeyond HK and is currently the chief financial officer of the Group. He is primarily responsible for the overall accounting and financial management of the Group.

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

* *For identification purpose only*

REPORT OF THE DIRECTORS

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

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of the Group's subsidiaries are set out in note 34 to the consolidated financial statements.

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

CLOSURE OF REGISTER OF MEMBERS

In order to establish entitlements to attend and vote at the forthcoming annual general meeting of the Company to be held on Friday, 7 August 2020 (the "**2020 AGM**"), the register of members of the Company will be closed from Monday, 3 August 2020 to Friday, 7 August 2020 (both days inclusive), during which period no transfer of the Shares will be registered. Shareholders of the Company (the "**Shareholders**") are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 31 July 2020.

BUSINESS REVIEW

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

SEGMENT INFORMATION

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

REPORT OF THE DIRECTORS

RESULTS AND APPROPRIATIONS

The Group's results for the Year and the state of affairs of the Group as at 31 March 2020 are set out in the consolidated financial statements from pages 72 to 149 of this annual report.

The Board has resolved not to recommend the payment of a final dividend for the Year (2019: Nil).

SHARE PREMIUM AND RESERVES

Details of movements in the share premium and reserves of the Company and the Group during the Year are set out in note 33 to the consolidated financial statements and the consolidated statement of changes in equity, respectively.

PLANT AND EQUIPMENT

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

SHARE CAPITAL

Details of movements in the Company's share capital during the Year are set out in note 28 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company as at 31 March 2020, including the share premium, available for distribution, calculated in accordance with the provision of Companies Laws of Cayman Islands was nil (2019: approximately HK$6.92 million).

CHARITABLE DONATIONS

Charitable and other donations made by the Group during the Year was nil (2019: Nil).

PRE-EMPTIVE RIGHTS

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

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 150 of this annual report.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

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

SHARE OPTION SCHEME

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

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

(a) Purpose of the Share Option Scheme

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

(b) Participants of the Share Option Scheme

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(e) Timing for exercising option

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

(f) Acceptance and payment on acceptance of option offer

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

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

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

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

(i) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Shares on the date of the offer of grant, which must be a business day;

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

(iii) the nominal value of the Shares.

(h) Duration of the Share Option Scheme

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

During the Year, no share option has been granted, exercised, expired, cancelled or lapsed under the Share Option Scheme. As at 31 March 2020, the outstanding number of share options available for grant under the Share Option Scheme is 166,720,000 share options to subscribe for Shares, which, if granted and exercised in full, represent approximately 10% of the Shares in issue as at the date of this annual report.

REPORT OF THE DIRECTORS

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

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

DIRECTORS

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

Executive Directors

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

Non-executive Directors

Mr. Wang Zhong Lei
Ms. Cheung Laam

Independent non-executive Directors

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

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

REPORT OF THE DIRECTORS

In accordance with article 108 of the Articles, Mr. Yip Shek Lun, Mr. Hong Ming Sang and Mr. Lam Tung Leung will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming 2020 AGM.

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

CHANGES IN INFORMATION OF DIRECTORS

Mr. Tso Ping Cheong, Brian resigned as an independent non-executive director of Larry Jewelry International Company Limited (a company listed on the Stock Exchange, stock code: 8351) with effect from 1 September 2019.

He was appointed as an independent non-executive director of i) EFT Solutions Holdings Limited (a company listed on the Stock Exchange, stock code: 8062) with effect from 11 September 2019 and ii) Maxicity Holdings Limited (a company listed on the Stock Exchange, stock code: 8216) with effect from 25 November 2019.

DIRECTORS' SERVICE CONTRACTS

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

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

None of the Directors proposed for re-election at the 2020 AGM has or is proposed to have a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No transactions, arrangements or contracts of significance in relation to the business of the Group to which the Company or any of its subsidiaries was a party, and in which a Director or an entity connected with the Director had a material interest, whether directly or indirectly, subsisted as at 31 March 2020 or at any time during the Year.

EMOLUMENT POLICY

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

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

No Director has waived or has agreed to waive any emoluments during the Year, save and except that Mr. Wang Zhong Lei, a non-executive Director, did not receive any remuneration (including director's fee, salaries, allowances, benefits in kind and employer's contribution to pension scheme) as a non-executive Director.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Biographical information of Directors and senior management of the Group are set out from pages 19 to 24 of this annual report.

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

As at 31 March 2020, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the"**SFO**")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long position in the Shares

Name	Nature of interest	Total number of Shares held	Percentage of shareholding
Mr. Yip Shek Lun ("**Mr. Alan Yip**") (Chief executive officer and chairman of the Board)	Interests held jointly with another person (Note 1)	349,460,000	20.96%
	Interest in controlled corporation (Note 2)/ Interest of spouse (Note 3)	249,120,000	14.94%
Ms. Wan Wai Ting ("**Ms. Karin Wan**")	Interests held jointly with another person (Note 1)	349,460,000	20.96%
	Interest in controlled corporation (Note 2)/ Interest of spouse (Note 3)	249,120,000	14.94%
Mr. Ng Chi Fung ("**Mr. Jeff Ng**")	Interests held jointly with another person (Note 1)	415,700,000	24.93%
	Beneficial owner	182,880,000	10.97%

Notes:

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

2. These Shares are held by Cooper Global Capital Limited ("**Cooper Global**"), which is owned as to 50.00% by Mr. Alan Yip and 50.00% by Ms. Karin Wan. By virtue of the SFO, Mr. Alan Yip and Ms. Karin Wan are deemed to be interested in the Shares held by Cooper Global.

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

Save as disclosed above, as at 31 March 2020, none of the Directors nor chief executive of the Company has registered any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

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

So far as the Directors are aware, as at 31 March 2020, the following persons (other than the Directors or chief executive of the Company) had or deemed or taken to have an interest and/or short position in the Shares or the underlying Shares which were required to be recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO, or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Long position in the Shares

Name	Nature of interest	Total number of Shares held	Percentage of shareholding
Cooper Global	Beneficial owner	249,120,000	14.94%
Ms. Liza Wang	Interests held jointly with another person (Note 1)	432,000,000	25.91%
	Beneficial owner	166,580,000	9.99%
Mr. Luk Ting Kwan, Jerry	Interest of spouse (Note 2)	598,580,000	35.90%
Huayi Brothers International Investment Ltd ("**Huayi Brothers**")	Beneficial owner	248,970,000	14.93%
HUAYI BROTHERS INTERNATIONAL LIMITED ("**Huayi Brothers International**")	Interest in controlled corporation (Note 3)	248,970,000	14.93%
Huayi Brothers Media Corporation ("**Huayi Brothers Media**")	Interest in controlled corporation (Note 3)	248,970,000	14.93%
HGI GROWTH CAPITAL LIMITED ("**HGI Growth**")	Beneficial owner	132,720,000	7.96%
Mr. Cheung Wing Hon ("**Mr. Patrick Cheung**")	Interest in controlled corporation (Note 4)	132,720,000	7.96%
Ms. Lo Wai Kei	Interest of spouse (Note 5)	132,720,000	7.96%
PURE FORCE INVESTMENTS LIMITED ("**Pure Force**")	Beneficial owner	109,930,000	6.59%
Mr. Wong Yuet Yeung Harry ("**Mr. Harry Wong**")	Interest in controlled corporation (Note 6)	109,930,000	6.59%

Notes:

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

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

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

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

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

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

Save as disclosed above, as at 31 March 2020, the Directors were not aware of any other persons who had or deemed or taken to have any interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of interests required to be kept by the Company under Section 336 of the SFO.

MANAGEMENT CONTRACTS

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

MAJOR SUPPLIERS

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

	2020	2019
– the largest supplier	**15.63%**	14.93%
– five largest suppliers combined	**50.29%**	39.43%

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

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

The agreement dated 7 March 2014 entered into between AdBeyond HK and VDS in relation to the provision of online monitoring services and related video production services by VDS to AdBeyond HK (as amended by a supplemental agreement dated 28 January 2015 entered into between the same parties (together, the "**VDS Service Agreement**")) was renewed by the Board's approval, issue of announcement and independent Shareholders' approval on 8 August 2017 with a term of three years from 7 March 2017. In particular, under the VDS Service Agreement, before the Group places a purchase order, the Group and VDS shall negotiate in good faith for, and agree upon, the particular terms of such purchase order (such as the particulars and specifications of the online monitoring services and related video production services, the service fee to be charged by VDS, payment method and schedule, reimbursement of out-of-pocket expenses, time for completion and delivery of the online monitoring services and related video production services, etc.) The VDS Service Agreement entered on 7 March 2017 was expired on 6 March 2020.

The aggregate service fees paid to VDS amounted to approximately HK$0.35 million and HK$7.74 million for the Year and the year ended 31 March 2019, respectively, accounting for approximately 0.57% and 7.96%, respectively, of our total cost of services, excluding staff costs, for the respective periods.

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

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

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

MAJOR CUSTOMERS

The percentage of revenue for the Year attributable to the Group's five largest customers accounted for approximately 16.46% (2019: 24.78%) of the Group's total revenue for the Year. The largest customer accounted for approximately 3.87% (2019: approximately 11.04%) of the Group's total revenue for the Year.

To the best knowledge of the Directors, none of the Directors, their respective close associates nor any Shareholders (who or which, to the acknowledge of the Directors, owns more than 5% of the issued share capital of the Company), had any interest in any of the Group's top five customers.

RELATED PARTY TRANSACTIONS

Details of the related party transactions entered into by the Group are set out in note 32 to the consolidated financial statements. The related party transactions as set out therein which are in respect of the remuneration of the Directors constitute connected transactions exempt from reporting, announcement and independent shareholders' approval requirements pursuant to the GEM Listing Rules.

Save as disclosed above, the related party transactions set out in note 32 to the consolidated financial statements do not fall under the definition of "connected transaction" or "continuing connected transaction" under Chapter 20 of the GEM Listing Rules.

CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION

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

SUFFICIENCY OF PUBLIC FLOAT

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

DIRECTORS' INTERESTS IN COMPETING BUSINESS

The Directors are not aware of any business or interest of the Directors nor the controlling shareholders of the Company nor any of their respective close associates that competes or may compete, directly or indirectly, with the Group's business and any other conflicts of interest which any such person has or may have with the Group during the Year.

