Most Kwai Chung Limited
毛記葵涌有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

Stock Code 股份代號: 1716

2019
ANNUAL REPORT 年報

CONTENT

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Iu Kar Ho *(Chairman)*
Luk Ka Chun
Tsui Ka Ho

Independent Non-Executive Directors

Leung Wai Man
Ho Kwong Yu
Leung Ting Yuk

REGISTERED OFFICE

PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 5, 1/F, Block B
Tung Chun Industrial Building
11–13 Tai Yuen Street
Kwai Chung, New Territories
Hong Kong

COMPANY WEBSITE

www.mostkwaichung.com

COMPANY SECRETARY

Lo Tai On

AUTHORISED REPRESENTATIVES

Iu Kar Ho
Luk Ka Chun

COMPLIANCE ADVISER

Ever-Long Securities Company Limited
Rms. 1101–2, 1111–12
11/F, Wing On Centre
111 Connaught Road Central
Sheung Wan
Hong Kong

STOCK CODE

1716

AUDIT COMMITTEE

Ho Kwong Yu *(chairman)*
Leung Ting Yuk
Leung Wai Man

REMUNERATION COMMITTEE

Leung Ting Yuk *(chairman)*
Ho Kwong Yu
Leung Wai Man

NOMINATION COMMITTEE

Leung Ting Yuk *(chairman)*
Ho Kwong Yu
Leung Wai Man

PRINCIPAL SHARE REGISTRAR OFFICE

Maples Fund Services (Cayman) Limited
PO Box 1093
Boundary Hall, Cricket Square
Grand Cayman
KY1-1102
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
2103B, 21/F, 148 Electric Road
North Point, Hong Kong

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
22nd Floor Prince's Building
Central, Hong Kong

PRINCIPAL BANKER

Bank of China (Hong Kong) Limited
Hang Seng Bank Limited

CHAIRMAN'S STATEMENT

On behalf of the board (the "Board") of directors (the "Directors") of Most Kwai Chung Limited (the "Company", and together with its subsidiaries, the "Group"), I am pleased to present the annual report of the Group for the year ended 31 March 2019 (the "Year").

The Group continues to provide integrated advertising and media services to customers which can be categorised into (i) digital media services; (ii) print media services; and (iii) other media services.

FINANCIAL PERFORMANCE

The Group's revenue for the Year was approximately HK$100.5 million, recording a year-on-year increase of approximately 15.9% as compared with the revenue of approximately HK$86.7 million in the preceding financial year. The increase was mainly due to (i) the increase in revenue from other media services segment as there were three events being organised during the Year; and (ii) the increase in revenue from digital media services segment.

Profit before income tax of the Group increased by approximately 48.4% to approximately HK$18.1 million, when compared to approximately HK$12.2 million in the previous financial year. The increase was due to the absence of non-recurring expenses for preparation of the listing of Shares on the Main Board of the Stock Exchange (the "Listing").

During the Year, the performance of our digital media services, which contributed approximately 86.9% of the total revenue, remained stable when compared with that of the preceding financial year. For print media services, having considered the prospects of the digital magazines and the recent print media business environment, we had (i) ceased the publication of the 100 Most Magazine in print format and (ii) modified the publication of 100 Most Magazine from print into digital format. Due to this modification, the loss of our print media services decreased from approximately HK$3.3 million for the year ended 31 March 2018 to approximately HK$48,000 for the Year. For other media services, we organised three events during the Year, namely East Sing Superpower Save Hong Kong (東方昇特異功能救香港), a talk show took place in Queen Elizabeth Stadium in Hong Kong ("2018 April Talk Show"), Most Drama — I kill Die Jor Premium Customer (毛台劇《我殺死了尊貴客戶》), a drama took place in Queen Elizabeth Stadium in Hong Kong ("2018 November Drama") and Dickson & Dickson Wedding Concert (專家Dickson《一個人的童話式婚禮》演唱會), a concert took place in Hong Kong Convention and Exhibition Centre in Hong Kong ("2019 March Concert"). The three events contributed to the revenue of the Group in an amount of approximately HK$8.5 million during the Year.

CHAIRMAN'S STATEMENT

PROSPECTS

Under the current circumstances, the Group expects the advertising and media industry to remain challenging for the coming year.

During the Year, the Group successfully held three shows which recorded positive feedback from audiences. The Group plans to organise events for the year ending 31 March 2020 so as to further extend the marketing channels to physical arena with an aim to further promote the brand awareness and strengthen the variety and content of the events.

USE OF PROCEEDS

We received net proceeds of approximately HK$53.5 million from the Listing. The net proceeds received will be used in the manner consistent with that mentioned in the section headed "Future Plans and Use of Proceeds" of the prospectus of the Company dated 16 March 2018 (the "Prospectus"). Up to 31 March 2019, the proceeds have been used for approximately HK$10.7 million.

NOTE OF APPRECIATION

On behalf of the Board, I would like to express my sincere gratitude to all of the business partners, customers, suppliers and the Shareholders for their continuous support. I would also like to express my sincere appreciation to the Group's management and staff for their commitment and dedication.

Iu Kar Ho
Chairman and Executive Director
Hong Kong, 24 June 2019

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group provides integrated advertising and media services to customers which can be categorised into (i) digital media services under which the Group provides a one-stop advertising solution package to the customers, with different types of advertisements including video, online banner, newsfeed and advertorial, through various distribution channels including the digital media platforms (which include (a) the respective fan pages of "100 Most" (100毛), "TVMost" (毛記電視) and the Group's contracted artistes on the third party social media platforms and (b) "TVMost" website and mobile application operating by the Group) (the "Digital Media Platforms"), third parties' TV channels, Internet, and physical advertising spaces; (ii) print media services which include (a) advertorial production and advertisement placement services and (b) sale of publications, including 100 Most Magazine (print format ceased on 12 July 2018) and the book publications; and (iii) other media services which include events organisation and artistes management.

Digital Media Services

Digital media services represent provision of one-stop advertising solution package under which the deliverables to the customers are distributed on the Digital Media Platforms and other platforms, such as third parties' TV channels, Internet and physical advertising spaces, subject to the needs of the customers.

Revenue from the digital media services increased from approximately HK$80.5 million for the year ended 31 March 2018 to approximately HK$87.3 million for the Year, representing an increase of approximately 8.4%. Segment profit before income tax was approximately HK$32.3 million and HK$19.7 million for the years ended 31 March 2018 and 2019 respectively. During the Year, the Group has continued placing effort in the digital media services segment to capture business opportunities brought by the digitalisation in the market.

Print Media Services

Print media services segment comprises (a) advertorial production and advertisement placement services and (b) sale of publications including 100 Most Magazine (print format ceased on 12 July 2018) and books published by the Group.

Revenue from the print media services was approximately HK$6.1 million and HK$3.9 million for the years ended 31 March 2018 and 2019 respectively. Segment loss before income tax was approximately HK$3.3 million and HK$48,000 for the years ended 31 March 2018 and 2019 respectively. Such loss was mainly due to the change of consumers' preference from print to digital media in general, which led to the decreased segment revenue of the print media services for the Year. In addition, along with the reduced sales of publications, revenue derived from the advertorial production and advertisement placement also decreased.

Other Media Services

Other media services represent events organisation and artistes management.

Revenue from the other media services was approximately HK$0.2 million and HK$9.3 million for the years ended 31 March 2018 and 2019 respectively. Segment profit before income tax was approximately HK$0.1 million and HK$0.2 million for the years ended 31 March 2018 and 2019 respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Revenue of the Group increased by approximately HK$13.8 million or 15.9% from approximately HK$86.7 million for the year ended 31 March 2018 to approximately HK$100.5 million for the Year. The increase was mainly attributable to the increase in revenue from digital media services and other media services segments.

Cost of Sales

The Group's cost of sales comprises direct cost incurred for the digital media services (including staff costs and production costs), print media services (including staff costs, printing costs, cost of inventories, inventory written-off, royalties and other production costs) and other media services (including staff costs and other costs incurred during organisation of events). The cost of sales increased to approximately HK$62.3 million for the Year from approximately HK$42.2 million for the year ended 31 March 2018, representing an increase of approximately HK$20.1 million or 47.6% during the Year. The increase in cost of sales was mainly due to the increase of production costs which include fees paid to third party production houses, artistes, a social media platform for boosting the original newsfeeds on such platform, and costs for preparing production props, etc.

Gross Profit and Gross Profit Margin

For the Year, the gross profit of the Group decreased by approximately HK$6.3 million or 14.2% from approximately HK$44.5 million for the year ended 31 March 2018 to approximately HK$38.2 million.

The overall gross profit margin of the Group was approximately 51.3% and 38.0% for the years ended 31 March 2018 and 2019, respectively.

Selling and Distribution Expenses

Selling and distribution expenses mainly consist of staff costs, advertising and promotion expenses and others. Selling and distribution expenses of the Group increased moderately from approximately HK$6.3 million to HK$7.1 million for the years ended 31 March 2018 and 2019 respectively, representing an increase of 12.7%.

Administrative Expenses

Administrative expenses of the Group decreased from approximately HK$26.3 million for the year ended 31 March 2018 to approximately HK$14.2 million for the Year. Such decrease was primarily attributable to the absence of non-recurring listing expenses incurred for the Listing.

Finance Income

Finance income represented deposit bank interest income received. Approximately HK$176,000 and HK$633,000 were received by the Group for the year ended 31 March 2018 and 2019 respectively.

Profit before Income Tax

During the years ended 31 March 2018 and 2019, the profit before income tax was approximately HK$12.2 million and HK$18.1 million respectively. The increase in the profit before income tax was mainly due to the absence of non-recurring listing expenses incurred for the Listing during the Year.

Income Tax Expenses

The income tax expenses were approximately HK$5.3 million and HK$2.5 million for the years ended 31 March 2018 and 2019 respectively. The effective tax rate for the year ended 31 March 2018 was approximately 43.4%. For the Year, the Group recorded an effective tax rate of approximately 13.8% principally resulted from the absence of the tax effect from expenses not deductible for tax purpose for the year ended 31 March 2018 which significantly decreased the effective tax rate during the Year.

The Group was not subject to taxation in jurisdictions other than Hong Kong, nor falls into any preferential tax treatment or scheme or enjoy any tax benefit in Hong Kong during the Year. During the Year, the Group had fulfilled all the income tax obligations and did not have any unresolved income tax issues or disputes with the relevant tax authorities.

LIQUIDITY AND FINANCIAL RESOURCES

During the Year, the Group's operation and capital requirements were financed principally through the operating activities. As at 31 March 2018 and 2019, the Group had net current assets of approximately HK$83.2 million and HK$93.7 million, respectively, including bank balances and cash of approximately HK$80.5 million and HK$88.4 million respectively. The Group's current ratio (current assets divided by current liabilities) increased from approximately 4.4 as at 31 March 2018 to approximately 6.4 as at 31 March 2019. Such increase was mainly due to a decrease in other payables and accruals. The Group's gearing ratio as at 31 March 2018 and 2019 was calculated based on the total debt divided by the total equity as at the respective dates and multiplied by 100%. As at 31 March 2019, the Group's gearing ratio was nil (2018: nil).

TREASURY POLICIES

The Group adopts prudent treasury policies. The Group's management has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, management reviews regularly the recoverable amount of each individual trade receivable by taking into account the market conditions, customers' profiles and contractual terms to ensure that adequate impairment is made for irrecoverable amounts. On top of these ongoing credit evaluations, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

COMMITMENTS

The Group's operating lease commitments are related to the office premises.

The Group's operating lease commitments amounted to approximately HK$1.8 million and HK$1.4 million as at 31 March 2018 and 2019 respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL STRUCTURE

The Shares have been successfully listed on the Main Board of the Stock Exchange on 28 March 2018 (the "Listing Date"). There has been no change in the capital structure of the Group since Listing. The share capital of the Company only comprises ordinary shares.

As at 31 March 2019, the Company had 270,000,000 Shares in issue.

MATERIAL ACQUISITIONS OR DISPOSAL OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES

On 31 December 2018, a subsidiary of the Company acquired 49% of the issued share capital of Jar Gor 1996 Limited at a consideration of approximately HK$2.5 million. Save as disclosed herein, the Group did not make any material acquisitions or disposal of subsidiaries, associates or joint ventures.

SIGNIFICANT INVESTMENTS

Save as disclosed herein, during the Year, the Group did not hold any significant investments.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as those disclosed under the section headed "Business — Business Strategies" in the Prospectus, the Group currently has no other plan for material investments and capital assets.

CONTINGENT LIABILITIES

The Group did not have material contingent liabilities as at 31 March 2018 and 2019.

FOREIGN EXCHANGE EXPOSURE

The Group operates in Hong Kong and all of the Group's transactions and cash and cash equivalents are denominated in Hong Kong dollars. The Directors consider that the Group is not subject to foreign exchange risk. Currently, the Group does not have foreign currency hedging policy, but the Group's management continuously monitors foreign exchange exposure.

PLEDGE OF ASSETS

As at 31 March 2018 and 2019, none of the Group's assets were pledged.

MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEES AND REMUNERATION POLICIES

The total number of full-time employees were 94 and 110 as at 31 March 2018 and 2019, respectively. The Group's employee benefit expenses mainly included salaries, discretionary bonuses, commissions, medical insurance coverage, other staff benefits and contributions to retirement schemes. For the years ended 31 March 2018 and 2019, the Group's total employee benefit expenses (including Directors' emoluments) amounted to approximately HK$24.5 million and HK$34.1 million, respectively.

Remuneration is determined generally with reference to the qualification, experience and work performance of the relevant employee, whereas the payment of discretionary bonus is generally subject to work performance of the relevant employee, the financial performance of the Group in that particular year and general market conditions.

COMPARISON OF BUSINESS STRATEGIES WITH ACTUAL BUSINESS PROGRESS

The following sets out a comparison of the business strategies as stated in the Prospectus with the Group's actual business progress for the Year and up to the date of this report.