DEED OF NON-COMPETITION

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

CONTROLLING SHAREHOLDERS' INTEREST

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

EVENTS AFTER THE REPORTING PERIOD

Disposal of investment properties

In June 2020, the Group disposed of two investment properties in Hong Kong with carrying amount of approximately HK$3,439,000 for total consideration of approximately HK$3,759,000, resulting in gain on disposal of investment properties of approximately HK$320,000.

CORPORATE GOVERNANCE

Details of the corporate governance practices adopted by the Company are set out from pages 43 to 56 of this annual report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group's environmental, social and governance report is set out from pages 57 to 68 of this annual report.

REVIEW BY AUDIT COMMITTEE

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

AUDITOR

The consolidated financial statements for the Year have been audited by SHINEWING (HK) CPA Limited who will retire and, being eligible, offer themselves for re-appointment at the 2020 AGM. A resolution for the re-appointment of SHINEWING (HK) CPA Limited as the auditor of the Company is to be proposed at the 2020 AGM. There has been no change in the auditor of the Company in the preceding three years.

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

Hong Kong, 18 June 2020

CORPORATE GOVERNANCE REPORT

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

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

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

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

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

CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS

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

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

BOARD OF DIRECTORS

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

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

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

Executive Directors:

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

Non-executive Directors:

Mr. Wang Zhong Lei
Ms. Cheung Laam

Independent non-executive Directors:

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

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

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

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

CORPORATE GOVERNANCE FUNCTIONS

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

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

BOARD DIVERSITY POLICY

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

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

DIRECTORS' ATTENDANCE AT BOARD MEETING AND GENERAL MEETING

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

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

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

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

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

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

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

Provision A.6.7 of the CG Code requires that independent non-executive directors and other non-executive directors shall attend general meetings and develop a balanced understanding of the views of shareholders. Ms. Cheung Laam and Mr. Wang Zhong Lei, being the non-executive Directors, did not attend the Company's annual general meeting held on 7 August 2019 due to their other unexpected business engagements.

APPOINTMENT AND RE-ELECTION OF THE DIRECTORS

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

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

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

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

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

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

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

In accordance with the Articles, Mr. Yip Shek Lun, Mr. Hong Ming Sang and Mr. Lam Tung Leung will retire at the 2020 AGM and being eligible, will offer themselves for re-election.

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

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

DIRECTORS' PARTICIPATION IN CONTINUOUS PROFESSIONAL DEVELOPMENT

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

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

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

AUDIT COMMITTEE

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

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

The Audit Committee held four meetings during the Year and has reviewed the Company's annual results for the year ended 31 March 2019 and the unaudited quarterly results and interim results during the Year as well as the Company's internal control procedures and risk management. Pursuant to the meeting of the Audit Committee held in June 2020, the Audit Committee has, together with the management of the Company and external independent auditor, reviewed the audited annual results of the Group for the Year and recommended approval by the Board.

REMUNERATION COMMITTEE

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

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

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

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

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

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

NOMINATION COMMITTEE

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

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

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

FINANCIAL REPORTING

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

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

AUDITOR'S REMUNERATION

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

Fees paid/payable	**HK$**
Annual audit services	400,000
Non-audit services	–
Total:	400,000

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

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

INTERNAL CONTROL AND RISK MANAGEMENT

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

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

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

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

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

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

COMPANY SECRETARY

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

COMPLIANCE OFFICER

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

SHAREHOLDERS' RIGHTS

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

Right to Convene EGMs and Procedures

Pursuant to article 64 of the Articles, the Board may, whenever it thinks fit, convene an EGM. Any one or more Shareholder(s) holding at the date of the deposit of the requisition not less than one tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition sent to the Board or the company secretary of the Company, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition.

If within 21 days from the date of the deposit of the requisition the Board fails to proceed to convene such meeting, the requisitionist(s) may convene a meeting in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed by the Company to the requisitionist(s).

Right to Put Enquiries to the Board

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

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

Right to Put Forward Proposals at General Meetings

There are no provisions allowing Shareholders to propose new resolutions at the general meetings under the Companies Law (as revised) of the Cayman Islands, as amended, modified and supplemental from time to time. However, pursuant to the Articles, Shareholders who wish to move a resolution may by means of requisitions convene an EGM following the procedures set out above.

DIVIDEND POLICY

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

CONSTITUTIONAL DOCUMENTS

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

INVESTOR RELATIONS

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

Share registration matters shall be handled for the Shareholders by the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

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

COMMUNICATION WITH STAKEHOLDERS

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

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

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

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

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

ENVIRONMENTAL POLICIES AND PERFORMANCE

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

EMISSIONS

The Group primarily provides integrated digital marketing services; hence, its operations do not produce significant hazardous wastes or air emissions including NOx, SOx, PM and other pollutants. However, greenhouse gas emissions are indirectly generated from electricity consumed at the Group's workplace with minimal emissions. Therefore, during the Year, the Group has promoted energy conservation as part of its holistic approach towards environmental protection, which also correlates with the Group's efforts to develop sustainable operations. Other measures have been implemented by the Group aimed at reducing its carbon footprint and conserving water resources. The Group has also introduced several waste management campaigns, including a paper recycling program. The Group's major source of non-hazardous waste in the office is paper waste with the volume of approximately 0.08 tonnes (2019: 0.12 tonnes). The Group has promoted a paperless work environment to reduce paper waste. The Group has not found any evidence of significant waste from its operations being disposed at landfills during the year.

The major source of CO_2 emissions of the Group was mainly generated from electricity used for maintaining the offices of the Group. During the Year, the indirect emission of CO_2 from purchased electricity was approximately 117.97 tonnes (2019: 119.79 tonnes).

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

USE OF RESOURCES

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

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

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

(1) Energy Consumption

Indicators	For the year ended 31 March 2020	2019	Change
Total energy consumption (kWh)	**221,210.00**	226,584.23	-2.37%
Total energy consumption per employee (kWh/employee)	**1,048.39**	868.14	+20.76%

(2) Water Consumption

Indicators	For the year ended 31 March 2020	2019	Change
Total water consumption (m^3)	**184.50**	165.00	+11.82%
Total water consumption per employee (m^3/employee)	**0.87**	0.63	+38.10%

(3) Paper Consumption

Indicators	For the year ended 31 March 2020	2019	Change
Total paper consumption (reams)	**235.00**	327.00	-28.13%
Total paper consumption per employee (reams/employee)	**1.11**	1.25	-11.20%

THE ENVIRONMENT AND NATURAL RESOURCES

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

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

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

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

EMPLOYMENT

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

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

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

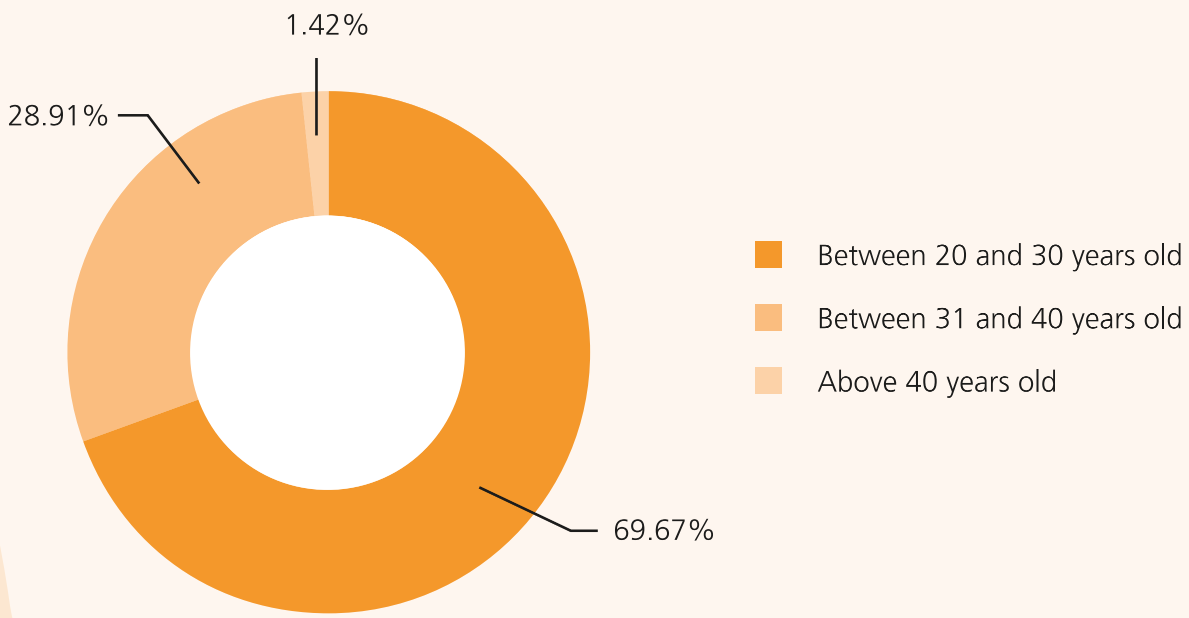
For the Year under review, the Group was not aware of any material non-compliance with applicable standards, rules and regulations relating to employment.