Business strategies as stated in the Prospectus	Actual business progress up to the date of this annual report
Pursue growth through mergers and acquisitions and/or strategic alliance	Identifying potential acquisition targets which are engaged in, among others, video productions, event marketing, digital advertising and media related services and/or technology development.
Expand the customer base and business operations through sales and marketing efforts	Hired additional sales executives to support the business growth in digital media services segment. Recruited marketing staff to assist in conducting pitching activities to build up and strengthen relationship with a broader customer base. The Company focused in event organisation during the Year. Although new sales executives and marketing staff were hired, it is expected that more new sales executives and marketing staff will be hired for our growth of our digital media services. Planned to invite selected key opinion leaders, advertising agencies and/or experts from different industries in Hong Kong to deliver seminars and training programmes relating to the business, operation and/or market development to the staff so as to keep the staff abreast of the latest market knowledge on a regular basis.
Upgrade IT infrastructure and procure equipment with advanced technologies to facilitate production efficiency	Internal IT system of the Group and new production equipment with advanced technologies has been upgraded and procured. Upgrading of the TVMost website and mobile application will be fine-tuning due to rapid change of social media trends. As a result, services provider for upgrading the website and mobile application is under selection.
Strengthen the efforts in events organisation to further extend the Group's marketing channels	Recruited a new staff who have experience in events organisation. Held three events in form of live performance.

MANAGEMENT DISCUSSION AND ANALYSIS

USE OF PROCEEDS

The Shares have been successfully listed on the Main Board of the Stock Exchange on the Listing Date. The actual net proceeds from the Listing, after deducting commission and expenses in connection with the Listing, were approximately HK$53.5 million (the "Actual Net Proceeds"). The table below sets out an adjusted allocation and the actual use of the Actual Net Proceeds for the Year.

Business strategies as set out in the Prospectus	**The Actual Net Proceeds**	**Actual use of the Actual Net Proceeds For the Year**
	HK$ million	HK$ million
Pursue growth through mergers and acquisitions and/or strategic alliance	15.19	–
Expand the customer base and business operations through sales and marketing efforts	11.72	1.80
Upgrade IT infrastructure and procure equipment with advanced technologies to facilitate production efficiency	11.13	0.99
Strengthen the efforts in events organisation to further extend the Group's marketing channels	10.11	7.88
As working capital and for general corporate purposes	5.35	–
Total	53.50	10.67

FUTURE PROSPECTS

The Group faces competition from other multinational media service players and also a large number of small and medium sized companies operating in the online advertising industry in Hong Kong in terms of brand recognition, quality of services, effectiveness of sales and marketing efforts, creativity in design and content, price, strategic relationships with customers and suppliers and retention of staff. In view of this challenging market condition, the Group is committed to keep up with changing technologies in the execution of engagements in order to ensure sustainable competitiveness.

DIVIDENDS

The Board has recommended the payment of a final dividend of HK5.2 cents per Share for the Year, totaling approximately HK$14.0 million based on a total of 270,000,000 Shares in issue as at the date of this report. (2018: Nil).

The proposed final dividend, subject to approval of the shareholders of the Company at the AGM to be held on Thursday, 8 August 2019, will be expected to be payable on or around Friday, 6 December 2019 to the shareholders whose name appear on the register of members of the Company on Friday, 16 August 2019.

EXECUTIVE DIRECTORS

Mr. Iu Kar Ho (姚家豪) (also known as Bu (阿Bu)), aged 36, was appointed as Director on 8 June 2017 and was redesignated as an executive Director and appointed as the chairman of the Board on 22 June 2017. He is one of the founders of the Group and one of the controlling shareholders (as defined in the Listing Rules) of the Company (the "Controlling Shareholders"). Mr. Iu is primarily responsible for overall strategic management and the business operations. Mr. Iu is a director of Blackpaper Limited, a company which has an interest in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO").

Mr. Iu has over ten years of experience in the media and entertainment industry. He joined Commercial Radio Hong Kong which principally engages in radio broadcasting as a programme assistant since July 2006 and was mainly responsible for assisting in managing the operation of radio programmes. Mr. Iu was subsequently promoted to the position of disc jockey at Commercial Radio Hong Kong in April 2011 and hosted various radio programmes.

Mr. Iu left Commercial Radio Hong Kong in May 2013 and has been working in Blackpaper Limited ("Blackpaper HK") as one of its directors on a full time basis since June 2013.

Mr. Iu graduated from the College of International Education of the Hong Kong Baptist University with an associate degree of arts in September 2006.

Mr. Luk Ka Chun (陸家俊) (also known as Chan Keung (陳強)), aged 35, was appointed as Director on 8 June 2017 and was redesignated as an executive Director on 22 June 2017. He is one of the founders of the Group and one of the Controlling Shareholders. Mr. Luk is primarily responsible for overall strategic management and the financial operations. Mr. Luk is a director of Blackpaper Limited, a company which has an interest in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

Mr. Luk has over ten years of experience in the media and entertainment industry. He joined Commercial Radio Hong Kong in May 2005 as a programme assistant and was mainly responsible for assisting in managing the operation of radio programmes. He started hosting radio programmes since July 2005 and was promoted to the position of disc jockey at Commercial Radio Hong Kong in April 2011. Mr. Luk left Commercial Radio Hong Kong in July 2011 and has been working in Blackpaper HK as one of its directors on a full time basis since August 2011. Mr. Luk has also been a columnist for newspapers since May 2010.

Mr. Luk obtained a degree of Bachelor of Science (Honours) in Environmental Science and Management from the City University of Hong Kong in November 2005.

Mr. Tsui Ka Ho (徐家豪) (also known as Lam Yat Hey (林日曦)), aged 38, was appointed as Director on 8 June 2017 and was redesignated an executive Director on 22 June 2017. He is one of the founders of the Group and one of the Controlling Shareholders. Mr. Tsui is primarily responsible for the overall strategic management and the business development. Mr. Tsui is a director of Blackpaper Limited, a company which has an interest in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

Mr. Tsui has over ten years of experience in the media and entertainment industry. He worked in Commercial Radio Hong Kong and Commercial Radio Productions Limited ("Commercial Radio Productions") and held various positions namely multimedia production operator from July 2003 to August 2004, web administration executive from September 2004 to November 2005, creative assistant from December 2005 to September 2007 and creative director from October 2007 to May 2011. He was then mainly responsible for handling the production and operation of creative multimedia works. Mr. Tsui left Commercial Radio Hong Kong and Commercial Radio Productions in May 2011 and has been working in Blackpaper HK as one of its directors on a full time basis since June 2011. Mr. Tsui has also been a lyricist since 2007. He wrote columns for local newspapers, magazines and websites from 2011 to 2016. He has also authored various books since June 2012.

Mr. Tsui completed the Hong Kong Certificate of Education Examination in August 1998.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Leung Wai Man (梁偉文) (also known as Linxi (林夕)), aged 57, was appointed as independent non-executive Director on 2 March 2018. He is also a member of each of the Company's audit committee (the "Audit Committee"), remuneration committee (the "Remuneration Committee") and nomination committee (the "Nomination Committee"). Mr. Leung has over 30 years of experience in the media and entertainment industry and is an accomplished lyricist, writer and columnist. He has been writing lyrics for Cantonese and Mandarin pop songs which are sung by, among others, Hong Kong, PRC and Taiwan singers.

Mr. Leung received the Best Lyricist Award at the Ultimate Song Chart Awards Presentation from 1995 to 2003 and from 2006 to 2009. He was awarded the Golden Needle Award at the Top Ten Chinese Gold Songs Award Concert in 2008.

Mr. Leung graduated from the University of Hong Kong with a Bachelor of Arts degree in November 1984.

Mr. Ho Kwong Yu (何光宇), aged 33, was appointed as independent non-executive Director on 2 March 2018. Mr. Ho is also the chairman of the Audit Committee and a member of each of the Remuneration Committee and Nomination Committee.

Mr. Ho has over ten years of audit, accounting and financial management experience. He worked at Deloitte Touche Tohmatsu as an associate from January 2008 to September 2009, as a senior from October 2009 to September 2012 and as a manager from October 2012 to February 2015. From February 2015 to May 2015, he worked as an internal audit manager in Cosco Shipping International (Hong Kong) Co., Ltd., a company listed on the Main Board of the Stock Exchange (Stock Code: 517) (formerly known as Cosco International Holdings Limited). From May 2015 to April 2017, he was the chief financial officer and company secretary of Creative China Holdings Limited, a company listed on the GEM of the Stock Exchange (Stock Code: 8368) where he was responsible for accounting, financial management and company secretarial matters. Since April 2017, he has joined Space Group Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 2448) as the chief financial officer and company secretary where he is mainly responsible for overall management of financial matters and company secretarial matters. In November 2018, Mr. Ho was appointed as an independent non-executive director of Sino Golf Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 361).

Mr. Ho graduated from the Chinese University of Hong Kong with a Bachelor of Business Administration degree in professional accountancy in December 2008. He has been a member of the Hong Kong Institute of Certified Public Accountants since January 2011.

Mr. Leung Ting Yuk (梁廷育), aged 44, was appointed as independent non-executive Director on 2 March 2018. Mr. Leung is also the chairman of each of the Nomination Committee and Remuneration Committee and a member of the Audit Committee.

Mr. Leung has over 18 years of audit, accounting, financial management and corporate finance experience. He worked at Grant Thornton as auditor-in-charge from November 2000 to January 2008. From January 2008 to May 2010, he worked as the chief financial officer of China Kangda Food Company Limited, listed on both the Main Board of the Stock Exchange (Stock Code: 834) and the Singapore Exchange Securities Trading Limited (Stock Code: P74) where he was mainly responsible for the preparation of financial statements as well as the review and development of effective financial policies and control procedures. From May 2010 to October 2012, he worked as the chief financial officer of China 33 Media Group Limited, listed on the GEM of the Stock Exchange (Stock Code: 8087). From October 2012 to February 2015, he worked as the chief financial officer and company secretary of ZMFY Automobile Glass Services Limited, listed on the GEM of the Stock Exchange (Stock Code: 8135) where he was mainly responsible for financial management, cost accounting and treasury. From September 2015 to October 2016, he worked as the chief financial officer of ASD International Holdings Limited. Since March 2017, he has joined S&R Group Limited as the chief financial officer. He has been an independent non-executive director of Yanchang Petroleum International Limited, listed on the Main Board of the Stock Exchange (Stock Code: 346) since September 2009, of Interactive Entertainment China Cultural Technology Investments Limited, listed on the GEM of the Stock Exchange (Stock Code: 8081) since May 2016 and Xinyi Energy Holdings Limited, listed on the Main Board of the Stock Exchange (Stock Code: 3868) since October 2018.

Mr. Leung graduated from the University of Wollongong, Australia with a bachelor of commerce degree in accounting in September 2000. He has been a member of the Hong Kong Institute of Certified Public Accountants since January 2008 and CPA Australia since November 2000.

SENIOR MANAGEMENT

Mr. Yuen Kam Shing (元金盛), aged 33, is the head of art and design of the Group, and is responsible for the overall supervision of the art work of the Group. He and the art managers jointly lead the design team which is mainly responsible for creating and producing the artworks in the creative productions across different business segments.

Mr. Yuen has over ten years of experience in the artistic industry. He worked at the Skyhigh Department of Commercial Radio Productions as the Project Executive from August 2007 to January 2012 and was responsible for graphic design. He then joined Blackpaper HK as the art director in February 2012 and has been responsible for the management of the art and design department.

Mr. Yuen was awarded a higher diploma in printing and computer imaging by the Hong Kong Vocational Training Council in July 2006. He completed a distant learning course and was awarded bachelor of arts with honours in visual communication (time-based media) by the Birmingham City University (formerly known as the University of Central England in Birmingham) in July 2007.

BIOGRAPHICAL DETAILS OF DIRECTORS, SENIOR MANAGEMENT AND COMPANY SECRETARY

Ms. Leung Hoi Yui (梁海蕊), aged 36, is the senior sales manager of the Group, and is responsible for the overall sales management of the Group. She leads the sales and marketing team to mainly engage in sales and pitching activities, customer liaison and management for the promotion of the Group's business.

Ms. Leung has over ten years of experience in the sales and event planning industry. She started working at Senasia Publication Group Limited ("Senasia") as a marketing executive in August 2006 and was mainly responsible for book marketing and events organisation. She was promoted to be an assistant marketing manager in Senasia in April 2008. Ms. Leung left Senasia in August 2008 and joined Wide Connection Limited ("Wide Connection") where she served as a senior marketing executive from August 2008 to May 2009 and as an advertising executive from June 2009 to February 2010. Her major responsibilities at Wide Connection included events organisation and media sales. From October 2010 to September 2012, she worked in OMNIMEDIA HK LIMITED as an assistant account manager and was further promoted to be the account manager in October 2011. She then worked in One Media Group Limited as a senior sales manager from October 2012 to March 2015. She joined the Group in April 2015 as a senior sales manager and has been responsible for overall sales management.

Ms. Leung was awarded a bachelor of arts degree in journalism and mass communication from Hong Kong Shue Yan College (currently known as Hong Kong Shue Yan University) in July 2006.

Mr. Chui Cheung Lam (徐璋霖), aged 30, is the creative director of the Group, and is responsible for the overall supervision of the creative work of the Group. He, together with the creative manager, jointly lead the production team, which is mainly responsible for creating and producing advertisements and/or advertorial to be distributed on the Digital Media Platforms. In addition, he, together with the digital manager, assistant digital manager and publishing manager, jointly lead the editorial and publication team, which is mainly responsible for continuously updating creative content on the Digital Media Platforms (excluding the contracted artistes' fan pages on third party social media platforms), creating content for the TVMost online programmes and 100 Most Magazine and assisting in publishing work for the print media and digital media services. The production team meets regularly to conceptualise ideas for the creative content. In large-scale and/or key projects, the executive Directors will also participate in the discussions.

Mr. Chui has six years of experience in the creative media industry. He joined the Group in January 2013 as an editor and was mainly responsible for editing the 100 Most Magazine. He was promoted to be the assistant content manager in May 2014 and was mainly responsible for managing the editing of both 100 Most Magazine and Blackpaper Magazine. With the establishment of TVMost in May 2015, the focus of Mr. Chui's work shifted to online content and advertisement production. He was promoted to be the content manager in May 2015 and further promoted to be the assistant creative director in May 2017. In April 2018, Mr. Chui was promoted to be the creative director of the Group.

Mr. Chui obtained a degree of bachelor of business administration with honours, with his major programme in integrated business administration, from the Chinese University of Hong Kong in December 2011.

COMPANY SECRETARY

Mr. Lo Tai On (羅泰安), aged 64, was appointed as the company secretary of the Company on 10 July 2017. Mr. Lo is primarily responsible for overseeing the company secretarial matters of the Group.

Mr. Lo has over 26 years of experience in the field of company secretarial services. He is a director of Fair Wind Secretarial Services Limited, a company rendering company secretarial services. He is also currently the company secretary of a number of companies listed on the Stock Exchange. Mr. Lo is a member of the Hong Kong Institute of Certified Public Accountants.

Mr. Lo is not an employee of the Group, and Mr. Luk, the executive Director and authorised representative, and Ms. Sin Ting Yan, Group Finance Manager of the Company, who act as the principal channel of communication between the Stock Exchange and the Company, are the persons whom Mr. Lo contacts for the purpose of code provision F.1.1 of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules.

CORPORATE GOVERNANCE REPORT

The Company's corporate governance code is based on the principles of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules. The Company is committed to maintain high standards of corporate governance to safeguard interest of the Shareholders and ensure a quality board and transparency and accountability to Shareholders.

The Company has complied with all code provisions in the CG Code during the year ended 31 March 2019.

The Board conducted at least four regular Board meetings a year and additional meetings are held or resolutions in writing signed by all Directors in lieu of a meeting are arranged as and when required. If a substantial shareholder of the Company or a Director has a conflict of interest in a transaction which the Board determines to be material, it is considered and dealt with by the Board at a duly convened Board meeting. Comprehensive information on matters to be discussed at the Board meeting is supplied to the Directors in a timely manner to facilitate discussion and decision-making.

COMPOSITION OF THE BOARD

At the date of this report, the Board comprises three executive Directors and three independent non-executive Directors, the name and office of each of the members of the Board and the Board committees of the Company are as follows:

Board members	**Office**
Iu Kar Ho	Chairman and executive Director
Luk Ka Chun	Executive Director
Tsui Ka Ho	Executive Director
Leung Wai Man	Independent non-executive Director
Ho Kwong Yu	Independent non-executive Director
Leung Ting Yuk	Independent non-executive Director

Audit Committee members

Ho Kwong Yu *(chairman)*
Leung Ting Yuk
Leung Wai Man

Remuneration Committee members

Leung Ting Yuk *(chairman)*
Ho Kwong Yu
Leung Wai Man

Nomination Committee members

Leung Ting Yuk *(chairman)*
Ho Kwong Yu
Leung Wai Man

The biographies of the Directors are set out in "Biographical Details of Directors, Senior Management and Company Secretary" on page 11 to 15 of this annual report.

Each of the executive Directors has signed a service contract with the Company for an initial term of three years, commencing from the Listing Date (subject to termination in certain circumstances as stipulated in the relevant service contract).

Each of the independent non-executive Directors has signed a letter of appointment with the Company for an initial term of three years, commencing from the Listing Date (subject to termination in certain circumstances as stipulated in the relevant letter of appointment).

All Directors are subject to retirement by rotation at least once every three years in accordance with the articles of association of the Company (the "Articles").

The Board composition is regularly reviewed to ensure that it has a balance of skills and experience appropriate for the requirement of the business of the Group. A balanced composition of executive Directors and independent non-executive Directors is maintained to ensure independence and effective management. The Company has satisfied the relevant provision of the Listing Rules in having at least one of the independent non-executive Directors with appropriate professional qualifications or accounting or related financial management expertise. There is no relationship among the members of the Board.

The appointment of Directors is to be recommended by the Remuneration Committee and the Nomination Committee and approved by the Board based on a formal written procedure and policy for the appointment of new Directors. When selecting potential candidates for the Directors, their skills, experience, expertise, devotion of time and non-conflicts of interests are the key factors.

The daily operation and management of the business of the Group, among other matters, and the implementation of strategies are delegated to the executive Directors and senior management. They report periodically to the Board on their work and business decisions.

All Directors have been fully consulted about any matters proposed for inclusion in the agenda for regular meetings. The chairman of the Board has delegated the responsibility for drawing up the agenda for each Board meeting to the company secretary of the Company (the "Company Secretary").

With the assistance of the Company Secretary, the chairman of the Board seeks to ensure that all Directors are properly briefed on issues arising at the Board meetings and have received adequate and reliable information in a timely manner.

Notices of at least 14 days are given to the Directors for regular meetings, while the Board papers are sent to the Directors at least three days before the intended date of a Board or Board committee meeting. With respect to other meetings, the Directors are given as much notice as is reasonable and practicable in the circumstances. The Directors can attend meetings in person or through other means of electronic communication in accordance with the Articles. The Company Secretary ensures that the procedures and all applicable rules and regulations are complied with. Minutes of the Board meetings and meetings of the Board committees are kept by the Company Secretary and are available for inspection at any time on reasonable notice by any Director.

The Directors have full access to information of the Group and are able to obtain independent professional advice whenever they deem necessary. The Directors will be updated with legal and regulatory changes and matters of relevance to the Directors in the discharge of their duties from time to time. The Audit Committee, Nomination Committee and Remuneration Committee are provided with sufficient resources to perform their duties.

Minutes of Board meetings and of Board committee meetings should be recorded in sufficient detail the matters considered and decisions reached, including any concerns raised by Directors or dissenting views expressed. Draft minutes are normally circulated to Directors or members of the relevant Board committees for comment within a reasonable time after each meeting.

Any material transaction, which involves a conflict of interests between a substantial shareholder or a Director and the Company, will be considered and dealt with by the Board at a duly convened Board meeting with the presence of the independent non-executive Directors. Directors are abstained from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

The Company has received from each of the independent non-executive Directors an annual confirmation of their independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all of the independent non-executive Directors are independent.

Responsibilities

In the course of discharging their duties, the Directors act in good faith, with due diligence and care, and in the best interests of the Company and its shareholders. Their responsibilities include (i) regular board meetings focusing on business strategy, operational issues and financial performance; (ii) monitoring the quality, timeliness, relevance and reliability of internal and external reporting; (iii) monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in connected transaction; and (iv) ensuing processes are in place to maintain the overall integrity of the Company, including financial statements, relationships with suppliers, customers and other stakeholders, and compliance with all laws and ethics.

Director’s Responsibilities for the Consolidated Financial Statements

The Directors acknowledge their responsibilities for the preparation of the consolidated financial statements of the Group and ensure that the consolidated financial statements of the Group are prepared in accordance with statutory requirements and applicable accounting standards. The Directors also ensure the timely publication of the consolidated financial statements of the Group. In preparing the accounts for the Year, the Directors have, among other things:

- selected suitable accounting policies and applied them consistently;

- approved adoption of all Hong Kong Financial Reporting Standards which are in conformity with the International Financial Reporting Standards;

- attended the disclosure requirements under the Companies Ordinance (chapter 622 of the laws of Hong Kong); and

- made judgments and estimates that are prudent and reasonable; and have prepared the accounts on the going concern basis.

The Directors confirm that, to the best of their knowledge, information and belief, and having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group’s ability to continue as a going concern.

Chairman and Chief Executive

Code provision A.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established set out in writing. Mr. Iu Kar Ho is the chairman of the Board and the Company has not appointed any chief executive. The duties and responsibilities of the chief executive are carried out by Mr. Iu Kar Ho, Mr. Luk Ka Chun and Mr. Tsui Ka Ho. The Board chairman provides leadership to the Board in terms of formulating policies and strategies, and discharges those duties set out in code provision A.2 of the CG Code.

Board Diversity Policy

The Board has adopted a board diversity policy which sets out the approach to achieve a sustainable and balanced development of the Company and also to enhance the quality of performance of the Company.

The Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

Selection of candidates for the directors will be based on a range of diversity perspectives as stated in the above. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

As at the date of this annual report, the Board comprises six Directors. Three of the Directors are independent non-executive Directors and independent of management, thereby promoting critical review and control of the management process. The Board is also characterised by significant diversity, whether considered in terms of professional background and skills.

Board Meetings and General Meetings

During the year ended 31 March 2019, four meetings were held by the Board. The attendance record of each Director is set out below:

Name of Board members	**Number of attended meetings/Total number of meetings**
Executive Directors	
Iu Kar Ho *(Chairman)*	4/4
Luk Ka Chun	4/4
Tsui Ka Ho	4/4
Independent non-executive Directors	
Leung Wai Man	4/4
Ho Kwong Yu	4/4
Leung Ting Yuk	4/4

CORPORATE GOVERNANCE REPORT

The annual general meeting of the Company ("AGM") provides opportunities for the shareholders of the Company to meet and raise questions to our Directors, the management and the external auditors. The member of the Board and external auditors will attend the AGM. The 2018 AGM was held on 9 August 2018 and the attendance record of each Director is set out below:

Name of Board members	**AGM**
Executive Directors	
Iu Kar Ho *(Chairman)*	1/1
Luk Ka Chun	1/1
Tsui Ka Ho	0/1
Independent non-executive Directors	
Leung Wai Man	0/1
Ho Kwong Yu	1/1
Leung Ting Yuk	1/1

Delegation by the Board

The Board has reserved for its decision and consideration issues in relation to (i) formulating the strategic objectives of the Group; (ii) considering and deciding the Group's significant operational and financial matters, including but not limited to substantial mergers and acquisitions and disposals; (iii) overseeing the Group's corporate governance practices; (iv) ensuring a risk management control system in place; (v) directing and monitoring senior management in pursuit of the Group's strategic objectives; and (vi) determining the remuneration packages of all Directors and the Group's senior management, including benefits in kind, pension rights and compensation payments for loss or termination of their office or appointment. Implementation and execution of Board policies and strategies and the daily administrative matters are delegated to the respective Board committees and the management team of the Company.

The Board has established three committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee. Specific responsibilities of each committee are described below. All committees have defined terms of reference which are no less exacting than those set out in the CG Code.

Audit Committee

The Audit Committee was established on 2 March 2018 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C3 of the CG Code. The Audit Committee comprises three independent non-executive Directors, namely Mr. Ho Kwong Yu, Mr. Leung Wai Man and Mr. Leung Ting Yuk. The chairman of the Audit Committee is Mr. Ho Kwong Yu, who holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The primary duties of the Audit Committee include, but are not limited to, the following: (i) making recommendations to the Board on the appointment and removal of the external auditor; (ii) reviewing the half-yearly and annual financial statements of the Group and monitoring the integrity of such financial statements; (iii) overseeing the financial reporting system and internal control procedures; and (iv) reviewing the risk management and internal control system of the Company.

During the year ended 31 March 2019, two Audit Committee meeting was held to review, inter alias, the Company's interim and annual results, the internal control and risk management system of the Group and the reappointment of independent auditor of the Group. There was no disagreement between the Board and the Audit Committee on the selection and appointment of external auditors. The attendance record of each Committee member is set out below:

Name of Committee members	Number of attended meetings/Total number of meetings
Independent non-executive Directors	
Ho Kwong Yu	2/2
Leung Ting Yuk	2/2
Leung Wai Man	2/2

The Company's financial statements for the year ended 31 March 2019 have been reviewed by the Audit Committee. The Audit Committee considered that the relevant financial statements have been prepared in compliance with the applicable accounting principles and requirements of the Stock Exchange and disclosures have been fully made.

Remuneration Committee

The Remuneration Committee was established with written terms of reference in compliance with paragraph B1 of the CG Code on 2 March 2018. The Remuneration Committee comprises three independent non-executive Directors, namely, Mr. Leung Ting Yuk, Mr. Ho Kwong Yu and Mr. Leung Wai Man. The chairman of the Remuneration Committee is Mr. Leung Ting Yuk.

The primary duties of the Remuneration Committee include, but are not limited to, the following: (i) assessing the performance of all Directors and senior management and making recommendations to the Board on the policy and structure for the remuneration of all the Directors and senior management; (ii) making recommendations to the Board on the establishment of a formal and transparent procedure for developing remuneration policy; (iii) with delegated responsibility determining the remuneration packages of individual executive Directors and senior management; and to make recommendations to the Board on the remuneration of the non-executive Directors and (iv) reviewing and approving the management's remuneration proposals with reference to the corporate goals and objectives from time to time.

During the year ended 31 March 2019, one Remuneration committee meeting was held to review the remuneration package of the Directors and the senior management. The attendance record of each Committee member is set out below:

Name of Committee members	Number of attended meetings/Total number of meetings
Independent non-executive Directors	
Leung Ting Yuk	1/1
Ho Kwong Yu	1/1
Leung Wai Man	1/1

Details of the directors' remuneration and five highest paid individuals for the Year as regarded to be disclosed pursuant to the CG Code are provided in note 9(b) and 29(a) to the consolidated financial statements.

During the Year, the remuneration of the senior management (other than Directors) is listed below by band:

	Number of members of senior management
HK$ nil to HK$1,000,000	2
HK$1,000,001 to HK$1,500,000	–
HK$1,500,001 to HK$2,000,000	1

Nomination Committee

The Nomination Committee was established with written terms of reference in compliance with paragraph A5 of the CG Code on 2 March 2018. The Nomination Committee comprises three independent non-executive Directors, namely Mr. Leung Ting Yuk, Mr. Ho Kwong Yu and Mr. Leung Wai Man. The chairman of the Nomination Committee is Mr. Leung Ting Yuk.

The primary functions of the Nomination Committee include, but are not limited to, the following: (i) reviewing the structure, size and composition of the Board; (ii) assessing the independence of the independent non-executive Directors; and (iii) making recommendations to the Board on matters relating to the appointment or re-appointment of Directors and succession planning for Directors.

During the year ended 31 March 2019, one Nomination Committee meeting was held to (i) review and considered that the structure, size, diversity and composition of the Board; (ii) assess the independence of independent non-executive Directors; and (iii) recommend the re-appointments of Directors. The attendance record of each Committee member is set out below:

Name of Committee members	**Number of attended meetings/Total number of meetings**
Independent non-executive Directors	
Leung Ting Yuk	1/1
Ho Kwong Yu	1/1
Leung Wai Man	1/1

The Nomination Committee will review the Board composition by considering the benefits of all aspects of diversity, including but not limited to those described under the heading of Board Diversity Policy in this annual report. The Board Diversity Policy shall be reviewed by the Nomination Committee, as appropriate, to ensure its effectiveness.