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

	For the year ended 31 March 2020
Total Number of Employees (including full-time and part-time employees)	211

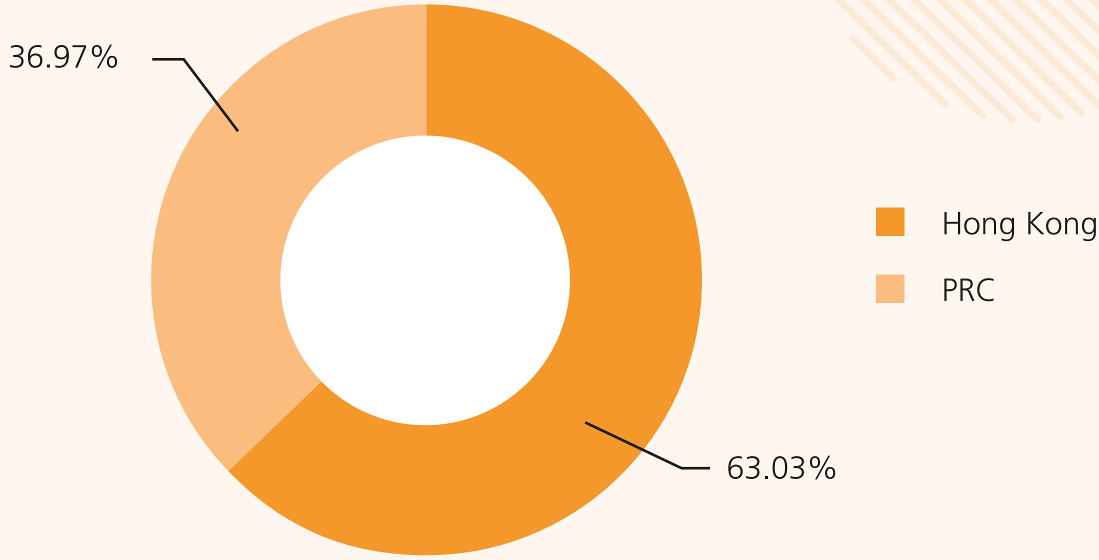
Our Workforce by Age Categories

Age Group	Percentage of Number of Employees
Between 20 and 30 years old	69.67%
Between 31 and 40 years old	28.91%
Above 40 years old	1.42%



Our Workforce by Geographic Region

Geographic Region	Percentage of Number of Employees
Hong Kong	63.03%
PRC	36.97%



HEALTH AND SAFETY

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

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

In the wake of the Pandemic, the Group has adopted a number of measures to protect the health and welfare of staff. This has included the daily distribution of surgical masks to employees; opening office windows where possible to maintain good ventilation; and since February 2020, employees have been allowed to work from home with the submission of daily progress reports to the human resources department. Furthermore, in cases where the family members of employees have recently travelled to Mainland China, such employees are required to self quarantine and work from home for 14 days. Also, all face-to-face interviews have been replaced with phone or video interviews, while all face-to-face meetings with clients have been replaced with video meetings.

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

The Group shows its genuine care for its employees by promoting a work-life balance to advance both health and career development. To this end, it provides a wide range of facilities including an outdoor balcony, table tennis tables, badminton rackets and a basketball equipment to encourage an active lifestyle. With respect to employees who are also nursing mothers, the Group has upgraded its offices to include rooms for such employees to express milk with privacy.

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

Health and Safety Indicators

	For the year ended 31 March 2020
Number of work injuries due to work	Nil
Number of lost days due to work injury	Nil
Number of work-related fatalities due to work	N/A

DEVELOPMENT AND TRAINING

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

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

Development and Training Indicators in Hong Kong

	For the year ended 31 March 2020
Total number of hours of internal training received by employees	70
Average number of hours of training per employee	40

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

LABOUR STANDARDS

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

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

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

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

SUPPLY CHAIN MANAGEMENT

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

Supply Chain Indicators

Total number of suppliers	**For the year ended 31 March 2020**
By Region:	
Hong Kong	216
PRC	53
Others	21

PRODUCT RESPONSIBILITY

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

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

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

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

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

Product Responsibility Indicators

	For the year ended 31 March 2020
Total number of orders	1,473
Total number of complaints received	–
Total number of legal dispute cases	–

ANTI-CORRUPTION

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

Anti-corruption Indicators

	For the year ended 31 March 2020
Number of concluded legal cases regarding corrupt practices bought against the issuer or its employees	–

COMMUNITY INVESTMENT

The Group fully understands the importance of giving back to the community, which includes ensuring that the young generation has a strong start in life. Consistent with this view, the Group has donated 15 PC computers, 15 notebook computers and 4 LCD monitors to Caritas Computer Workshop. Apart from helping those in need who can now get the equipment at an affordable price, the donation was also made for recycling and environmental caring purposes.

In addition, the Group has arranged youth-oriented activities, including an office visit for secondary school students in May 2019. Involving Form 5 students from Lingnan Dr. Chung Wing Kwong Memorial Secondary School, the event represented the last workshop of the School-Company-Parent Program organized by Young Entrepreneurs Development Council. During the occasion, Ms. Karin Wan, Co-Founder and Executive Director of Guru Online, shared her experience as an entrepreneur with the students. Subsequently, the students were given a guided tour of the Group's office and various facilities.

INDEPENDENT AUDITOR'S REPORT

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

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

OPINION

We have audited the consolidated financial statements of Guru Online (Holdings) Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred as the "**Group**") set out on pages 72 to 149, 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 (the "**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional 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.

RECOVERABILITY OF TRADE RECEIVABLES

Refer to note 21 to the consolidated financial statements and the accounting policies on pages 97 to 101.

The key audit matter

As at 31 March 2020, the Group had significant trade receivables of approximately HK$30,849,000. In view of the significant balance which accounted for approximately 50% of total current assets, the recoverability of trade receivables posed significant risk on the Group's liquidity.

Loss allowances for trade receivables are based on management's estimate of the lifetime expected credit losses to be incurred, which is estimated by taking into account the credit loss experience, ageing of overdue trade receivables, customers' repayment history and customers' financial position and an assessment of both the current and forecast general economic conditions, all of which involve a significant degree of management judgement.

How the matter was addressed in our audit

Our audit procedures to assess the recoverability of trade receivables included the following:

- evaluating techniques and methodology in the expected credit loss model against the requirement of HKFRS 9;
- assessing, on a sample basis, the ageing profile of the trade receivables as at 31 March 2020 to the underlying financial records and post year end settlements to bank receipts;
- inquiring of management for the status of the material trade receivables past due as at year end and corroborating explanations from management with supporting evidence, such as performing public search of selected customers, understanding on-going business relationship with the customers based on their trade records; and
- assessing the reasonableness of management's loss allowance estimates by examining the information used by management to form such judgements, including testing the accuracy of the historical default data, evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information and examining the actual losses recorded and assessing whether there was an indication of management bias when recognising loss allowances.

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

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

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

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

We have nothing to report in this regard.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion, solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional 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 of the Company.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Lee Shun Ming.

SHINEWING (HK) CPA Limited
Certified Public Accountants
Lee Shun Ming
Practising Certificate Number: P07068

Hong Kong
18 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	7	**153,404**	207,130
Cost of services		**(100,619)**	(141,132)
Gross profit		**52,785**	65,998
Other income, gains or losses	9	**2,079**	1,355
Selling expenses		**(22,656)**	(29,117)
Administrative expenses		**(56,303)**	(65,722)
Finance cost		**(166)**	–
Impairment loss on amounts due from associates		**(245)**	–
(Provision) reversal of impairment loss on trade receivables		**(113)**	579
Change in fair value of financial asset at fair value through profit or loss	24	**(565)**	(622)
Share of losses of associates	19	**(99)**	(50)
Impairment loss recognised for interests in associates	19	**(602)**	–
Loss before tax		**(25,885)**	(27,579)
Income tax expense	10	**(321)**	–
Loss for the year attributable to owners of the Company	11	**(26,206)**	(27,579)
Other comprehensive income (expense)			
Item that will not be reclassified subsequently to profit or loss:			
Change in fair value of financial asset at fair value through other comprehensive income		**–**	(1,500)
Item that will be subsequently reclassified to profit or loss:			
Exchange differences arising on translating foreign operations		**755**	866
Other comprehensive income (expense) for the year		**755**	(634)
Total comprehensive expense for the year attributable to owners of the Company		**(25,451)**	(28,213)
Loss per share			
Basic and diluted (HK cent)	15	**(1.57)**	(1.65)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2020

	NOTES	2020 HK$'000	2019 HK$'000
Non-current assets			
Plant and equipment	16	**5,883**	7,717
Investment properties	17	**21,340**	26,764
Interests in associates	19	**–**	701
Right-of-use assets	18	**1,342**	–
Financial asset at fair value through other comprehensive income	20	**2,500**	2,500
Deposits	22	**1,901**	1,798
		32,966	39,480
Current assets			
Trade receivables	21	**30,849**	34,294
Deposits, prepayments and other receivables	22	**4,660**	11,592
Amounts due from associates	23	**200**	410
Tax recoverable		**337**	564
Financial asset at fair value through profit or loss	24	**1,068**	10,771
Bank balances and cash	25	**24,571**	7,956
		61,685	65,587
Current liabilities			
Trade and other payables	26	**26,447**	21,126
Contract liability		**11,046**	5,652
Lease liabilities	18	**1,041**	–
Accrued expenses		**12,138**	9,052
Income tax payable		**1,036**	1,020
		51,708	36,850
Net current assets		**9,977**	28,737
Total assets less current liabilities		**42,943**	68,217
Non-current liabilities			
Deferred tax liability	27	**–**	–
Lease liabilities	18	**177**	–
		177	–
		42,766	68,217

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2020

	NOTES	**2020** **HK$'000**	2019 HK$'000
Capital and reserves			
Share capital	28	**16,672**	16,672
Reserves		**26,094**	51,545
Total equity		**42,766**	68,217

The consolidated financial statements on pages 72 to 149 were approved and authorised for issue by the board of directors on 18 June 2020 and are signed on its behalf by:

Yip Shek Lun
Director

Ng Chi Fung
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2020

	Share capital HK$'000	Share premium HK$'000	Share options reserve HK$'000	Financial asset revaluation reserve HK$'000	Exchange reserve HK$'000	Other reserve (Note) HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2018	16,672	78,559	5,045	(750)	(862)	46,657	(48,891)	96,430
Loss for the year	–	–	–	–	–	–	(27,579)	(27,579)
– Change in fair value of financial asset at fair value through other comprehensive income	–	–	–	(1,500)	–	–	–	(1,500)
– Exchange differences arising on translating foreign operations	–	–	–	–	866	–	–	866
Other comprehensive (expense) income for the year	–	–	–	(1,500)	866	–	–	(634)
Total comprehensive (expense) income for the year	–	–	–	(1,500)	866	–	(27,579)	(28,213)
Disposal of financial asset at fair value through other comprehensive income	–	–	–	750	–	–	(750)	–
Lapsed of share options	–	–	(5,045)	–	–	–	5,045	–
At 31 March 2019 and 1 April 2019	16,672	78,559	–	(1,500)	4	46,657	(72,175)	68,217
Loss for the year	–	–	–	–	–	–	(26,206)	(26,206)
– Change in fair value of financial asset at fair value through other comprehensive income	–	–	–	–	–	–	–	–
– Exchange differences arising on translating foreign operations	–	–	–	–	755	–	–	755
Other comprehensive (expense) income for the year	–	–	–	–	755	–	–	755
Total comprehensive (expense) income for the year	–	–	–	–	755	–	(26,206)	(25,451)
Disposal of financial asset at fair value through other comprehensive income	–	–	–	1,500	–	–	(1,500)	–
At 31 March 2020	16,672	78,559	–	–	759	46,657	(99,881)	42,766