The Company has adopted a policy for the nomination of Directors, which sets out the procedures as well as the process and criteria for nomination and appointment of a new Director and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the needs of the Company's business.

The Nomination Committee should, upon receipt of the proposal on appointment of a new Director and his/her biographical information, evaluate such candidate based on the criteria as set out in the nomination policy to determine whether such candidate is qualified for directorship. If the process yields one or more desirable candidates, the Nomination Committee should rank them by order of preference based on the needs of the Company and reference check of each candidate. The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable. For any person that is nominated by a shareholder for election as a Director at the general meeting of the Company, the Nomination Committee should evaluate such candidate based on the criteria as set out in the nomination policy to determine whether such candidate is qualified for directorship.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance duties as set out in paragraph D3 of the CG Code. As mentioned under the paragraph headed "Board Meetings and General Meetings" above, the Board has (i) reviewed the Company's practices on corporate governance during the year ended 31 March 2019, (ii) reviewed and monitored the training and continuous professional development of the Directors and senior management for the Year, (iii) reviewed and monitored the Company's practices on compliance with legal and regulatory requirements for the Year, (iv) reviewed and monitored the Company's corporate governance code and the code of conduct applicable to the Directors for the Year; and (v) reviewed the Company's compliance with the CG Code and disclosure in this report.

CORPORATE GOVERNANCE REPORT

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 set out in the Model Code for Securities Transaction by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the "Model Code"). In response to the specific enquiry made by the Company, all Directors have confirmed that they had compiled with the Model Code during the year ended 31 March 2019.

CONTINUOUS PROFESSIONAL DEVELOPMENT FOR DIRECTORS

Directors must keep abreast of their collective responsibilities. The Directors are continually updated with business and market changes, and legal and regulatory developments to facilitate the discharge of their responsibilities through various Board meetings, resolutions, memoranda, Board papers, and updates on corporate governance practices and director's responsibilities under the Listing Rules, applicable laws and other relevant statutory requirements.

Up to date of this annual report, the current Board members participated in the following training programs:

Name of Directors	**Training on corporate governance, regulatory development and other relevant topics**
Executive Directors	
Iu Kar Ho *(Chairman)*	✓
Luk Ka Chun	✓
Tsui Ka Ho	✓
Independent non-executive Directors	
Leung Wai Man	✓
Ho Kwong Yu	✓
Leung Ting Yuk	✓

DIRECTORS AND OFFICERS INSURANCE

Appropriate insurance policies that cover directors' and officers' liabilities have been in force to protect the directors and officers of the Group from their risk exposure arising from the business of the Group and, as at the date of this annual report, the Directors and officers of the Company are indemnified under a directors' and officers' liability insurance against any liability incurred by them in discharge of their duties while holding office as the Directors and officers of the Company. The Directors and officers of the Company shall not be indemnified where there is any fraud, breach of duty or breach of trust proven against them.

COMPANY SECRETARY

The present Company Secretary is an external service provider, and his primary corporate contact person is Mr. Luk Ka Chun, an executive Director, for the purpose of code provision F.1.1 of the CG Code. The Company Secretary functions to ensure a good information flow within the Board and between the Board and senior management of the Company, to provide advice to the Board in relation to the Directors' obligations under the Listing Rules and applicable laws and regulations and to assist the Board in implementing the corporate governance practices. Mr. Lo Tai On, the Company Secretary, has attended not less than 15 hours of training as required under Rule 3.29 of the Listing Rules during the Year.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges that it is responsible for monitoring the risk management and internal control systems of the Group on an ongoing basis and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss. There is currently no internal audit function within the Group and the Group had engaged external professional to perform the internal control and risk management system for the Year. The Company is considering setting up its internal audit department to perform internal audits for the Group.

The Board, through the Audit Committee, conducts an annual review of both design and implementation effectiveness of the risk management and internal control systems of the Group for the Year, which covers all material controls including financial, operational and compliance controls. Such annual review is done with a view to ensure that resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions are adequate. In this respect, the Audit Committee would communicate any material issues to the Board.

Improvements in internal control and risk management measures to enhance the risk management and internal control systems of the Group and to mitigate risks of the Group were adopted by the Board. Based on the findings and recommendations, as well as the comments of the Audit Committee, the Board considers the internal control and risk management systems are effective and adequate for the Year.

AUDITOR'S REMUNERATION AND RESPONSIBILITIES

The Company has appointed PricewaterhouseCoopers as the Auditor of the Group. For the Year, PricewaterhouseCoopers received HK$0.7 million for audit services. The reporting responsibilities of PricewaterhouseCoopers are set out in the Independent Auditor's Report on pages 42 to 46 of this annual report. There was no disagreement between the Board and the Audit Committee on the selection and appointment of the external auditor during the Year.

CORPORATE GOVERNANCE REPORT

DIVIDEND POLICY

The Company has adopted a dividend policy (the "Dividend Policy") on payment of dividends. Under the Companies Law of Cayman Islands and the Memorandum and Articles of Association of the Company, dividends may be paid out of the profits of the Company, or subject to solvency of the Company, out of sums standing to the credit of the share premium account of the Company. However, no dividend shall exceed the amount recommended by Directors of the Company.

Declaration and recommendation of payment of dividends of the Company is subject to the approval of the Directors of the Company, depending on results of operations, working capital, financial position, future prospects, and capital requirements, as well as any other factors which the Directors of the Company may consider relevant from time to time. Any future declaration, recommendation and payment of dividends of the Company may or may not reflect the historical declarations and payments of dividends and will be at the absolute discretion of the Directors of the Company. The Company does not have any predetermined dividend payout ratio.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with its shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make the best investment decisions.

The disclosure of the Group's information in a reasonable and timely manner by the Board is to facilitate the shareholders as well as the investors to have a better understanding of the business performance, operations and strategies of the Group. The Company's website at www.mostkwaichung.com allows the potential and existing investors as well as the public to get access to and acquire the Company's up-to-date corporate and financial information.

Shareholders are provided with contact details of the Company, such as email address and postal address, in order to enable them to make any query that they may have with respect to the Company.

They can also send their enquiries to the Board through these means. The contact details of the Company are provided in this annual report, the "Corporate Information" section of this annual report and the Company's website.

The Board welcomes views of shareholders and encourages them to attend general meetings to raise any concerns that they may have with the Board or the management directly. Board members and appropriate senior officer of the Group are available at the meetings to answer any questions raised by shareholders.

PROCEDURES FOR SHAREHOLDERS TO CONVENE AN EXTRAORDINARY GENERAL MEETING

To safeguard shareholders' interests and rights, separate resolutions are proposed at general meetings on each substantial issue, including the election of individual Directors, for shareholders' consideration and voting. Besides, pursuant to article 12.3 of the Articles, the Directors may, whenever they think fit, convene a general meeting, and general meetings shall also be convened on such requisition, or in default, may be convened by such requisitionists. If any time there are not within Hong Kong sufficient Directors capable of acting to form a quorum, any Director or any two or more members of the Company representing at least 10% of the total voting rights of all members having a right to vote at general meetings, may convene a general meeting in the same manner as nearly as possible, as that in which meetings may be convened by the Directors.

Shareholders may send written enquiries to the Company or put forward any enquiries and proposals to the Board and put forward proposals at shareholders' meetings. The contact details are as follows:

Board of Directors
Most Kwai Chung Limited
Address: Unit 5, 1/F, Block B,
Tung Chun Industrial Building,
11–13 Tai Yuen Street, Kwai Chung,
New Territories,
Hong Kong
Email address: ir@mostkwaichung.com

To put forward proposals at an AGM or a general meeting, the shareholders shall submit a written notice of those proposals with detailed contact information to the Board at the Company's principal place of business in Hong Kong.

The request will be verified with the Company's branch share registrar in Hong Kong and upon its confirmation that the request is proper and in order, the Company Secretary will ask the Board to include the proposed resolution in the agenda for the general meeting.

Moreover, the notice period concerning the notice to be given to all the shareholders for consideration of the proposals submitted by the shareholders concerned varies as follows pursuant to article 12.3 of the Articles:

(a) for an AGM, it shall be called by notice in writing of at least twenty-one clear days (or such longer period as may be required by the Listing Rules); and

(b) for a general meeting other than an AGM, it shall be called by notice in writing of least fourteen clear days (or such longer period as may be required by the Listing Rules),

shall be given in the manner mentioned in the articles of association to all members, to the Directors and to the Auditors.

For the avoidance of doubt, shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the Company's principal place of business in Hong Kong and provide their full names, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

CONSTITUTIONAL DOCUMENTS

The Company adopted an amended and restated memorandum and articles of association (the "Amended and Restated M&A") on 2 March 2018 and the Amended and Restated M&A took effect on the date on which the Shares are listed on the Stock Exchange. Since the Listing Date and up to 31 March 2019, no amendment was made to the constitutional documents of the Company.

REPORT OF THE DIRECTORS

The Board is pleased to present their report together with the audited consolidated financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The major subsidiaries of the Company are providing integrated advertising and media services to customers.

RESULTS AND DIVIDEND

Details of the audited consolidated results of the Group for the Year are set out in the consolidated statement of comprehensive income on page 47 of this annual report.

The Board has recommended the payment of a final dividend of HK5.2 cents per Share for the Year, totaling approximately HK$14.0 million based on a total of 270,000,000 Shares in issue as at the date of this annual report. (2018: Nil)

The proposed final dividend, subject to approval of the shareholders of the Company at the AGM to be held on Thursday, 8 August 2019, will be expected to be payable on or around Friday, 6 December 2019 to the shareholders whose name appear on the register of members of the Company on Friday, 16 August 2019.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM to be held on Thursday, 8 August 2019, the register of members of the Company will be closed from Friday, 2 August 2019 to Thursday, 8 August 2019, both dates inclusive, during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong for registration not later than 4:30 p.m. on Thursday, 1 August 2019.

To ascertain shareholders' entitlements to the final dividend, the register of members of the Company will be closed from Thursday, 15 August 2019 to Friday, 16 August 2019, both days inclusive. In order to qualify for the final dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 14 August 2019.

BUSINESS REVIEW

A discussion and analysis of the Group's performance during the Year, the key factors affecting its results and financial position, and the information on the compliance with laws and regulations, environmental policy and relationships with stakeholders are set out in the section headed "Management Discussion and Analysis" of this annual report. Furthermore, a fair review of, and an indication of likely future development in the Group's business, are set out in the sections headed "Chairman's Statement" of this annual report. Save as disclosed in this annual report, since the end of the Year, no significant events affecting the Group has occurred.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial condition, results of operation, business and prospects as a going concern may be affected by a number of risks and uncertainties. The followings are the key risks and uncertainties identified by the Group relating to its businesses:

— The Group has a complex integrated business model. The operating results depend on the interplay of the services and creative content offerings and the successful adaptation to the rapid changing customer preferences and technological development in the advertising and media industry.

— The Group heavily relies on social media platforms for publication of the creative content which are considered as the advertisement distribution platforms among the customers and any decline in usage of such social media platforms may materially affect our results of operations.

— The Group's business is highly sensitive to changing viewer preferences.

— If the Group fails to keep up with the rapidly changing technologies, the Group could lose the customers and the business and results of operations could be adversely affected.

— If the Group fails to attract, recruit or retain its key personnel including the executive Directors, senior management and other key employees, the ongoing operations and growth could be affected.

— The Group's business depends on the strong brand names and any unfavourable customer feedback or negative publicity could adversely affect the brands.

— The Group's business model is generally project-based and the Group generally does not enter into long term agreements with most of the customers. If the Group fails to retain existing customers or attract new customers, the results of operations could be materially affected.

— Decrease in demand for the print media services may cause the revenue to decline and the business and results of operations may be materially and adversely affected.

— Successful implementation of the business strategies and future plans are subject to uncertainties.

— The Group's business solely operates in a single geographical market and any adverse economic, social and/or political development affecting the market may have a material adverse impact on the operations.

— The Group is exposed to credit risk under the business operations, and any material payment delays or defaults by the customers may negatively affect the business, financial position and results of operations.

— Most of the agreements with the Group's contracted artistes will expire in 2020 and 2021, any failure to renew their contracts will materially affect the performance and operations.

— Any unauthorised use of the brand names or any other intellectual property rights by the competitors or third parties, and the expenses incurred in protecting such intellectual property rights, may adversely affect the business reputation and financial performance.

— The organisation of events involves risks that may result in accidents, which in turn may have a material adverse effect on the financial conditions and results of operations.

— The Group relies on analysing system from social media platforms to analyse the performance and to plan for the advertising strategies, any failure or malfunction of the system will affect the performance and operations.

— The Group may experience breakdowns in the IT systems that could damage the customer relations and expose the Group to liability.

— If the Group experiences information and technological system failures, the business operations could be significantly disrupted.

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

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial years is set out on page 104 of this annual report. This summary does not form part of the consolidated financial statements.

SUBSIDIARIES

Details (including the principal activities) of the Company's principal subsidiaries as at 31 March 2019 are set out in note 14 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the Year are set out in note 13 to the consolidated financial statements.

CHARITABLE DONATIONS

During the Year. The Group made charitable donations totaling HK$51,000 (2018: nil).

DISTRIBUTABLE RESERVES OF THE COMPANY

As at 31 March 2019, the Company's distributable reserves available for distribution to shareholders in accordance with statutory provision applicable in the Cayman Islands is approximately HK$65.8 million (2018: HK$66.4 million).

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders unless otherwise required by the Stock Exchange.

SHARE CAPITAL AND EQUITY-LINKED AGREEMENT

Details of the movements in share capital of the Company during the Year are set out in note 21 to the consolidated financial statements. Please also refer to "Capital Structure" in the "Management Discussion and Analysis" of this annual report.

The Company did not enter into any equity-linked agreement during the Year.

REPORT OF THE DIRECTORS

DIRECTORS

During the Year and thereafter up to the date of this annual report, the Directors are named as follows:

Executive Directors

Iu Kar Ho *(Chairman)*
Luk Ka Chun
Tsui Ka Ho

Independent non-executive Directors

Leung Wai Man
Ho Kwong Yu
Leung Ting Yuk

Pursuant to article 16.18 of the Articles, at every annual general meeting of the Company 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) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.

Accordingly, Mr. Iu Kar Ho and Mr. Ho Kwong Yu will retire by rotation pursuant to article 16.18 of the Articles, and being eligible, will offer themselves for re-election as Directors at the forthcoming AGM.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive Directors, an annual written confirmation of independence pursuant to Rule 3.13 of the Listing Rules as at the date of this annual report and considered all the independent non-executive Directors to be independent.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and the Senior Management of the Group are set out on pages 11 to 15 of this annual report.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has signed a service contract with the Company on 2 March 2018 for an initial term of three years, commencing from the Listing Date (subject to termination in certain circumstances as stipulated in the relevant service contact).

Each of the independent non-executive Directors has signed a letter of appointment with the Company on 2 March 2018 for an initial term of three years, commencing from the Listing Date (subject to termination in certain circumstances as stipulated in the relevant letter of appointment).

None of the Directors who are proposed for re-election at the forthcoming AGM has a service contract or letter of appointment with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Save as disclosed in notes 27(b) and 29(e) to the financial statements, no transactions, arrangements and contracts of significance in relation to the business of the Group to which the Company, or its holding company, or any of its subsidiaries was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year, nor was there any transaction, arrangement or contract of significance for the provision of services to the Company or any of its subsidiaries by a Controlling Shareholder or any of its subsidiaries for the Year. There was also no contract of significance between the Company or one of the subsidiaries and the Controlling Shareholders or any of their subsidiaries.

MANAGEMENT CONTRACT

No contract concerning the management and administration of the whole or any substantial part of the business of the Company or its subsidiaries was entered into or existed during the Year with any person who is not a director of the Company or any person engaged in the full-time employment of the Company.

DIRECTORS' EMOLUMENTS

Details of the remuneration of the Directors on a named basis during the Year are set out in note 29 to the consolidated financial statements.

EMOLUMENT POLICY

Under the emolument policy of the Company, the Remuneration Committee will consider factors such as salaries paid by comparable companies, time commitment, responsibilities and performance of the Directors and senior management, as the case may be, in assessing the amount of remuneration payable to the Directors and members of the senior management. The Remuneration Committee will periodically review the compensation levels of the key executives. Based on the performance and the executives' respective contribution to the Group, the Remuneration Committee may, within the aggregate remuneration amount having been approved in a Shareholders' meeting, make recommendations to the Board as to salary increases or payment of discretionary bonuses.

The Company provides a comprehensive benefit package for all employees as well as career development opportunities. This includes retirement schemes, medical insurance, other insurances, in-house training, on-the job training, external seminars and programs organised by professional bodies and educational institutions.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles, the Directors shall be indemnified out of the assets of the Company against any liability, loss or expenditure incurred by him in defending any proceedings, whether civil or criminal, which relate to anything done or omitted to be done or alleged to have been done or omitted to be done by him as a Director.

During the year ended 31 March 2019, appropriate insurance policies that covered directors' and officers' liabilities were in force to protect the Directors and officers of the Group from their risk exposure arising from the business of the Group.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATIONS

As at 31 March 2019, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the 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 the Model Code contained in Appendix 10 of the Listing Rules, were as follows:

Name of Directors	Nature of interest	Number of Shares held	Percentage of shareholding in the Company's issued share capital
Mr. Iu Kar Ho ("Mr. Iu")	Interest in a controlled corporation	182,250,000 (L) (Note 2)	67.5%
Mr. Luk Ka Chun ("Mr. Luk")	Interest in a controlled corporation	182,250,000 (L) (Note 2)	67.5%
Mr. Tsui Ka Ho ("Mr. Tsui")	Interest in a controlled corporation	182,250,000 (L) (Note 2)	67.5%

Notes:

(1) The letter "L" denotes a long position in the Shares

(2) These shares are held by Blackpaper Limited ("Blackpaper BVI"). Blackpaper BVI is legally and beneficially owned equally amongst Mr. Iu, Mr. Luk and Mr. Tsui. Each of Mr. Iu, Mr. Luk and Mr. Tsui is deemed to be interested in the 182,250,000 Shares held by Blackpaper BVI under to the SFO.

Save as disclosed above, as at 31 March 2019, none of the Directors nor chief executive of the Company has registered any interest and short position 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 the Model Code.

DIRECTORS' RIGHT TO ACQUIRE SHARES

Save as disclosed under the paragraphs headed "Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or any specified undertaking of the Company or any other associated corporations" above, at no time during the Year were any rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or the chief executive of the Company or any of their respective spouses or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

INTERESTS AND SHORT POSITIONS OF THE SUBSTANTIAL SHAREHOLDERS OF THE COMPANY AND OTHER PERSONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATIONS

So far as the Directors are aware, as at 31 March 2019, the following persons (not being Directors or chief executive of the Company) have or are deemed or taken to have an interest or short position in the Shares or the underlying Shares of the Company 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 would be recorded in the register required to be kept under Section 336 of the SFO:

Name of shareholders	Nature of interests	Number of Shares held	Percentage of shareholding in the Company's issued share capital
Blackpaper BVI	Beneficial owner	182,250,000 (L) (Note 2)	67.5%
Ms. Choi Ming Lai Dejay	Spouse Interest	182,250,000 (L) (Note 3)	67.5%
Tronix Investment Limited ("Tronix")	Beneficial owner	20,250,000 (L) (Note 4)	7.5%
Loka Investment Limited ("Loka")	Interest in a controlled corporation	20,250,000 (L) (Note 4)	7.5%
One Media Holdings Limited ("One Media Holdings")	Interest in a controlled corporation	20,250,000 (L) (Note 4)	7.5%
One Media Group Limited ("One Media Group")	Interest of controlled corporation	20,250,000 (L) (Note 4)	7.5%
Comwell Investment Limited ("Comwell")	Interest of controlled corporation	20,250,000 (L) (Note 4)	7.5%
Media Chinese International Holdings Limited ("Media Chinese Holdings")	Interest of controlled corporation	20,250,000 (L) (Note 4)	7.5%
Media Chinese International Limited ("Media Chinese International")	Interest of controlled corporation	20,250,000 (L) (Note 4)	7.5%
Tan Sri Datuk Sir Tiong Hiew King	Interest of controlled corporation	20,250,000 (L) (Note 4)	7.5%

Note:

(1) The letter "L" denotes a long position in the Shares

(2) Blackpaper BVI is legally and beneficially owned equally amongst Mr. Iu, Mr. Luk and Mr. Tsui. Each of Mr. Iu, Mr. Luk and Mr. Tsui is deemed to be interested in the 182,250,000 Shares held by Blackpaper BVI under the SFO.

(3) Ms. Choi Ming Lai Dejay is the spouse of Mr. Tsui and is therefore deemed to be interested in the same number of Shares in which Mr. Tsui is interested under the SFO.

(4) These Shares are held by Tronix. Tronix is beneficially owned as to 100% by Loka. Loka is beneficially owned as to 100% by One Media Holdings. One Media Holdings is beneficially owned as to 100% by One Media Group. One Media Group is beneficially owned as to 73.01% by Comwell. Comwell is beneficially owned as to 100% by Media Chinese Holdings. Media China Holding is beneficially owned as to 100% by Media Chinese International. Media Chinese International is beneficially owned as to 50.62% by Tan Sri Datuk Sir Tiong Hiew King by virtue of his personal interests, family interests and interests in various corporate entities.

Save as disclosed above, as at 31 March 2019, the Directors were not aware of any other persons who had any interests or short positions in the Shares or underlying Shares of the Company 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 would be recorded in the register required to be kept under Section 336 of the SFO, and/or who are directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

SHAREHOLDERS' INTERESTS IN SECURITIES OF SIGNIFICANCE

Other than the interests disclosed above in respect of the substantial shareholders, as at 31 March 2019, no other person is individually or collectively entitled to exercise or control the exercise of 5% or more of the voting power at the general meetings of the Company and are able, as a practicable manner, to direct or influence the management of the Company.

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of sales for the Year generated from the Group's major customers is as follows:

—	The largest customer	5.7%
—	Five largest customers	21.9%

The total sales of the Group from five largest customers for the Year did not exceed 30%.

The percentage of cost of sales for the Year attributable to the Group's major suppliers is as follows:

—	The largest supplier	13.6%
—	Five largest suppliers	24.7%

The total cost of sales of the Group from the five largest suppliers for the Year did not exceed 30%.

None of the Directors, their close associates (as defined in the Listing Rules) or any shareholder (which to the knowledge of the Directors, owns more than 5% of the Company's issued share capital) had any beneficial interest in any of the Group's five largest customers or its five largest suppliers for the Year.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

COMPETING INTERESTS

During the Year and up to the date of this annual report, none of the Directors or the Controlling Shareholders or substantial shareholders (as defined in the Listing Rules) of the Company or their respective close associates (as defined in the Listing Rules) were considered to have any interests in a business which competed or was likely to compete, either directly or indirectly, with the business of the Group and/or caused, or was likely to cause any other conflicts of interest with the Group.

NON-COMPETITION UNDERTAKING

The Company confirms that the deed of non-competition (the "Deed") of each of Blackpaper BVI, Mr. Iu, Mr. Luk and Mr. Tsui, details of which were set out in the Prospectus, has been fully complied and enforced since the Listing Date and up to 31 March 2019. The Company has obtained (i) an annual written confirmation from each of the Controlling Shareholders in relation to their compliance with the terms of the Deed during the year; and (ii) the consent (from each of the Controlling Shareholders) to refer to the said confirmation. The independent non-executive Directors have reviewed the undertakings under the Deed and evaluated the effective implementation of the Deed during the year. The Board also confirms that there are no other matters in relation to the aforesaid undertaking which should be brought to the attention of the Shareholders and the potential investors of the Group.

SHARE OPTION SCHEME

The following is a summary of the principal terms of the Share Option Scheme conditionally approved and adopted in compliance with Chapter 17 of the Listing Rules by written resolutions of all the Shareholder passed on 2 March 2018. The following summary does not form, nor is intended to be, part of the Share Option Scheme, nor should it be taken as affecting the interpretation of the rules of the Share Option Scheme.

As at 31 March 2019, no share option was granted, exercised, lapsed or cancelled under the Share Option Scheme of the Company.

(a) Purpose

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 believe the Share Option Scheme will enable the Group to reward the employees, the Directors and other selected participants for their contributions to the Group. Given that the Directors are entitled to determine the performance targets to be achieved as well as the minimum period that an option must be held before an option can be exercised on a case by case basis, and that the exercise price of an option cannot in any event fall below the price stipulated in the Listing Rules or such higher price as may be fixed by the Directors, it is expected that grantees of an option will make an effort to contribute to the development of the Group so as to bring about an increased market price of the Shares in order to capitalise on the benefits of the options granted.

(b) Who may join

The Directors (which expression shall, for the purpose of this paragraph, include a duly authorised committee thereof) may, at their absolute discretion, invite any person belonging to any of the following classes of participants, who the Board considers, in its sole discretion, have contributed or will contribute to the Group, to take up options to subscribe for Shares (collectively the "Eligible Participants"):

(i) any directors (including executive Directors, non-executive Directors and independent non-executive Directors) and employees of any member of the Group; and

(ii) any advisers, consultants, distributors, contractors, customers, suppliers, agents, business partners, joint venture business partners, service providers of any member of the Group.

For the purposes of the Share Option Scheme, the options may be granted to any company wholly owned by one or more persons belonging to any of the above classes of participants. For the avoidance of doubt, the grant of any options by the Company for the subscription of Shares or other securities of the Group to any person who falls within any of the above classes of participants shall not, by itself, unless the Directors otherwise so determine, be construed as a grant of option under the Share Option Scheme.

The eligibility of any of the above class of participants to the grant of any option shall be determined by the Directors from time to time on the basis of the Directors' opinion as to the participant's contribution to the development and growth of the Group.

(c) Maximum number of Shares

(i) The maximum number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme of the Group shall not in aggregate exceed 30% of the issued share capital of the Company from time to time.

(ii) The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Group shall not in aggregate exceed 10% of the aggregate of the Shares in issue on the day on which trading of the Shares commences on the Stock Exchange, and such 10% limit represents 27,000,000 Shares (the "General Scheme Limit").

(iii) Subject to paragraph (i) above and without prejudice to paragraph (iv) below, the Company may issue a circular to its Shareholders and seek approval of its Shareholders in a general meeting to extend the General Scheme Limit provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share options scheme of the Group shall not exceed 10% of the Shares in issue as of the date of approval of the limit and, for the purpose of calculating the limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other share option scheme of the Group) previously granted under the Share Option Scheme and any other share option scheme of the Group will not be counted. The circular sent by the Company to its Shareholders shall contain, among other information, the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.

(iv) Subject to paragraph (i) above and without prejudice to paragraph (iii) above, the Company may seek separate Shareholders' approval in a general meeting to grant options beyond the General Scheme Limit or, if applicable, the extended limit referred to in paragraph (iii) above to participants specifically identified by the Company before such approval is sought. In such event, the Company must send a circular to its Shareholders containing a general description of the identified participants, the number and terms of options to be granted, the purpose of granting options to the identified participants with an explanation as to how the terms of the options serve such purpose and all other information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.

The total number of shares available for issue under the Share Option Scheme was 27,000,000, representing 10% of the issued share capital of the Company as at the date of this annual report.

(d) Maximum entitlement of each participant

The total number of Shares issued and to be issued upon exercise of the options granted and to be granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being (the "Individual Limit"). Any further grant of options to a participant in aggregate in excess of the Individual Limit in any 12-month period up to and including the date of such further grant shall be subject to the issue of a circular to the Shareholders and the Shareholders' approval in general meeting of the Company with such participant and his close associates abstaining from voting. The number and terms (including the exercise price) of options to be granted to such participant must be fixed before Shareholders' approval and the date of board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under Note (1) to Rule 17.03(9) of the Listing Rules.

(e) Grant of options to connected persons

(i) Any grant of options under the Share Option Scheme to any Director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of the options).

(ii) Where any grant of options to a substantial shareholder of the Company or an independent non-executive Director or any of their respective associates would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

(1) representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the Shares in issue; and

(2) having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of each grant, in excess of HK$5 million (or such other higher amount as may from time to time be specified by the Stock Exchange);

such further grant of options must be approved by the Shareholders in a general meeting. The Company must send a circular to its Shareholders no later than the date on which the Company gives notice of the general meeting to approve the Share Option Scheme. The grantees, their associates and all core connected persons of the Company must abstain from voting at such general meeting, except that they may vote against the relevant resolution at the general meeting provided that any of their intention to do so has been stated in the circular to be sent to the Shareholders in connection therewith. Any vote taken at the general meeting to approve the grant of such options must be taken on a poll. Any change in the terms of options granted to a substantial shareholder or an independent non-executive Director or any of their respective associates must be approved by the Shareholders in a general meeting.