Note:

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2020

	2020 HK$'000	2019 HK$'000
OPERATING ACTIVITIES		
Loss before tax	**(25,885)**	(27,579)
Adjustments for:		
Bank interest income	**(25)**	(16)
Interest income on debt investment at amortised cost	**–**	(109)
Dividends income	**(160)**	(335)
Loss on disposal of plant and equipment	**–**	12
Gain on disposal of investment properties	**(788)**	(687)
Net impairment loss recognised (reversed) in respect of trade receivables	**113**	(579)
Impairment loss on amounts due from associates	**245**	–
Depreciation of plant and equipment	**2,917**	3,284
Depreciation of investment properties	**644**	709
Depreciation of right-of-use assets	**5,886**	–
Finance cost	**166**	–
Change in fair value loss of financial asset at fair value through profit or loss	**565**	622
Impairment loss recognised for interests in associates	**602**	–
Share of losses of associates	**99**	50
Operating cash flows before movements in working capital	**(15,621)**	(24,628)
Decrease (increase) in trade receivables	**3,121**	(533)
Decrease (increase) in deposits, prepayments and other receivables	**6,765**	(4,088)
Decrease in financial asset at fair value through profit or loss	**9,139**	19,066
Increase in trade and other payables	**5,707**	7,665
Increase (decrease) in contract liabilities	**5,546**	(8,783)
Increase in accrued expenses	**3,559**	2,282
CASH FROM (USED IN) OPERATIONS	**18,216**	(9,019)
Income tax paid	**(48)**	(224)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	**18,168**	(9,243)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2020

	2020 HK$'000	2019 HK$'000
INVESTING ACTIVITIES		
Purchase of plant and equipment	**(1,102)**	(1,043)
Additions to investment properties	**(75)**	(10,127)
Advance to associates	**(35)**	–
Proceeds from disposal of investment properties	**5,643**	4,659
Dividends received from financial asset at fair value through other comprehensive income	**160**	335
Bank interest received	**25**	16
Purchase of financial assets at fair value through other comprehensive income	**–**	(2,500)
Proceeds from redemption of debt investment at amortised cost	**–**	6,650
Interest received from debt investment at amortised cost	**–**	109
Proceeds from disposal of plant and equipment	**–**	56
NET CASH FROM (USED IN) INVESTING ACTIVITIES	**4,616**	(1,845)
FINANCING ACTIVITY		
Repayment to lease liabilities	**(6,655)**	–
NET CASH USED IN FINANCING ACTIVITY	**(6,655)**	–
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**16,129**	(11,088)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**7,956**	18,565
Effect of foreign exchange rate changes	**486**	479
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash	**24,571**	7,956

1. GENERAL

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

The Company is principally engaged in investment holding. The principal activities of its subsidiaries are set out in note 34.

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

The consolidated financial statements are presented in HK$, which is the same as the functional currency of the Company.

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

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

HKFRS 16	Leases
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle

The adoption of HKFRS 16 resulted in changes in the Group's accounting policies and adjustments to the amounts recognised in the consolidated financial statements as summarised below.

The application of other new and amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and position for the current and prior years and on the disclosures set out in these consolidated financial statements.

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

2.1 Impacts on adoption of HKFRS 16 Leases

HKFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating lease and finance lease and requiring the recognition of right-of-use asset and a lease liability for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new accounting policies are described in note 3. The Group has applied HKFRS 16 Leases retrospectively with the cumulative effect of initial application as an adjustment to the opening balance of equity, where appropriate, at 1 April 2019. Comparative information has not been restated and continues to be reported under HKAS 17 Leases.

On transition to HKFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which arrangements are, or contain, leases. It applied HKFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC)-4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 April 2019.

The Group as lessee

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of HKAS 17 Leases (except for lease of low value assets and lease with remaining lease term of twelve months or less). These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2019. The weighted average lessee's incremental borrowing rates applied to the lease liabilities on 1 April 2019 were 4.96%.

The Group recognises right-of-use assets and measures them at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group as lessor

The Group leases some of the properties. The accounting policies applicable to the Group as lessor are not different from those under HKAS 17.

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

2.1 Impacts on adoption of HKFRS 16 Leases *(Continued)*

The following table summarises the impact of transition to HKFRS 16 at 1 April 2019. Line items that were not affected by the adjustments have not been included.

	Notes	Carrying amount previously reported at 31 March 2019 HK$'000	Impact on adoption of HKFRS 16 HK$'000	Carrying amount as restated at 1 April 2019 HK$'000
Right-of-use assets	(a), (b)	–	5,642	5,642
Accrued expenses	(b)	9,052	(473)	8,579
Lease liabilities	(a)	–	6,115	6,115

Notes:

(a) As at 1 April 2019, right-of-use assets were measured at an amount equal to the lease liabilities of approximately HK$6,115,000.

(b) It represents the accrued lease liabilities for lease where the lessor has provided rent-free period, and was adjusted to right-of-use assets on transition to HKFRS 16.

Differences between operating lease commitment as at 31 March 2019, the date immediately preceding the date of initial application, discounted using the incremental borrowing rate, and the lease liabilities recognised as at 1 April 2019 are as follows:

	HK$'000
Operating lease commitment disclosed as at 31 March 2019	7,151
Less: Short-term leases and other leases with remaining lease term ending on or before 31 March 2020	(889)
	6,262
Less: Total future interest expenses	(147)
Discounted using the incremental borrowing rate and lease liabilities recognised at 1 April 2019	6,115
Analysed as:	
Current portion	5,934
Non-current portion	181
	6,115

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

2.2 Practical expedients applied

On the date of initial application of HKFRS 16, the Group has used the following practical expedients permitted by the standard:

- The use of a single discount rate to a portfolio of leases with reasonably similar characteristics; and

- The accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases.

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and amendments to HKFRSs and interpretation that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts[2]
Amendments to HKFRS 10 and HKAS 28	Sale and Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKFRS 3	Definition of a Business[4]
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]
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting[1]
Amendments to HKFRS 16	COVID–19–Related Concessions[5]

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

The directors of the Company anticipate that the application of new and revised HKFRSs will have no material impact on the results and the consolidated statement of financial position of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong and by the Hong Kong Companies Ordinance.

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

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

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

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

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

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

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

The principal accounting policies are set out below.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Basis of consolidation

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

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Investments in associates

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue recognition

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Group uses a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

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

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

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

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

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

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

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

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

Contract liabilities

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue recognition *(Continued)*

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

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

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

Leasing

Accounting Policy applicable on or after 1 April 2019

Definition of a lease

Under HKFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as lessee

For contracts entered into or modified on or after the date of initial application, the Group assesses whether a contract is or contains a lease, at inception of the contract or modification date. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

At the commencement date, the Group measures lease liabilities at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Leasing *(Continued)*

Accounting Policy applicable on or after 1 April 2019 *(Continued)*

Lease liabilities (Continued)

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Lease liability is remeasured (and with a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Leasing *(Continued)*

Accounting Policy applicable on or after 1 April 2019 *(Continued)*

Right-of-use assets

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs, less lease incentives received. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, provision is recognised and measured under HKAS 37 "Provision, Contingent Liabilities and Contingent Assets". The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use asset is subsequently measured at cost less accumulated depreciation and impairment losses. They are depreciated over the shorter period of lease term and useful life of the underlying asset.

The Group presents right-of-use asset as a separate line in the consolidated statement of financial position.

The Group applies HKAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties. Leases for which the Group is a lessor are classified as operating leases.

When a contract includes both lease and non-lease components, the Group applies HKFRS 15 to allocate the consideration under the contract to each component.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Leasing *(Continued)*

Accounting Policy applicable prior to 1 April 2019

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

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

The Group as lessee

Operating lease payments are recognised in profit or loss on a straight-line basis over the term.

Plant and equipment

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

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

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

Investment properties

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

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Investment properties *(Continued)*

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

Foreign currencies

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

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

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

Contribution to development of blockchain projects

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

Employee benefits

Retirement benefit costs

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Employee benefits *(Continued)*

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

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

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

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

Taxation

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation *(Continued)*

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either (i) the same taxable entity; or (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liability, the Group applies HKAS 12 Income Taxes requirements to right-of-use asset and lease liability separately. Temporary differences relating to right-of-use asset and lease liability are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Cash and cash equivalents

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

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

Investments in subsidiaries

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

Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

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

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, financial assets at fair value through other comprehensive income ("**FVTOCI**"), and financial asset at fair value through profit or loss ("**FVTPL**").

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

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

Financial assets at amortised cost (debt instruments)

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

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

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

(i) Amortised cost and effective interest method

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

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

(i) Amortised cost and effective interest method *(Continued)*

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

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

(ii) Equity instruments designated as at FVTOCI

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

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

(iii) Financial assets at FVTPL

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets

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

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

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

Significant increase in credit risk

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

Significant increase in credit risk *(Continued)*

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

Definition of default

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

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

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

Credit-impaired financial assets

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

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

Write-off policy

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

Measurement and recognition of expected credit losses

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

Measurement and recognition of expected credit losses *(Continued)*

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

Derecognition of financial assets

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

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments *(Continued)*

Financial liabilities subsequently measured at amortised cost

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

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

Derecognition of financial liabilities

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

Impairment losses on tangible assets

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity settled share-based transactions are set out in note 30.

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

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

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

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

Share options granted to consultants

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Critical judgements in applying accounting policies

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

Significant influence over associates

As per note 19, the directors of the Company considered Travellife Limited, Qooza Interactive Limited and Jobdoh Limited, in which the Group has 20%, 13% and 20% equity interest respectively, are associates of the Group as the Group has significant influence over Qooza Interactive Limited by virtue of its contractual right to appoint one out of five directors to the board of directors of these associates, and voting right under the provisions stated in the shareholders' agreement of these associates.

Key sources of estimation uncertainty

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

Revenue recognition

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

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

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

Key sources of estimation uncertainty *(Continued)*

Depreciation of plant and equipment and investment properties

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

Fair value of unlisted financial assets measured at FVTPL and FVTOCI

As described in note 6, the directors of the Company use their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. Financial instruments are also valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates. The estimation of fair value of unlisted equity instruments includes some assumptions not supported by observable market prices or rates. As at 31 March 2020, the carrying amount of the unlisted instruments classified as FVTOCI was approximately HK$2,500,000 (2019: HK$2,500,000). As at 31 March 2020, the carrying amount of the unlisted investments classified as financial assets at FVTPL was approximately HK$768,000 (2019: HK$2,060,000). Details of the assumptions used are disclosed in note 6. The directors of the Company believe that the chosen valuation techniques and assumptions are appropriate in determining the fair value of financial instruments.

Estimated impairment losses on interests in associates

At the end of the reporting period, the directors of the Company review the carrying amounts of its interests in associates of approximately HK$602,000 (2019: HK$701,000) and identified there is indication that the interests in associates may suffer an impairment loss. Accordingly, the recoverable amounts are estimated in order to determine the extent of the impairment loss. The estimates of the recoverable amounts require the use of assumptions such as cash flow projections and discount rates. Based on the estimated recoverable amounts, impairment loss of HK$602,000 (2019: Nil) has been recognised in profit or loss.

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

Key sources of estimation uncertainty *(Continued)*

Estimated impairment loss on plant and equipment

The impairment loss on plant and equipment are recognised for the amounts by which the carrying amounts exceed their recoverable amounts, in accordance with the Group's accounting policy. The recoverable amounts of plant and equipment have been determined based on value-in-use calculations or fair value less cost of disposal. The directors of Company select an appropriate technique to determine the recoverable amounts of plant and equipment. These calculations require the use of estimates such as the future revenue and discount rates. As at 31 March 2020, the carrying values of plant and equipment were approximately HK$5,883,000 (2019: HK$7,717,000). No impairment loss was recognised during the years ended 31 March 2020 and 2019.

Estimated impairment of trade receivables

Loss allowances for trade receivables are based on management's estimate of the lifetime expected credit losses to be incurred, which is estimated by taking into account the credit loss experience, ageing of overdue trade receivables, customers' repayment history and customers' financial position and an assessment of both the current and forecast general economic conditions, all of which involve a significant degree of management judgement. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to the consolidated statement of profit or loss and other comprehensive income. As at 31 March 2020, the aggregate carrying amount of trade receivables was approximately HK$30,849,000 (2019: HK$34,294,000), net of accumulated impairment loss of approximately HK$11,302,000 (2019: HK$11,501,000).

5. CAPITAL RISK MANAGEMENT

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

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

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

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

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2020 **HK$'000**	2019 HK$'000
Financial assets		
Financial assets at amortised cost	**59,549**	52,505
Financial asset at FVTOCI	**2,500**	2,500
Financial asset at FVTPL	**1,068**	10,771
	63,117	65,776
Financial liabilities		
Financial liabilities at amortised cost	**38,585**	30,178

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, deposits and other receivables, amounts due from associates, financial assets at FVTPL, financial assets at FVTOCI, bank balances and cash, trade and other payables and accrued expenses. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

6. FINANCIAL INSTRUMENTS *(Continued)*

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

Market risk

(i) Currency risk

Several subsidiaries of the Group have sales and cost of services acquired denominated in currencies other than the respective functional currency, which expose the Group to foreign currency risk. Approximately 9% (2019: 6%) of the Group's sales and 9% (2019: 8%) of the Group's cost of services acquired are denominated in currencies other than the functional currency of the group entity making the sales and acquiring the services for the years ended 31 March 2020 and 2019. The Group currently does not have a foreign currency hedging policy. The Group will monitor foreign exchange exposure and consider hedging significant foreign currency exposure should the need arise.

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

	Assets		Liabilities	
	2020	2019	**2020**	2019
	HK$'000	HK$'000	**HK$'000**	HK$'000
USD	**4,406**	10,172	**185**	2,825
RMB	**2,205**	1,866	**1,165**	1,962

6. FINANCIAL INSTRUMENTS *(Continued)*

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

Market risk *(Continued)*

(i) Currency risk (Continued)

Sensitivity analysis

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

The following table details the Group's sensitivity to a 5% (2019: 5%) decrease and increase in HK$ against RMB. 5% (2019: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 5% (2019: 5%) change in foreign currency rate.

A positive number below indicates a decrease in post-tax loss where HK$ weakening 5% (2019: 5%) against the relevant currency. For a 5% (2019: 5%) strengthen of HK$ against the relevant currency, there would be an equal and opposite impact on the loss, and the balances below would be negative.

	RMB	
	2020	2019
	HK$'000	HK$'000
Profit or loss	**52**	(4)

6. FINANCIAL INSTRUMENTS *(Continued)*

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

Market risk *(Continued)*

(ii) Interest rate risk

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

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

(iii) Other price risk

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

Sensitivity analysis

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

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

- post-tax loss for the year ended 31 March 2020 would decrease/increase by HK$53,000 (2019: HK$539,000) as a result of the changes in fair value of financial asset at FVTPL.
- Financial asset revaluation reserve would increase/decrease by HK$125,000 (2019: HK$125,000) for the Group as a result of the changes in fair value of financial asset at FVTOCI.

6. FINANCIAL INSTRUMENTS *(Continued)*

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

Credit risk

As at 31 March 2020 and 2019, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

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

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

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

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

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

6. FINANCIAL INSTRUMENTS *(Continued)*

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

Credit risk *(Continued)*

The Group's exposure to credit risk

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

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

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

6. FINANCIAL INSTRUMENTS *(Continued)*

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

Credit risk *(Continued)*

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

For the year ended 31 March 2020

	Internal credit rating	12-month or lifetime ECL	Gross carrying amount HK$'000	Loss allowance HK$'000	Net carrying amount HK$'000
Trade receivables	Note 1	Lifetime ECL (simplified approach)	**42,151**	**(11,302)**	**30,849**
Deposits and other receivables	Performing	12-month ECL	**3,929**	**–**	**3,929**
Amounts due from associates	Default (Note 2)	Lifetime ECL – credit impaired	**445**	**(245)**	**200**

For the year ended 31 March 2019

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

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

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

6. FINANCIAL INSTRUMENTS *(Continued)*

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

Credit risk *(Continued)*

The Group's concentration of credit risk by geographical locations is mainly in Hong Kong, which accounted for 80% (2019: 76%) of the total trade receivables as at 31 March 2020.

The Group has concentration of credit risk as 12% (2019: 11%) and 37% (2019: 34%) of the trade receivables was due from the Group's largest trade debtor and the five largest trade debtors respectively.

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

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

Liquidity risk

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

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

	Repayable on demand or within 1 year HK$'000	More than 1 year but less than 2 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount HK$'000
At 31 March 2020				
Non-derivative financial liabilities				
Trade and other payables	26,447	–	26,447	26,447
Accrued expenses	12,138	–	12,138	12,138
Lease liabilities	1,073	180	1,253	1,218
	39,658	180	39,838	39,803

6. FINANCIAL INSTRUMENTS *(Continued)*

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

Liquidity risk *(Continued)*

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

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

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

Financial Instruments		Fair value as at 31/3/2020 HK$'000	Fair value as at 31/3/2019 HK$'000	Valuation technique and key inputs	Significant unobservable inputs	Relationship of key inputs and significant unobservable inputs to fair value
Financial assets at fair value through profit or loss						
– Listed equity securities	Level 1	**98**	2,375	Quoted bid prices in an active market	N/A	N/A
– Listed fund investments	Level 1	**202**	6,336	Quoted bid prices in an active market	N/A	N/A
– Unlisted fund investments	Level 2	**768**	2,060	Based on the net asset values of the investments, determined with reference to observable (quoted) prices of portfolio	N/A	N/A
Financial assets at fair value through other comprehensive income						
– Unlisted investments	Level 3	**2,500**	2,500	Market comparable approach adopted. The value is based on price-to-revenue ratio (P/R ratio), adjusted by discount for lack of marketability ("**DLOM**") (2019: Based on latest transaction price) (Note)	2020: P/R ratio: 5.12 DLOM: 27.75% (2019: N/A)	The higher the P/R ratio, the higher the fair value. The higher the DLOM, the lower the fair value.

Note: There was a change in valuation technique as a result of lack of similar transactions in the market.

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

6. FINANCIAL INSTRUMENTS *(Continued)*

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

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

	Unlisted investments HK$'000
As at 1 April 2018	1,500
Acquisition	2,500
Fair value change	(1,500)
As at 31 March 2019 and 2020	2,500

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

7. REVENUE

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

	2020 HK$'000	2019 HK$'000
Revenue from contract with customers within the scope of HKFRS 15		
Digital advertisement placement services	**17,522**	30,108
Social media management services	**72,745**	79,447
Creative and technology services	**63,137**	97,575
Total revenue from contract with customers recognised over time	**153,404**	207,130

Revenue recognised during the year ended 31 March 2020 that was included in the contract liabilities at the beginning of the year is approximately HK$3,346,000 (2019: HK$13,002,000). There was no revenue recognised in the current year that related to performance obligations that were satisfied in a prior year.

The Group will recognise this revenue as the service is completed, which is expected to occur in next twelve months (2019: next twelve months).