(f) Time of acceptance and exercise of option

An option may be accepted by a participant to whom the offer is made within 5 business days from the date on which the letter containing the offer is delivered to that participant. 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 a day after the date upon which the offer for the grant of options is made but shall end in any event not later than ten years from the date of grant of the option subject to the provisions for early termination under the Share Option Scheme. Unless otherwise determined by the Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

(g) Subscription price for Shares and consideration for the option

The subscription price per Share under the Share Option Scheme will be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the offer of grant (provided that in the event that any option is proposed to be granted within a period of less than five business days after the trading of the Shares first commences on the Stock Exchange, the new issue price of the Shares for the Share Offer shall be used as the closing price for any business day falling within the period before listing of the Shares on the Stock Exchange); and (iii) the nominal value of a Share on the date of grant. A nominal consideration of HK$1 is payable upon acceptance of the grant of an option.

(h) Period of the Share Option Scheme

The Share Option Scheme will remain in force for a period of ten years commencing on the date on which the Share Option Scheme is adopted. No share options were granted since the adoption of the Share Option Scheme and there are no outstanding share options at the end of the Year.

AUDIT COMMITTEE

The Company has set up an Audit Committee on 2 March 2018 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C3 of the CG Code. The primary duties of the Audit Committee include, but are not limited to, the following: (i) making recommendations to the Board on the appointment and removal of the external auditor; (ii) reviewing the financial statements of the Group and monitoring the integrity of such financial statements; and (iii) overseeing the financial reporting system and internal control procedures. The Audit Committee comprises three members, namely Mr. Ho Kwong Yu, Mr. Leung Ting Yuk and Mr. Leung Wai Man. The chairman of the Audit Committee is Mr. Ho Kwong Yu, who holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The audited consolidated financial statements of the Group for the Year have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards, the Listing Rules and legal requirements, and adequate disclosures have been made.

CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS

Details of related party transactions of the Group during the Year are set out in note 27 to the consolidated financial statements in this annual report. Upon Listing, certain related party transactions set out in note 27 to the consolidated financial statements are regarded as continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Details of such transactions are set out in the section headed "Connected Transactions" in the Prospectus. As disclosed in the Prospectus, such transactions constitute de minimus continuing connected transactions of the Company as from the Listing Date and are fully exempt from shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

From the information publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital is held by the public at all times during the Year and up to the date of this annual report.

TAX RELIEF

The Company is not aware of any relief from taxation to which the Shareholders are entitled by reason of their holding of the Shares.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to implementing good corporate governance practices. Information on the principal corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 16 to 27 of this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group recognises the importance of compliance with regulatory requirements and that the risks of non-compliance with such requirements. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Group has complied with all relevant laws and regulations in Hong Kong in all material respects during the Year.

The Group also complies with the requirements under the Listing Rules and the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") for the disclosure of information and corporate governance.

ENVIRONMENTAL POLICY

Due to the business nature of the Group, no pollutant is produced, emitted or discharged during the course of provision of print, digital and other media services. The Group recognises its responsibility to protect the environment. As such, the Group has taken measures to facilitate the environmental-friendliness of our workplace by encouraging a recycling culture within the Group.

RELATIONSHIPS WITH STAKEHOLDERS

The Group recognises employees as one of the valuable assets of the Group and the Group strictly complies with the labour laws and regulations in Hong Kong and regularly reviews the existing staff benefits for improvement. The Group provides good quality services to the customers and maintains a good relationship with them. The Group is able to establish trusting and long-standing business relationships with the major customers. The Group also maintains effective communication and develops long-term and stable relationships with its suppliers. During the Year, there was no material dispute or disagreement between the Group and its customers or suppliers.

THE FORTHCOMING ANNUAL GENERAL MEETING

The forthcoming AGM of the Company will be held at Silka Tsuen Wan, Multi Function Room: Hotel 1/F, 119 Wo Yi Hop Road, Kwai Chung, Kowloon, Hong Kong on Thursday, 8 August 2019 at 10:00 a.m. and the notice convening such meeting will be published and despatched to the Shareholders in the manner as required by the Listing Rules in due course.

EVENTS AFTER THE REPORTING PERIOD

The Board has recommended the payment of a final dividend of HK5.2 cents per Share for the Year, totaling approximately HK$14.0 million based on a total of 270,000,000 Shares in issue as at the date of this annual report. (2018: Nil)

The proposed final dividend, subject to approval of the shareholders of the Company at the AGM to be held on Thursday, 8 August 2019, will be expected to be payable on or around Friday, 6 December 2019 to the shareholders whose name appear on the register of members of the Company on Friday, 16 August 2019.

INDEPENDENT AUDITOR

The consolidated financial statements for the Year have been audited by PricewaterhouseCoopers, who will retire and, being eligible, offer themselves for re-appointment at the forthcoming AGM. The Board has taken the Audit Committee's recommendation that a resolution for their re-appointment as independent auditor of the Company will be proposed at the forthcoming AGM.

There is no change of independent auditor for the Year and up to the date of this annual report.

On behalf of the Board

Iu Kar Ho
Chairman and executive Director
Hong Kong, 24 June 2019

INDEPENDENT AUDITOR'S REPORT

羅兵咸永道

To the Shareholders of Most Kwai Chung Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of Most Kwai Chung Limited (the "Company") and its subsidiaries (the "Group") set out on pages 47 to 103, which comprise:

- the consolidated balance sheet as at 31 March 2019;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated balance sheet of the Group as at 31 March 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

KEY AUDIT MATTERS

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

Key audit matter identified in our audit is related to recoverability of trade receivables.

Key Audit Matter	How our audit addressed the Key Audit Matter
Recoverability of trade receivables	
Refer to Note 3.1(i)(b), Note 4.1 and Note 20 to the consolidated financial statements. As at 31 March 2019, the Group had trade receivables of HK$13,791,000 net of provision of HK$1,072,000, representing 12% of the Group's total assets. In general, the credit terms granted by the Group to the customers ranged between 30 to 90 days. Management performed periodic assessment on the recoverability of the trade receivables and the sufficiency of provision for impairment based on information including credit profile of different customers, ageing of the trade receivables, historical settlement records, subsequent settlement status, expected timing and amount of realisation of outstanding balances, and on-going trading relationships with the relevant customers. Management also considered forward-looking information that may impact the customer's ability to repay the outstanding balances in order to estimate the expected credit losses ("ECL") for the recoverability assessment. We focused on this area due to the recoverability assessment of trade receivables under the ECL model involved the use of significant management judgements and estimates.	Our procedures in relation to management's assessment on the recoverability of trade receivables as at 31 March 2019 included the following: • understood, evaluated and tested management's assessment on identifying impairment indicators of debtors and methodology of expected credit loss computation of trade receivables; • evaluated management's assessment of the historical credit loss rates by sample checking inputs in respect of the assumptions made, such as past settlement history, correspondence on any disputes or claims with the customers and subsequent settlement records; • understood the status of each of the material trade receivables as at year end and the Group's on-going business relationships with the relevant customers through discussion with management; • tested, on a sample basis, the accuracy of trade receivables ageing report as at year end; • evaluated the expected future changes in credit risks in management's assessment by sample checking the inputs to the assumptions to external data sources; and • checked the computation of the amount of provision. Based on the results of the procedures performed, we found management's judgements and assumptions applied in the recoverability assessment of trade receivables to be supported by available evidence.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than 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 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 determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

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

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

From the matters communicated with the 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 Chan Wai Ching.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 24 June 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 March	
		2019	2018
	Note	**HK$'000**	HK$'000
Revenue	*5*	**100,481**	86,747
Cost of sales	*6*	**(62,266)**	(42,225)
Gross profit		**38,215**	44,522
Other income	*7*	**85**	13
Other loss	*8*	**–**	(4)
Selling and distribution expenses	*6*	**(7,149)**	(6,252)
Administrative expenses	*6*	**(14,232)**	(26,251)
Reversal of impairment losses on financial and contract assets, net	*20*	**478**	–
		17,397	12,028
Finance income	*10*	**633**	176
Share of profit of an associate	*15*	**57**	–
Profit before income tax		**18,087**	12,204
Income tax expenses	*11*	**(2,532)**	(5,287)
Profit and total comprehensive income attributable to owners of the Company for the year		**15,555**	6,917
Basic and diluted earnings per share for profit attributable to owners of the Company (Hong Kong cents)	*12*	**5.76**	3.40

The notes on pages 52 to 103 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET

	Note	As at 31 March 2019 HK$'000	2018 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	*13*	**2,406**	1,498
Deposits	*17*	**465**	393
Investment in an associate	*15*	**2,507**	–
		5,378	1,891
Current assets			
Inventories	*18*	**797**	856
Trade receivables	*20*	**13,791**	18,856
Prepayments, deposits and other receivables	*17*	**3,066**	1,665
Current income tax recoverable		**5,124**	5,662
Cash and cash equivalents	*19*	**88,361**	80,525
		111,139	107,564
Total assets		**116,517**	109,455
EQUITY			
Equity attributable to owners of the Company			
Share capital	*21*	**2,700**	2,700
Share premium	*21*	**67,028**	67,028
Reserves		**997**	997
Retained earnings		**28,253**	14,248
Total equity		**98,978**	84,973

The notes on pages 52 to 103 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET

	Note	As at 31 March 2019 HK$'000	2018 HK$'000
LIABILITIES			
Non-current assets			
Deferred income tax liabilities	*24*	**140**	121
Current liabilities			
Trade payables	*22*	**680**	1,632
Other payables and accruals	*23*	**9,958**	18,150
Receipts in advance		**–**	2,214
Contract liabilities	*5(i) and (ii)*	**4,197**	–
Current income tax liabilities		**2,564**	2,365
		17,399	24,361
Total liabilities		**17,539**	24,482
Total equity and liabilities		**116,517**	109,455

The consolidated financial statements on pages 47 to 103 were approved for issue by the Board of Directors on 24 June 2019 and were signed on its behalf.

Iu Kar Ho
Executive Director

Luk Ka Chun
Executive Director

The notes on pages 52 to 103 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Attributable to owners of the Company				
		Share capital	**Share premium**	**Reserves**	**Retained earnings**	**Total equity**
	Note	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Balance as at 1 April 2017		–	–	1,000	29,331	30,331
Profit for the year		–	–	–	6,917	6,917
Total comprehensive income		–	–	–	6,917	6,917
Transaction with owners						
Dividends	*28*	–	–	–	(22,000)	(22,000)
Completion of Reorganisation		–	–	(3)	–	(3)
Capitalisation of shares	*21*	2,025	(2,025)	–	–	–
Issuance of ordinary shares	*21*	675	69,053	–	–	69,728
Total transaction with owners		2,700	67,028	(3)	(22,000)	47,725
Balance as at 31 March 2018		2,700	67,028	997	14,248	84,973
Balance as at 1 April 2018, as originally stated		**2,700**	**67,028**	**997**	**14,248**	**84,973**
Adjustment on adoption of HKFRS 9 *(Note 2.2(ii)(a))*		**–**	**–**	**–**	**(1,550)**	**(1,550)**
Balance as at 1 April 2018, as restated		**2,700**	**67,028**	**997**	**12,698**	**83,423**
Profit for the year		**–**	**–**	**–**	**15,555**	**15,555**
Total comprehensive income		**–**	**–**	**–**	**15,555**	**15,555**
Balance as at 31 March 2019		**2,700**	**67,028**	**997**	**28,253**	**98,978**

The notes on pages 52 to 103 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

		Year ended 31 March	
		2019	2018
	Notes	**HK$'000**	HK$'000
Cash flows from operating activities			
Cash generated from operations	*25(a)*	**18,229**	18,037
Income tax paid		**(1,776)**	(11,676)
Net cash generated from operating activities		**16,453**	6,361
Cash flows from investing activities			
Interest received		**633**	176
Acquisition of an associate	*15*	**(2,450)**	–
Purchase of property, plant and equipment	*13*	**(1,823)**	(871)
Proceeds from disposal of property, plant and equipment	*25(b)*	**–**	7
Net cash used in investing activities		**(3,640)**	(688)
Cash flows from financing activities			
Dividends paid		**–**	(22,000)
Acquisition of a subsidiary in connection with the Reorganisation		**–**	(3)
Proceeds from issuance of ordinary shares		**–**	81,000
Professional expenses paid in connection with issuance of ordinary shares		**(4,977)**	(6,295)
Net cash generated from financing activities		**(4,977)**	52,702
Net increase in cash and cash equivalents		**7,836**	58,375
Cash and cash equivalents at beginning of the year		**80,525**	22,150
Cash and cash equivalents at end of the year	*19*	**88,361**	80,525

The notes on pages 52 to 103 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION, REORGANISATION AND BASIC OF PRESENTATION

1.1 General information

The Company was incorporated in the Cayman Islands on 8 June 2017 as an exempted company with limited liability under the Companies Law (as revised) of the Cayman Islands. The address of the Company's registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company and the Group are principally engaged in the provision of creative digital media services, print media services and other media services which include events organisation and artistes management (the "Business").

The ordinary shares of the Company (the "Shares") were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 28 March 2018 (the "Listing").

The ultimate holding company of the Group is Blackpaper Limited, a company incorporated under the laws of British Virgin Islands (the "BVI") with limited liability on 7 June 2017 ("Blackpaper BVI"). The shareholders of Blackpaper BVI are Iu Kar Ho ("Mr. Iu"), Luk Ka Chun ("Mr. Luk") and Tsui Ka Ho ("Mr. Tsui") (together as the "Ultimate Shareholders") and each of the Ultimate Shareholders owns 33.33% equity interest in Blackpaper BVI.

These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand ("HK$'000") except when otherwise indicated.

1.2 Reorganisation

In preparing for the Listing, the following reorganisation activities (the "Reorganisation") were carried out.