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

8. SEGMENT INFORMATION

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

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

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

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

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

Segment revenue and results

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

For the year ended 31 March 2020

	Digital Advertisement Placement Services HK$'000	Social Media Management Services HK$'000	Creative and Technology Services HK$'000	Total HK$'000
REVENUE				
External sales and segment revenue	**17,522**	**72,745**	**63,137**	**153,404**
Segment results	**4,468**	**28,762**	**16,597**	**49,827**
Unallocated other income, gain or losses				**2,079**
Unallocated selling expenses				**(22,656)**
Unallocated administrative expenses				**(53,458)**
Unallocated finance cost				**(166)**
Share of losses of associates				**(99)**
Impairment loss on amounts due from associates				**(245)**
Impairment loss recognised for interests in associates				**(602)**
Change in fair value of financial assets at FVTPL				**(565)**
Loss before tax				**(25,885)**

8. SEGMENT INFORMATION *(Continued)*

Segment revenue and results *(Continued)*

For the year ended 31 March 2019

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

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

8. SEGMENT INFORMATION *(Continued)*

Other segment information

For the year ended 31 March 2020

	Digital Advertisement Placement Services HK$'000	Social Media Management Services HK$'000	Creative and Technology Services HK$'000	Unallocated HK$'000	Total HK$'000
Amounts included in the measure of segment results:					
Depreciation of plant and equipment	349	1,373	1,195	–	2,917
Provision (reversal) of impairment loss in respect of trade receivables, net	280	(785)	618	–	113
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:					
Depreciation of investment properties	–	–	–	644	644
Depreciation of right-of-use assets	–	–	–	5,886	5,886
Impairment loss on amounts due from associates	–	–	–	245	245
Bank interest income	–	–	–	(25)	(25)
Dividends from financial asset at FVTPL	–	–	–	(160)	(160)
Income tax expense	–	–	–	321	321
Finance cost	–	–	–	166	166
Gain on disposal of investment properties	–	–	–	(788)	(788)
Share of losses of associates	–	–	–	99	99

8. SEGMENT INFORMATION *(Continued)*

Other segment information *(Continued)*

For the year ended 31 March 2019

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

Geographic information

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

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

	Revenue from external customers		**Non-current assets (excluding financial instruments)**	
	2020 HK$'000	2019 HK$'000	**2020 HK$'000**	2019 HK$'000
The PRC	**43,996**	72,325	**1,619**	513
Taiwan	**1,626**	–	**56**	–
Hong Kong (place of domicile)	**107,782**	134,805	**26,890**	34,669
	153,404	207,130	**28,565**	35,182

8. SEGMENT INFORMATION *(Continued)*

Information about major customers

The percentage of sales for the year attributable to the Group's five largest customers constituting around 16.46% (2019: 24.78%) of the Group's total revenue for the year ended 31 March 2020. The largest customer constituting around 3.87% (2019: 11.70%) of the Group's total revenue for the year ended 31 March 2020.

	2020 **HK$'000**	2019 HK$'000
Customer A[1]	**N/A[2]**	24,230

[1] Revenue from Creative and Technology Services segment.

[2] The corresponding revenue did not contribute over 10% of the total revenue of the Group.

9. OTHER INCOME, GAINS OR LOSSES

	2020 **HK$'000**	2019 HK$'000
Dividends from financial assets at FVTPL	**160**	335
Interest income on debt investment at amortised cost	**–**	109
Rental income from investment properties	**170**	202
Bank interest income	**25**	16
Gain on disposal of investment properties	**788**	687
Loss on disposal of plant and equipment	**–**	(12)
Sundry income	**936**	18
	2,079	1,355

10. INCOME TAX EXPENSE

	2020 **HK$'000**	2019 HK$'000
Current tax:		
PRC Enterprise Income Tax	**249**	–
Taiwan Corporate Income Tax	**63**	–
	312	–
Under provision in prior year:		
PRC Enterprise Income Tax	**9**	–
	321	–

10. INCOME TAX EXPENSE *(Continued)*

No provision for Hong Kong Profits Tax has been made for the years ended 31 March 2020 and 2019 as there was no assessable profit for both years.

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

Corporate Income Tax in Taiwan is charged at 20% for the year ended 31 March 2020.

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

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

	2020 **HK$'000**	2019 HK$'000
Loss before tax	**(25,885)**	(27,579)
Tax at the applicable statutory income tax rate of 16.5% (Note)	**(4,271)**	(4,551)
Tax effect of expenses not deductible for tax purpose	**2,126**	1,155
Tax effect of income not taxable for tax purpose	**(331)**	(259)
Tax effect of share of results of associates	**16**	8
Utilisation of tax losses previously not recognised	**(750)**	–
Tax effect of tax losses not recognised	**3,556**	4,333
Under-provision in prior year	**9**	–
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(34)**	(686)
Income tax expense for the year	**321**	–

Note:

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

11. LOSS FOR THE YEAR

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

	2020 HK$'000	2019 HK$'000
Directors' and chief executive's emoluments (note 12)	**17,521**	18,597
Other staff costs (excluding directors' and chief executive's emoluments)	**63,997**	76,320
Retirement benefits scheme contributions (excluding directors' and chief executive's emoluments)	**3,704**	4,546
Total staff costs	**85,222**	99,463
Gross rental income from investment properties	**(170)**	(202)
Less:		
Direct operating expenses incurred for investment properties that generated rental income during the year	**68**	32
Direct operating expenses incurred for investment properties that did not generate rental income during the year	**102**	89
	–	(81)
Auditor's remuneration	**400**	460
Depreciation of right-of-use assets	**5,886**	–
Depreciation of plant and equipment	**2,917**	3,284
Depreciation of investment properties	**644**	709
Provision (reversal) of impairment loss on trade receivables, net	**113**	(579)
Impairment loss on amounts due from associates	**245**	–
Impairment loss recognised for interests in associates	**602**	–
Net foreign exchange loss	**1,542**	1,294
Rental expenses on short term leases in respect of related premises	**1,140**	–
Operating lease rentals in respect of rented premises	**–**	7,888

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to each of the nine (2019: nine) directors and chief executive were as follows:

For the year ended 31 March 2020

	Fees HK$'000	Salaries and other benefits HK$'000	Discretionary bonus (note) HK$'000	Retirement benefits scheme contributions HK$'000	Share-based payment HK$'000	Total HK$'000
Emoluments paid or receivable in respect of a director's other services in connection with the management of the affairs of the Company and its subsidiary undertakings						
Executive directors:						
Yip Shek Lun	–	5,772	2,335	18	–	8,125
Wan Wai Ting	–	3,624	1,743	18	–	5,385
Ng Chi Fung	–	3,093	–	18	–	3,111
Emoluments paid or receivable in respect of a person's services as a director, whether of the Company and its subsidiary undertakings						
Non-executive directors:						
Cheung Laam	180	–	–	–	–	180
Wang Zhong Lei	–	–	–	–	–	–
Independent non-executive directors:						
David Tsoi	180	–	–	–	–	180
Hong Ming Sang	180	–	–	–	–	180
Lam Tung Leung	180	–	–	–	–	180
Tso Ping Cheong, Brian	180	–	–	–	–	180
Total	900	12,489	4,078	54	–	17,521

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

For the year ended 31 March 2019

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

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

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

None of the directors and chief executive waived or agreed to waive any emoluments paid by the Group during the years ended 31 March 2020 and 2019. No emoluments were paid or payable by the Group to any directors and chief executive as an inducement to join or upon joining the Group, or as compensation for loss of the office during the years ended 31 March 2020 and 2019.

The Company did not appoint a chief executive during the years ended 31 March 2020 and 2019. Mr. Yip Shek Lun performed the duties of chief executive. His emolument disclosed above included those services rendered by him as the chief executive.

13. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, three (2019: three) were directors and chief executive of the Company whose emoluments are included in the disclosures in note 12 above. The emoluments of the remaining two (2019: two) individuals were as follows:

	2020	2019
	HK$'000	HK$'000
Salaries and other benefits	**2,840**	3,755
Retirement benefits scheme contributions	**36**	29
	2,876	3,784

Their emoluments were within the following bands:

	Number of employees	
	2020	2019
HK$0 to HK$1,000,000	**–**	–
HK$1,000,001 to HK$1,500,000	**1**	1
HK$1,500,001 to HK$2,000,000	**1**	–
HK$2,000,001 to HK$2,500,000	**–**	1

No emoluments were paid or payable by the Group to any five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office during the years ended 31 March 2020 and 2019.

14. DIVIDEND

No dividend was paid or proposed during the years ended 31 March 2020 and 2019, nor has any dividend been proposed since the end of the reporting period.

15. LOSS PER SHARE

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

Loss	2020 HK$'000	2019 HK$'000
Loss for the year attributable to owners of the Company for the purpose of basic loss per share	**(26,206)**	(27,579)

Number of shares	2020 '000	2019 '000
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**1,667,200**	1,667,200

16. PLANT AND EQUIPMENT

	Furniture, fixtures and equipment HK$'000	Leasehold improvements HK$'000	Motor vehicle HK$'000	Total HK$'000
COST				
At 1 April 2018	12,482	5,005	1,842	19,329
Exchange realignment	(70)	(27)	–	(97)
Additions	623	–	420	1,043
Written off	–	–	(80)	(80)
At 31 March 2019	13,035	4,978	2,182	20,195
Exchange realignment	(52)	(23)	–	(75)
Additions	894	208	–	1,102
At 31 March 2020	**13,877**	**5,163**	**2,182**	**21,222**
ACCUMULATED DEPRECIATION				
At 1 April 2018	7,886	1,016	367	9,269
Exchange realignment	(46)	(17)	–	(63)
Provided for the year	1,861	985	438	3,284
Eliminated on write-off	–	–	(12)	(12)
At 31 March 2019	9,701	1,984	793	12,478
Exchange realignment	(40)	(16)	–	(56)
Provided for the year	1,474	1,006	437	2,917
At 31 March 2020	**11,135**	**2,974**	**1,230**	**15,339**
CARRYING VALUES				
At 31 March 2020	**2,742**	**2,189**	**952**	**5,883**
At 31 March 2019	3,334	2,994	1,389	7,717

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

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

17. INVESTMENT PROPERTIES

	HK'000
COST	
At 1 April 2018	21,721
Additions	10,127
Disposal	(4,121)
At 31 March 2019	27,727
Additions	75
Disposal	(5,146)
At 31 March 2020	**22,656**
ACCUMULATED DEPRECIATION	
At 1 April 2018	403
Provided for the year	709
Disposal	(149)
At 31 March 2019	963
Provided for the year	644
Disposal	(291)
At 31 March 2020	**1,316**
CARRYING VALUES	
At 31 March 2020	**21,340**
At 31 March 2019	26,764

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

The fair value of the Group's investment properties as at 31 March 2020 was approximately HK$22,942,000 (2019: HK$32,520,000), which was determined by the Directors. The valuation performed by the directors of the Company was made by reference to recent market prices for properties in the similar locations and conditions.

17. INVESTMENT PROPERTIES *(Continued)*

The following table gives information about how the fair values of the investment properties as at 31 March 2020 and 2019 are determined.

	Fair value hierarchy	**Fair value at 31 March 2020 HK$'000**	Fair value at 31 March 2019 HK$'000	Valuation technique and key inputs
Investment properties	Level 2	**22,942**	32,520	Market comparison approach – By reference to recent sales price of comparable properties on a price per square foot basis using market data which is publicly available.

18. LEASE

(i) Right-of-use assets

	31/3/2020 HK$'000	1/4/2019 HK$'000
Offices	**1,342**	5,642

The Group has lease arrangements for offices. The lease terms are generally ranged from one to three years.

Additions to the right-of-use assets for the year ended 31 March 2020 amounted to approximately HK$1,644,000, due to new leases of offices.

18. LEASE *(Continued)*

(ii) Lease liabilities

	31/3/2020 HK$'000	1/4/2019 HK$'000
Non-current	**177**	181
Current	**1,041**	5,934
	1,218	6,115

Amounts payable under lease liabilities	**31/3/2020 HK$'000**
Within one year	**1,041**
After one year but within two years	**177**
	1,218

During the year ended 31 March 2020, the Group entered into a number of new lease agreements in respect of renting properties for offices and recognised lease liabilities of approximately HK$1,644,000.

(iii) Amounts recognised in profit or loss

	Year ended 31/3/2020 HK$'000
Depreciation expenses on right-of-use assets	**5,886**
Interest expenses on lease liabilities	**166**
Rental expenses on short term leases in respect of related premises	**1,140**

(iv) Others

During the year ended 31 March 2020, the total cash outflow for leases amount to approximately HK$7,795,000.

19. INTERESTS IN ASSOCIATES

	2020 HK$'000	2019 HK$'000
Cost of investment in associates		
Unlisted equity interest in Hong Kong	**1,054**	1,054
Share of post-acquisition losses and other comprehensive expenses	**(452)**	(353)
	602	701
Impairment loss recognised for interests in associates	**(602)**	–
	–	701

As at 31 March 2020 and 2019, the Group had interests in the following associates:

Name of entity	Form of entity	Place of incorporation/ operation/ registration	Class of shares held	Proportion of nominal value of issued capital held by the Group		Proportion of voting power held by the Group		Principal activities
				2020	2019	**2020**	2019	
Travellife Limited	Incorporated	Hong Kong	Ordinary	**20%**	20%	**20%**	20%	Provision of internet advertising services
Qooza Interactive Limited	Incorporated	Hong Kong	Ordinary	**13%**	13%	**13% (note a)**	13% (note a)	Provision of internet advertising services
Jobdoh Limited ("**Jobdoh**")	Incorporated	Hong Kong	Ordinary	**20%**	20%	**20%**	20%	Provision of digital portal and services on part time and temporary jobs for job seekers and employers

Notes:

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

19. INTERESTS IN ASSOCIATES *(Continued)*

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

	2020 **HK$'000**	2019 HK$'000
The Group's share of loss and total comprehensive expense for the year	**(99)**	(50)
Aggregate carrying amount of the Groups' interests in immaterial associates	**–**	701

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

	2020 **HK$'000**	2019 HK$'000
Unrecognised share of losses of associates for the year	**9**	26
Accumulated unrecognised share of losses of associates	**319**	310

During the year ended 31 March 2020, the Group recognised impairment loss for interests in associates amounted approximately HK$602,000.

The recoverable amount of Jobdoh is nil which has been determined on the basis of value in use calculation.

20. FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments comprise:

	2020 **HK$'000**	2019 HK$'000
Unlisted investments	**2,500**	2,500

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

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

During the year ended 31 March 2020, the Group has disposed of an equity investment designated at FVTOCI with initial investment cost of approximately HK$1,500,000 at consideration of HK$18. At the date of disposal, the fair value of such investment was nil and the cumulative gain on disposal was HK$18. The management considered the investee would be unlikely to be profitable in the future and therefore disposed of the investment during the year.

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

21. TRADE RECEIVABLES

The Group allows an average credit period of 30 to 60 days (2019: 30 to 60 days) to its trade customers.

	2020 HK$'000	2019 HK$'000
Trade receivables	**42,151**	45,795
Less: allowance for impairment of trade receivables	**(11,302)**	(11,501)
	30,849	34,294

The Group does not hold any collateral over these receivables.

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

	2020 HK$'000	2019 HK$'000
– 0 to 60 days	**21,217**	17,443
– 61 to 90 days	**1,959**	8,248
– Over 90 days	**7,673**	8,603
	30,849	34,294

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

As at 31 March 2020

	Weighted average expected loss rate	Gross carrying amount HK'000	Loss allowance HK'000	Net Carrying Amount HK'000
Not credit-impaired	**0%**	**30,849**	**–**	**30,849**
Credit-impaired	**100%**	**11,302**	**(11,302)**	**–**
		42,151	**(11,302)**	**30,849**

21. TRADE RECEIVABLES *(Continued)*

As at 31 March 2019

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

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

	2020 HK$'000	2019 HK$'000
At the beginning of the financial year	**11,501**	12,586
Provision (reversal) of impairment loss, net	**113**	(579)
Amount written off as uncollectible	**(47)**	–
Exchange realignment	**(265)**	(506)
At the end of the financial year	**11,302**	11,501

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

	2020 HK$'000	2019 HK$'000
USD	**167**	9
RMB	**620**	1,196

22. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2020 HK$'000	2019 HK$'000
Deposits	**3,212**	6,098
Prepayments	**2,632**	3,545
Other receivables	**717**	3,747
	6,561	13,390
Analysed for reporting purposes:		
Non-current assets		
– Deposits	**1,901**	1,798
Current assets	**4,660**	11,592
	6,561	13,390

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

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

	2020 HK$'000	2019 HK$'000
USD	**157**	266
RMB	**29**	18

23. AMOUNTS DUE FROM ASSOCIATES

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

The Directors considered that the amounts due from associates were continuously monitored by assessing the credit quality of the counterparty, taking into account their financial position, past experiences and other factors. As at 31 March 2019, the Group classifies all amounts due from associates in Stage 1, and no impairment provision is recognised during the year.

23. AMOUNTS DUE FROM ASSOCIATES *(Continued)*

As at 31 March 2020, an analysis of the gross amount of amounts due from associates is as follows:

	12-month ECL HK$'000	Lifetime ECL – not credit impaired HK$'000	Lifetime ECL – credit impaired HK$'000	Total HK$'000
Default	–	–	445	445

Movement in allowance for amounts due from associates is as follows:

	12-month ECL HK$'000	Lifetime ECL – not credit impaired HK$'000	Lifetime ECL – credit impaired HK$'000	Total HK$'000
At 31 March 2019	–	–	–	–
Impairment loss recognised	–	–	245	245
At 31 March 2020	–	–	245	245

24. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

	2020 **HK$'000**	2019 HK$'000
Listed securities held for trading, at fair value:		
Equity securities listed in Hong Kong (Note (a))	**98**	2,375
Fund investment, at fair value		
Listed fund (Note (b))	**202**	6,336
Unlisted fund (Note (c))	**768**	2,060
	970	8,396
Total	**1,068**	10,771

24. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS *(Continued)*

Notes:

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

(b) As at 31 March 2020, the Group's listed funds investments comprised an investment fund domiciled in Hong Kong with a fair value of approximately HK$202,000, with an aggregate initial investment cost of approximately HK$391,000.

As at 31 March 2019, the Group's listed funds investments comprised 9 investment funds domiciled in Luxembourg, the United States, the Cayman Islands and Hong Kong with a fair value of approximately HK$6,336,000, with an aggregate initial investment cost of approximately HK$7,232,000.

(c) As at 31 March 2020, the Group's unlisted funds investments comprised an investment fund domiciled in Hong Kong with a fair value of approximately HK$768,000 with an aggregate initial investment cost of approximately HK$1,000,000. The investments are measured at fair value derived from observable market values of underlying assets at the end of the reporting period.

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

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

	2020 **HK$'000**	2019 HK$'000
USD	**970**	8,396

25. BANK BALANCES AND CASH

At 31 March 2020, bank balances carry interest at market rates which range from 0.01% to 0.3% (2019: 0.01% to 0.3%) per annum.

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

	2020	2019
	HK$'000	HK$'000
USD	**3,112**	1,501
RMB	**1,556**	670

At 31 March 2020, the bank balances and cash of approximately HK$11,517,000 (2019: HK$1,366,000) denominated in RMB were placed with the banks in the PRC. RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. Cash at banks earns interest at floating rates based on daily bank deposit rates.

26. TRADE AND OTHER PAYABLES

	2020	2019
	HK$'000	HK$'000
Trade payables	**20,319**	17,194
Other payables	**6,128**	3,932
	26,447	21,126

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

	2020	2019
	HK$'000	HK$'000
Within 30 days	**4,168**	5,064
31 to 60 days	**2,643**	1,413
Over 60 days	**13,508**	10,717
	20,319	17,194

26. TRADE AND OTHER PAYABLES *(Continued)*

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

As at 31 March 2020, included in the balances of the trade payables were aggregate balances of approximately HK$16,000 (2019: HK$39,000) which were payables to the associates of the Group, arising from acquisition of services in general trade credit term.