Prior to the incorporation of the Company and the completion of the Reorganisation, the Business was carried out through Blackpaper Limited, a company incorporated under the laws of Hong Kong with limited liability ("Blackpaper") and its subsidiaries, namely, Whitepaper Publishing Limited ("Whitepaper Publishing"), General Manager Management Limited ("General Manager"), TV Most Broadcasts Limited ("TV Most Broadcasts") and French Rotational Production Limited ("French Rotational") (the subsidiaries of Blackpaper collectively referred as to the "Subsidiaries").

The principal steps involved in the Reorganisation are summarised below:

(i) Incorporation of Blackpaper BVI by the Ultimate Shareholders

On 7 June 2017, Blackpaper BVI was incorporated in the BVI and 1 share of US dollar ("US$") 1.00 was allotted and issued at par to each of the Ultimate Shareholders.

(ii) Incorporation of the Company by Blackpaper BVI

On 8 June 2017, the Company was incorporated in the Cayman Islands and 1 subscriber share of HK$0.01 of the Company was transferred at par to Blackpaper BVI.

On 23 June 2017, 8 shares of HK$0.01 each of the Company were allotted and issued at par to Blackpaper BVI. On the same day, 1 share of HK$0.01 of the Company was allotted and issued at par to Tronix Investment Limited ("Tronix Investment", an indirect wholly-owned subsidiary of One Media Group Limited which is listed on the Main Board of the Stock Exchange (Stock Code: 426)). Since then, the Company is owned by Blackpaper BVI and Tronix Investment as to 90% and 10% respectively.

1 GENERAL INFORMATION, REORGANISATION AND BASIC OF PRESENTATION *(Continued)*

1.2 Reorganisation *(Continued)*

(iii) Incorporation of Most Kwai Chung (BVI) Limited ("Most BVI") by the Company

On 9 June 2017, Most BVI was incorporated in the BVI. On 23 June 2017, 1 share of US$1.00 was allotted and issued at par to the Company. Since then, Most BVI is a direct wholly-owned subsidiary of the Company.

(iv) Incorporation of Number Eighteen Limited (incorporated in the BVI) ("Number Eighteen BVI"), General Productions Limited ("General Productions"), Most Multimedia Limited ("Most Multimedia") and Most Publishing Limited ("Most Publishing")

On 12 June 2017, Number Eighteen BVI, General Productions, Most Multimedia and Most Publishing were incorporated in the BVI. On 23 June 2017, 1 share of US$1.00 of Number Eighteen BVI, General Productions, Most Multimedia and Most Publishing was allotted and issued at par to Most BVI. Since then, Number Eighteen BVI, General Productions, Most Multimedia and Most Publishing are indirect wholly-owned subsidiaries of the Company.

(v) Acquisition of Number Eighteen Limited ("Number Eighteen") by Number Eighteen BVI

On 12 July 2017, Number Eighteen BVI acquired 100% equity interest in Number Eighteen from Blackpaper at a consideration of allotting and issuing 9 shares and 1 share of the Company to Blackpaper BVI and Tronix Investment, respectively. Since then, Number Eighteen is an indirect wholly-owned subsidiary of the Company.

(vi) Acquisitions of General Manager and French Rotational by General Productions

On 12 July 2017 and on 12 September 2017, General Productions acquired 100% equity interest in General Manager from Blackpaper at a consideration of allotting and issuing 9 shares and 1 share of the Company to Blackpaper BVI and Tronix Investment respectively. Since then, General Manager is an indirect wholly-owned subsidiary of the Company.

On 12 July 2017, General Productions acquired 100% equity interest in French Rotational from Blackpaper at a consideration of allotting and issuing 9 shares and 1 share of the Company to Blackpaper BVI and Tronix Investment respectively. Since then, French Rotational is an indirect wholly-owned subsidiary of the Company.

(vii) Acquisitions of TV Most Broadcasts and Blackpaper by Most Multimedia

On 12 July 2017, Most Multimedia acquired 100% equity interest in TV Most Broadcasts from Blackpaper at a consideration of allotting and issuing 9 shares and 1 share of the Company to Blackpaper BVI and Tronix Investment respectively. Since then, TV Most Broadcasts is an indirect wholly-owned subsidiary of the Company.

On 13 July 2017, Most Multimedia acquired 100% equity interest in Blackpaper from the Ultimate Shareholders and Tronix Investment at a consideration of allotting and issuing 9 shares and 1 share of the Company to Blackpaper BVI and Tronix Investment respectively. Since then, Blackpaper is an indirect wholly-owned subsidiary of the Company.

1 GENERAL INFORMATION, REORGANISATION AND BASIC OF PRESENTATION *(Continued)*

1.2 Reorganisation *(Continued)*

(viii) Acquisition of Whitepaper Publishing by Most Publishing

On 12 July 2017, Most Publishing acquired 100% equity interest in Whitepaper Publishing from the Ultimate Shareholders at a consideration of HK$2,442.

1.3 Basic of presentation

Immediately prior to and after the Reorganisation, the Business had been and continues to be conducted by Blackpaper and Subsidiaries, which are directly controlled by Blackpaper of which the Ultimate Shareholders and Tronix Investment held 90% and 10% equity interests respectively. Pursuant to the Reorganisation, Blackpaper and the Subsidiaries together with the Business were transferred to and held by the Company. The Company has not been involved in any business prior to the Reorganisation and does not meet the definition of a business. The Reorganisation is merely a reorganisation of the Business with no change in management and the ultimate owners of the Business remain the same. Accordingly, the Group resulting from the Reorganisation is regarded as a continuation of the Business conducted by Blackpaper and the Subsidiaries and the historical financial information has been prepared and presented as a continuation of the consolidated financial statements of Blackpaper and the Subsidiaries, with the result, assets and liabilities recognised and measured at the carrying amounts of the Business under the consolidated financial statements for all periods presented.

Inter-company transactions, balances and unrealised gains/losses on transactions between group companies are eliminated on combination.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied during years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") under the historical cost convention.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the Directors to exercise their judgement in the process of applying the Group's accounting policies.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

The following are new standards and amendments to standards which have been issued but are not effective and have not been early adopted:

		Effective for annual periods beginning on or after
Annual improvement	Annual improvement 2015–2017 cycle (amendments)	1 January 2019
Amendments to HKAS 28	Long term interests in associates and joint venture	1 January 2019
Amendments to HKFRS 9	Prepayment features with negative compensation	1 January 2019
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	*Note*
HKFRS 16	Leases	1 January 2019
HKFRS 17	Insurance contracts	1 January 2021
HK (IFRIC) Int-23	Uncertainty over income tax treatments issued	1 January 2019

Note: The effective date was postponed indefinitely.

The Group will adopt the above new or revised standards, amendments and interpretations to existing standards as and when they become effective. Management is in the process of assessing the impacts of these standards, amendments and interpretations to existing HKFRSs and set out below are the expected impacts on the Group's financial performance and position:

HKFRS 16, 'Leases' addresses the definition of a lease, recognition and measurement of leases. The standard replaces HKAS 17 'Leases' and related interpretations. The Group is a lessee of office premises, and the lease is currently classified as an operating lease. The Group's future operating lease commitments, which are not reflected in the consolidated balance sheet, under non-cancellable operating was HK$1,358,000 as at 31 March 2019.

HKFRS 16 provides new provisions for the accounting treatment of leases and will in the future no longer allow lessees to recognise certain leases outside of the consolidated balance sheet. Instead, all non-current leases must be recognised in the form of an asset (for the right of use) and a financial liability (for the payment obligation). Thus each lease will be mapped in Group's consolidated balance sheet. Short-term leases of less than twelve months and leases of low-value assets are exempt from the reporting obligation. The new standard will therefore result in an increase in right-of-use asset and an increase in financial liability in the consolidated balance sheet. This will affect related ratios, such as increase in debt to capital ratio. In the statement of comprehensive income, leases will be recognised in the future as depreciation and amortisation and will no longer be recorded as property rental and related expenses. Interest expense on the lease liability will be presented separately from depreciation and amortisation under finance costs. As a result, the property rental and related expenses under otherwise identical circumstances will decrease, while depreciation and amortisation and the interest expense will increase. The combination of a straight-line depreciation of the right-of-use asset and the effective interest rate method applied to the lease liability will result in a higher total charge to profit or loss in the initial year of the lease, and decreasing expenses during the latter part of the lease term. The new standard is not expected to apply until the financial year beginning on or after 1 January 2019, including the adjustment of prior years. It is expected that certain portion of these lease commitments will be required to be recognised in the consolidated balance sheet as right-of-use assets and lease liabilities.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

As a result of the adoption of the new standard, there will be no operating lease commitment.

For lessors, the accounting stays almost the same. Although the standard provides guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), this does not impact the Group as there are no such arrangements in place.

The management of the Group is continuing to assess the specific magnitude of the adoption of HKFRS 16 to the relevant financial statement areas and will conduct a more detailed assessment on the impact as information become available closer to the planned initial date of the Group's financial year commencing 1 April 2019.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.2 New and amended standards adopted by the Group

The below explains the impact of adoption of HKFRS 9 Financial Instruments ("HKFRS 9") and HKFRS 15 Revenue from Contracts with Customers ("HKFRS 15") on the Group's consolidated financial statements and also discloses the new accounting policies that have been applied from 1 April 2018, where they are different to those applied in prior period.

(i) Accounting policies applied from 1 April 2018

The changes in the accounting policies and the effects of the resulting changes are summarised below:

(a) HKFRS 9 Financial Instruments

Investments and other financial assets

Classification

From 1 April 2018, the Group classifies its financial assets in the following measurement categories:

— Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

— Those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 New and amended standards adopted by the Group *(Continued)*

(i) Accounting policies applied from 1 April 2018 *(Continued)*

(a) HKFRS 9 Financial Instruments *(Continued)*

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition or the financial asset. Transaction costs of financial asset carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirely when determining whether their cash flows are solely payments of principal and interest.

Debt Instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories to classify the debt instruments:

(1) Amortised cost
Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in revenue, using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as separate line item in the consolidated income statement.

(2) Fair value through other comprehensive income
Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flow represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in finance income using the effective interest rate method. Impairment expenses are presented as separate line item in the consolidated income statement.

(3) Fair value through profit or loss
Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss in the period in which it arises.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 New and amended standards adopted by the Group *(Continued)*

(i) Accounting policies applied from 1 April 2018 *(Continued)*

(a) ***HKFRS 9 Financial Instruments*** *(Continued)*

Equity instruments

The Group subsequently measures all equity investment at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other gains, net when the Group's right to receive payments is established.

Changes in the fair value of financial asset at FVPL are recognised in other gains, net in the consolidated income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

From 1 April 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected life time losses to be recognised from initial recognition of the receivables.

(b) ***HKFRS 15 Revenue from Contracts with Customers***

Sales of goods

The Group is engaged in sales of periodicals and books. Sales are recognised when control of the products has transferred, being when the products are delivered to the customers, the customer has accepted the products, the collection of the related consideration is probable and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

A contract liability is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is ready due, before the Group recognises the related revenue.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 New and amended standards adopted by the Group *(Continued)*

(i) Accounting policies applied from 1 April 2018 *(Continued)*

(b) HKFRS 15 Revenue from Contracts with Customers *(Continued)*

Provision of services

The Group is engaged in provision of range of media and advertising services. Revenue from providing services is recognised in the accounting period in which the services are rendered which generally coincide when the underlying media or advertising contents have been published which the Group has present right to payment in regard of the provision of services.

Some contracts include multiple elements with combination of types of service elements. The related type of services are accounted for as a separate performance obligation. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices.

(ii) Impact of adoption

(a) Adoption of HKFRS 9

HKFRS 9 was generally adopted without restating comparative information with the exception of certain aspects of hedge accounting, which is not relevant to the Group for the year. The reclassification and the adjustments arising from the new impairment rules are therefore not reflected in the restated statement of financial position as at 31 March 2018, but are recognised in the opening statement of financial position on 1 April 2018.

The total impact on the Group's retained earnings due to classification and measurement of financial instruments as at 1 April 2018 is as follows:

	HK$'000
Opening retained earnings — HKAS 39	14,248
Increase in provision for trade receivables, net of tax	(1,550)
Adjustment to retained earnings from adoption of HKFRS 9	(1,550)
Opening retained earnings — HKFRS 9	12,698

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 New and amended standards adopted by the Group *(Continued)*

(ii) Impact of adoption *(Continued)*

(a) Adoption of HKFRS 9 *(Continued)*

Classification and measurement of financial instruments

On 1 April 2018 (the date of initial application of HKFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate HKFRS 9 categories. All classes of financial assets and financial liabilities had the same carrying amounts in accordance with HKAS 39 and HKFRS 9 on 1 April 2018.

There is no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities.

Impairment of financial assets

The Group's significant financial assets which are subject to the new expected credit loss model include trade receivables. The Group was required to revise the impairment methodology under HKFRS 9 for these classes of financial assets.

While cash and cash equivalents and short-term bank deposits are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

For trade receivables, the Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected losses for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics. Future cash flows of each group receivables are estimated on the basis of historical loss experience, adjusted to reflect the effects of current conditions as well as forward looking information.

Management has closely monitored the credit qualities and the collectability of the trade receivables. Trade receivables in dispute are assessed individually for impairment allowance and determined whether specific provisions are required. The adoption of the simplified expected credit loss approach under HKFRS 9 has resulted in an additional impairment loss of HK$1,550,000 for trade receivables as at 1 April 2018.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 New and amended standards adopted by the Group *(Continued)*

(ii) Impact of adoption *(Continued)*

(b) Adoption of HKFRS 15

The Group has adopted HKFRS 15 from 1 April 2018 which resulted in changes in accounting policies and adjustments to the amounts recognised in the consolidated financial statements. In accordance with the transitional provisions in HKFRS 15, the Group has adopted the modified retrospective approach and comparatives figures have not been restated.

The accounting policies were changed to comply with HKFRS 15. HKFRS 15 replaces the provision of HKAS 18 "Revenue" ("HKAS 18") that relate to the recognition, classification and measurement of revenue and costs.