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

	2020 **HK$'000**	2019 HK$'000
USD	**130**	2,825
RMB	**1,165**	1,962

27. DEFERRED TAXATION

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

	Tax losses HK$'000	**Accelerated tax depreciation** HK$'000	**Total** HK$'000
At 1 April 2018	(574)	574	–
Charge (credit) to profit or loss	116	(116)	–
At 31 March 2019	(458)	458	–
Charge (credit) to profit or loss	241	(241)	–
At 31 March 2020	(217)	217	–

At 31 March 2020, the Group has unused tax losses of approximately HK$71,323,000 (2019: HK$56,021,000) available to offset against future profits. At 31 March 2020, a deferred tax asset had been recognised in respect of tax losses of approximately HK$1,313,000 (2019: HK$2,776,000). No deferred tax asset has been recognised in respect of the remaining HK$70,010,000 (2019: HK$53,245,000) due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately HK$12,545,000 (2019: HK$12,508,000) that will be expired after five years from the year of assessment to which they related to. Other losses may be carried forward indefinitely.

28. SHARE CAPITAL

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

	Number of shares	Amount HK$
Authorised		
Ordinary shares of HK$0.01 each		
At 1 April 2018, 31 March 2019 and 31 March 2020	10,000,000,000	100,000,000
Issued and fully paid		
Ordinary shares, issued and fully paid:		
Ordinary shares of HK$0.01 each		
At 1 April 2018, 31 March 2019 and 31 March 2020	1,667,200,000	16,672,000

29. OPERATING LEASES

The Group as lessee

As at 31 March 2019, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

	2020 HK$'000	2019 HK$'000
Within one year	**N/A[1]**	7,056
In the second to fifth year inclusive	**N/A[1]**	95
	N/A[1]	7,151

As at 31 March 2019, operating lease payments represent rentals payable by the Group for certain of its rented premises. Leases are negotiated for terms ranged from one to three years with fixed rentals.

1 Upon initial adoption of HKFRS 16, future operating lease payments are recognised as right-of-use assets and lease liabilities in accordance with the significant accounting policies as set out in Note 3.

29. OPERATING LEASES *(Continued)*

The Group as lessor

Property rental income earned during the year was approximately HK$170,000 (2019: HK$202,000). The properties are expected to generate rental yields of 4.13% on an ongoing basis. All of the properties held have committed tenants for one to two years (2019: one year).

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

	2020 **HK$'000**	2019 HK$'000
Within one year	**130**	79
After one year but within two years	**33**	–
	163	79

30. SHARE-BASED PAYMENT TRANSACTIONS

Equity-settled share option scheme of the Company:

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

No shares options had been granted during the years ended 31 March 2020 and 2019. All the share options were lapsed during the year ended 31 March 2019.

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

30. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

Equity-settled share option scheme of the Company: *(Continued)*

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

Details of specific categories of options are as follows:

Category participant	Date of grant	Vesting period	Exercise period	Exercise Price HK$
Scheme IB	13 July 2015	First tranche: 13 July 2015 to 11 October 2015	12 October 2015 to 11 April 2018	0.63
		Second tranche: 13 July 2015 to 11 October 2016	12 October 2016 to 11 April 2018	
		Third tranche: 13 July 2015 to 11 October 2017	12 October 2017 to 11 April 2018	
Scheme III	9 December 2015	First tranche: 9 December 2015 to 30 June 2016	1 July 2016 to 30 June 2018	0.315
		Second tranche: 9 December 2015 to 31 December 2016	1 January 2017 to 30 June 2018	
		Third tranche: 9 December 2015 to 31 December 2017	1 January 2018 to 30 June 2018	

The following table discloses movements of the Company's share options held by directors, employees and consultants during the year:

Category participant	Outstanding at 1/4/2018	Lapsed during the year	Outstanding at 31/3/2019 and 31/3/2020
Scheme IB	13,777,600	(13,777,600)	–
Scheme III	54,990,000	(54,990,000)	–
	68,767,600	(68,767,600)	–

No share options have been exercised during the years ended 31 March 2020 and 2019.

31. RETIREMENT BENEFITS PLAN

Hong Kong

The Group operates a MPF Scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, each of the Group companies in Hong Kong contributes 5% of relevant payroll costs, capped at HK$1,500 per month, to the MPF Scheme, in which the contribution is matched by employees.

The PRC

As stipulated by rules and regulations in the PRC, subsidiaries in the PRC are required to contribute to a state-managed retirement plan for all its employees at a certain percentage of the basic salaries of its employees. The state-managed retirement plan is responsible for the entire pension obligations payable to all retired employees. Under the state-managed retirement plan, the Group has no further obligations for the actual pension payments or post-retirement benefits beyond the annual contributions.

Taiwan

The Group participates in defined contribution plans organised by the relevant local government authorities in Taiwan for its Taiwan employees, whereby the Group is required to make monthly contributions to these plans at certain percentage of the relevant portion of the payroll of these employees to the pension scheme to fund the benefits. The Group has no obligation for the payment of retirement and other post-retirement benefits for Taiwan employees other than the monthly contributions described above.

During the year ended 31 March 2020, the total amount contributed by the Group to these schemes and charged to the consolidated statement of profit or loss and other comprehensive income was approximately HK$3,758,000 (2019: HK$4,600,000).

32. RELATED PARTY TRANSACTIONS

(a) Transactions

Saved as disclosed elsewhere in the consolidated financial statements, during the years ended 31 March 2020 and 2019, the Group had the following transactions with related parties:

Name of the related party	Relationship	Nature of transactions	2020 HK$'000	2019 HK$'000
Qooza Interactive Limited	Associate	Cost of services	–*	2

* The amount is less than HK$500.

(b) Balances

Details of the Group's non-trade outstanding balances with related parties are set out in the consolidated statement of financial position and in note 23.

(c) Compensation of key management personnel

The remuneration of directors of the Company and other members of key management during the respective reporting periods were as follows:

	2020 HK$'000	2019 HK$'000
Short-term benefits	**19,268**	20,961
Post-employment benefits	**72**	72
	19,340	21,033

The remuneration of directors of the Company and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	NOTE	2020 HK$'000	2019 HK$'000
Non-current asset			
Investments in subsidiaries		–	–
Current assets			
Prepayments		236	234
Amount due from subsidiaries		26,728	68,800
		26,964	69,034
Current liability			
Accruals		784	832
Net current assets		26,180	68,202
Total assets less current liabilities		26,180	68,202
Capital and reserves			
Share capital		16,672	16,672
Reserves	(a)	9,508	51,530
		26,180	68,202

33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

Note:

(a) Movement in reserves

	Share premium HK$'000	Share options reserve HK$'000	Other reserve (Note) HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2018	78,559	5,045	44,608	(44,106)	84,106
Share options lapsed	–	(5,045)	–	5,045	–
Loss and total comprehensive expense for the year	–	–	–	(32,576)	(32,576)
At 31 March 2019	78,559	–	44,608	(71,637)	51,530
Loss and total comprehensive expense for the year	–	–	–	(42,022)	(42,022)
At 31 March 2020	**78,559**	**–**	**44,608**	**(113,659)**	**9,508**

Note:

Other reserve represented the difference between the nominal amount of the share issued for acquisition of its subsidiaries and the net assets value of the subsidiaries of the Company upon the group reorganisation on 16 May 2015.

34. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Details of the Company's subsidiaries as at 31 March 2020 and 2019 are as follows:

Name of subsidiary	Place of incorporation/ operation	Class of shares held	Issued and fully paid share capital/ registered capital	Proportion ownership interest held by the Company				Principal activities
				2020		2019		
				Directly	Indirectly	Directly	Indirectly	
AdBeyond Holdings Limited	The BVI	Ordinary	HK$32,249	**100%**	**-**	100%	-	Investment holding
iMinds Interactive Holdings Limited	The BVI	Ordinary	US$1	**100%**	**-**	100%	-	Investment holding
COMO Group Holding Limited	The BVI	Ordinary	US$1	**100%**	**-**	100%	-	Investment holding
AdBeyond (Group) Limited	Hong Kong	Ordinary	HK$34,427,774	**-**	**100%**	-	100%	Provision of marketing services
iMinds Interactive Limited	Hong Kong	Ordinary	HK$1	**-**	**100%**	-	100%	Provision of digital media services
Glo Media Limited (formerly known as COMO Group Limited)	Hong Kong	Ordinary	HK$500,000	**-**	**100%**	-	100%	Engagement in internet marketing platform for the travel industry
廣州超帆信息科技有限公司#	The PRC	Registered capital	HK$7,000,000	**-**	**100%**	-	100%	Provision of marketing services
北京超帆文化傳播發展有限公司#	The PRC	Registered capital	RMB2,000,000/ RMB5,000,000	**-**	**100%**	-	100%	Provision of marketing services
南京高訊文化傳媒有限公司#	The PRC	Registered capital	HK$1,000,000/ HK$10,000,000	**-**	**100%**	-	100%	Provision of marketing services; provision of marketing services for the travel industry
香港商超凡有限公司台灣分公司	Taiwan	Registered capital	TWD 1,000,000	**-**	**100%**	-	-	Provision of marketing services

Note: None of the subsidiaries had issued any debt securities at the end of both years or during the years.

These subsidiaries were companies with limited liability incorporated in PRC.

35. EVENTS AFTER THE END OF THE REPORTING PERIOD

Disposal of investment properties

In June 2020, the Group disposed two investment properties in Hong Kong with carrying amount of approximately HK$3,439,000 for total consideration of approximately HK$3,759,000, resulting in gain on disposals of investment properties of approximately HK$320,000.

FINANCIAL SUMMARY

RESULTS

	For the year ended 31 March				
	2020	2019	2018	2017	2016
	HK'000	HK'000	HK'000	HK$'000	HK$'000
Revenue	**153,404**	207,130	176,764	175,771	160,505
Loss before taxation	**(25,885)**	(27,579)	(28,306)	(15,782)	(18,477)
Income tax expense	**(321)**	–	(583)	(238)	(1,025)
Loss for the year attributable to owners of the Company	**(26,206)**	(27,579)	(28,889)	(16,020)	(19,502)

ASSETS AND LIABILITIES

	As at 31 March				
	2020	2019	2018	2017	2016
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Total assets	**94,651**	105,067	132,498	150,604	153,755
Total liabilities	**(51,885)**	(36,850)	(36,068)	(27,466)	(16,092)
Total equity	**42,766**	68,217	96,430	123,138	137,663