The impact on the Group's consolidated balance sheet by the application of HKFRS 15 as compared to HKAS 18 that was previously in effect before the adoption of HKFRS 15 is as follows:

		As at 1 April 2018	
	As previously stated	**Reclassification under HKFRS 15**	**Restated**
	HK$'000	HK$'000	HK$'000
Consolidated balance sheet (extract)			
Receipts in advance	2,214	–	–
Contract liabilities	–	2,214	2,214

The adoption of HKFRS 15 has no material impact to the Group's net assets as at 1 April 2018 and the consolidated results for the year ended 31 March 2019.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.3 Subsidiaries

(i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(a) Business combination

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries now comprising the Group have been changed where necessary to ensure consistency with the policies adopted by the Group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.3 Subsidiaries *(Continued)*

(i) Consolidation *(Continued)*

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions — that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(ii) Separate financial statements

Investment in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.4 Associate

Associate is entity over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associate is accounted for using the equity method of accounting, after initially being recognised at cost.

2.5 Equity accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in consolidated statement of comprehensive income, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associate is recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.5 Equity accounting *(Continued)*

Unrealised gains on transactions between the Group and its associate is eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impaired in accordance with the policy described in note 2.21

2.6 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive Directors that make strategic decisions.

2.7 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Computer equipment	20.00%
Furniture and fixtures	20.00%
Office equipment	30.00%
Leasehold improvements	33.33% or over the unexpired period of the lease, whichever is shorter

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Property, plant and equipment that are not ready to use are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Property, plant and equipment that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Gains or losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the consolidated statement of comprehensive income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.8 Financial assets

(i) Classification

From 1 April 2018, the Group classifies its financial assets in the following measurement categories:

— Those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss), and

— Those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair values plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.8 Financial assets *(Continued)*

(iii) Measurement *(Continued)*

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

— Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.

— FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flow represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented as separate line item in the consolidated income statement.

— FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition or the investment. Dividends from such investments continue to be recognised in consolidated income statement as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the consolidated income statement as applicable. Impairment losses (and reversal if impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.8 Financial assets *(Continued)*

(iv) Impairment

From 1 April 2018, the Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 3.1(i)(b) and Note 20 for further details.

(v) Accounting policies applied until 31 March 2018

(a) Classification

The Group's financial assets are mainly loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "trade receivables", "other receivables and deposits" and "cash and cash equivalent" in the consolidated balance sheet.

(b) Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date — the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair values plus transaction costs for all financial assets not carried at fair balance through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Receivables are subsequently carried at amortised cost using the effective interest method.

(c) Impairment of financial assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset of group of financial assets is impaired. A financial asset or a Group financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset of Group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a Group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.8 Investment and other financial assets *(Continued)*

(v) Accounting policies applied until 31 March 2018 *(Continued)*

(c) Impairment of financial assets carried at amortised cost (Continued)

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the combined statements of comprehensive income. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If, in a subsequent period, the amount of the impairment loss decreases and decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of comprehensive income.

2.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.10 Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. The policy is described in Note 2.8.

2.11 Inventories

Inventories comprise merchandise held for direct sales and are stated at the lower of cost and net realisable value. Cost is determined using the first-in-first-out method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.12 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand and deposits held at call with banks with original maturities of three months or less.

2.13 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.14 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.15 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.16 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statements of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.16 Current and deferred income tax *(Continued)*

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.17 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sales of goods and rendering of services in the ordinary course of the Group's activities.

Revenue is recognised when or as the control of the good or service is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the good or service is transferred at a point in time.

When either party to a contract has performed, the Group presents the contract in the consolidated balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

If contracts involve the sale of multiple elements, the transaction price will be allocated to each performance obligation based upon the relative fair values of the various elements. The fair values of each element are determined based on the current market price of each of the elements when sold separately.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the Group presents the contract as a contract liability when the payment is made or a receivables is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.17 Revenue recognition *(Continued)*

A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

The Group has the following types of revenues:

(i) Media services income

Media services income is recognised when the services are rendered or on the date of the relevant production is published or delivered.

(ii) Sales of periodicals and books

Revenue from sales of periodicals and books, net of trade discounts and returns, is recognised on the transfer of control of the periodicals and books to the customers, which generally coincides with the date of delivery.

(iii) Printed advertising income

Printed advertising income, net of trade discounts, is recognised when the printed advertising are published or delivered.

(iv) Performance income

Performance income is recognised when the services are rendered.

(v) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2.18 Employee benefits

(i) Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. Pursuant to the government regulations in Hong Kong, the Group is required to contribute an amount to certain retirement benefit schemes based on approximately 5% of the wages for the year of those employees subject to a statutory cap. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.18 Employee benefits *(Continued)*

(ii) Bonus plans

The Group recognises a liability and an expense for bonuses, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(iii) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

2.19 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are charged to the profit or loss on a straight-line basis over the period of the lease.

2.20 Dividend distribution

Dividend distribution to the shareholders is recognised as a liability in the consolidated balance sheets in the period in which the dividends are approved by the Company's and Subsidiaries' shareholders or directors, where appropriate.

2.21 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose itself to a variety of financial risks: credit risk, liquidity risk and interest rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by management according to the policies of the Group. Financial risks are identified and evaluated in close co-operation within the Group's business.

(i) Credit risk

The credit risk of the Group mainly arises from cash and cash equivalents, other receivables and trade receivables. The carrying amounts of these balances represent the Group's maximum exposure to credit risk in relation to financial assets.

(a) Risk management

To manage this risk, cash and cash equivalents of the Group are mainly placed with reputable banks with no defaults in the past. The Group has policies in place to ensure that sales are made to reputable and creditworthy customers with an appropriate financial strength, credit history and an appropriate percentage of down payments. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

In addition, the Group reviews regularly the authorisation of credit limits to individual customers and recoverable amount of each individual trade receivables to ensure that adequate impairment losses are made for irrecoverable amounts.

As at 31 March 2019, there was no customers (2018: Nil) which individually contributed over 10% of the Group's trade receivables. The major debtors of the Group are reputable organisations and with no history of default. Management considers that the credit risk is limited in this regard.

(b) Impairment of financial assets

Trade receivables of the Group is subject to expected credit loss model. While cash and cash equivalents and other financial assets at amortised cost are also subject to the impairment requirements of HKFRS 9, the identified loss was immaterial.

Trade receivables
Prior to the adoption of HKFRS 9, the Group reviews the recoverable amount of each individual trade receivable carried at amortised cost at each reporting date to ensure that adequate impairment losses are made for irrecoverable amounts. The Group's past experience in collection of trade receivables falls within the recorded allowances.

Upon the adoption of HKFRS 9, the Group's credit risk assessment of these trade receivables carried at amortised cost also takes into account forward looking information, such as general economy and changes in macroeconomic indicators, to estimate lifetime expected credit losses.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(i) Credit risk *(Continued)*

(b) Impairment of financial assets (Continued)

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected credit loss provision of all trade receivables. The Group recognised lifetime expected credit loss for trade receivables carried at amortised cost based on either individually customers who are long overdue with significant amounts or known insolvencies or non-response to collection activities, or collectively assessing them for likelihood of recovery based on ageing of the balances with similar risk characteristics taking into account the forward looking information.

On that basis, the loss allowance as at 1 April 2018 and 31 March 2019 was determined as follows for trade receivables:

As at 1 April 2018	Lifetime expected loss rate %	Gross carrying amount HK$'000	Lifetime expected credit loss HK$'000	Net carrying amount HK$'000
Collective assessment				
Current	0.51%	7,973	(41)	7,932
Within 2 months	1.32%	4,929	(65)	4,864
2 to 4 months	2.29%	2,070	(47)	2,023
4 to 6 months	7.90%	2,202	(174)	2,028
6 to 8 months	27.19%	394	(107)	287
8 to 10 months	55.70%	366	(204)	162
10 to 12 months	86.67%	72	(62)	10
Over 12 months	100.00%	850	(850)	–
		18,856	(1,550)	17,306

As at 31 March 2019	**Lifetime expected loss rate %**	**Gross carrying amount HK$'000**	**Lifetime expected credit loss HK$'000**	**Net carrying amount HK$'000**
Collective assessment				
Current	**0.51%**	**9,583**	**(49)**	**9,534**
Within 2 months	**1.35%**	**3,028**	**(41)**	**2,987**
2 to 4 months	**2.33%**	**651**	**(15)**	**636**
4 to 6 months	**8.05%**	**462**	**(37)**	**425**
6 to 8 months	**27.71%**	**289**	**(80)**	**209**
8 to 10 months	**56.77%**	**–**	**–**	**–**
10 to 12 months	**88.33%**	**–**	**–**	**–**
Over 12 months	**100.00%**	**850**	**(850)**	**–**
		14,863	**(1,072)**	**13,791**

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(i) Credit risk *(Continued)*

(b) Impairment of financial assets (Continued)

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments. Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Other financial assets at amortised cost
The Group has policies in place to monitor the credit exposure of the relevant parties. The Group will assess the financial capabilities of the relevant parties including its repayment histories, and its abilities to obtain financial support when necessary. Management also regularly reviews the recoverability of these receivables and follow up the disputes or amounts overdue, if any.

(ii) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and cash equivalents. The Group maintains its liquidity mainly through funding generated from the daily operation and funding from shareholders.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the date of consolidated balance sheet to the contractual maturity date. The amounts disclosed in the table at the contractual undiscounted cash flows.

	As at 31 March	
	2019	2018
	HK$'000	HK$'000
Within one year		
Trade payables	**680**	1,632
Other payables and accruals	**2,331**	16,689
	3,011	18,321

(iii) Interest rate risk

The Group's interest rate risk arises primarily from cash at banks. The Group currently does not hedge its exposure to cash flow and fair value interest rate risk. The Group analyses its interest rate exposure on a regular basis and will consider the interest rate exposure when enter into any financing, renewal of existing positions and alternative financing transactions. As at 31 March 2019, the Group's interest rate risk is insignificant, no sensitivity analysis is performed.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, and sell assets to reduce debt or funding from shareholders.

As at 31 March 2019, the Group had no borrowings from bank and other financial institutions (2018: nil).

3.3 Fair value estimation

The carrying amounts of the Group's financial assets, including trade receivables, deposits and cash and cash equivalents; and the Group's financial liabilities, including trade payables, other payables and accruals and amounts due to directors, approximate their fair values due to their short maturities.

4 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

4.1 Impairment of receivables

The loss allowance for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses significant judgement in making these assumptions and selecting the inputs to the impairment calculation based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 3.1(i)(b).

4.2 Income taxes

The Group is subject to income tax in Hong Kong. Judgement is required in determining the provision for income taxes. There are transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

5 REVENUE AND SEGMENT INFORMATION

The chief operating decision-maker ("CODM") has been identified as the executive directors. The executive directors reviewed the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The CODM considers the Group's operation from a business perspective and determines that the Group has three reportable operating segments as follows:

Digital media services

Digital media services represent provision of one-stop advertising solution packages under which the deliverables to customers are distributed on digital media platforms managed by the Group, third parties' TV channels, internet and physical advertising spaces, subject to the needs of the customers.

Print media services

Print media services represent advertorial production and advertisement placement services and sale of publications including books and magazines.

Other media services

Other media services represent advertising income generated from (i) displaying customers' advertisements and promoting their brands in events organised by the Group; (ii) sale of tickets of these events; and (iii) artistes management business, under which the Group's contracted artistes appeared in advertisements produced and events organised by the Group, as well as third party customers.

The CODM assesses the performance of the operating segments based on a measure of revenue and profit before income tax. The segment information provided to the CODM for the reportable segments is as follows:

Year ended 31 March 2019

	Digital media services HK$'000	Print media services HK$'000	Other media services HK$'000	Total HK$'000
Revenue	87,303	3,850	14,651	105,804
Inter-segment transactions	–	–	(5,323)	(5,323)
Revenue from external customers	87,303	3,850	9,328	100,481
Segment profit/(loss) before income tax	19,682	(48)	203	19,837
Unallocated expenses				(2,440)
Finance income				633
Share of profit of an associate				57
Income tax expenses				(2,532)
Profit for the year				15,555
Other information:				
Depreciation	385	530	–	915

5 REVENUE AND SEGMENT INFORMATION *(Continued)*

Year ended 31 March 2018

	Digital media services HK$'000	Print media services HK$'000	Other media services HK$'000	Total HK$'000
Revenue	80,491	6,059	1,783	88,333
Inter-segment transactions	–	–	(1,586)	(1,586)
Revenue from external customers	80,491	6,059	197	86,747
Segment profit/(loss) before income tax	32,288	(3,316)	99	29,071
Unallocated expenses				(17,043)
Finance income				176
Income tax expenses				(5,287)
Profit for the year				6,917
Other information:				
Depreciation	221	384	–	605

All of the Group's activities are carried out in Hong Kong and all its assets and liabilities are located in Hong Kong. Accordingly, no analysis by geographical basis for the year ended 31 March 2019 is presented (2018: same).

The Group derives the following types of revenue:

	2019 HK$'000	2018 HK$'000
Timing of revenue recognition		
At a point in time:		
Media services income	**88,048**	78,903
Sales of periodicals and books	**3,382**	4,788
Printed advertising income	**308**	1,046
Performance income	**8,743**	2,010
	100,481	86,747

5 REVENUE AND SEGMENT INFORMATION *(Continued)*

(i) Significant changes in contract liabilities:

Contract liabilities for receipts in advance have increased by HK$1,983,000 following the greater amount received from media service and performance income during the year. The increase in 2019 was mainly due to the negotiation of larger prepayments and an increase in overall contract activity.

(ii) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

	2019 **HK$'000**
Revenue recognised that was included in the contract liability balance at the beginning of the period	
Media service and performance contracts	**2,214**

All media service and performance income contracts are for periods of one year or less or are billed based on time incurred. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

6 EXPENSES BY NATURE

Expenses included in cost of sales, selling and distribution expenses and administrative expenses are analysed as follows:

	Year ended 31 March	
	2019	2018
	HK$'000	HK$'000
Cost of production	**40,526**	25,588
Cost of inventories	**1,024**	1,153
Inventory written off	**223**	–
Printing cost	**331**	1,193
Employee benefit expenses, including directors' emoluments *(Note 9)*	**34,138**	24,540
Depreciation *(Note 13)*	**915**	605
Operating lease payments	**1,170**	769
Auditor's remuneration		
— Audit services	**700**	800
Professional fee	**1,558**	41
Accounting service fee *(Note 27(b))*	**–**	1,200
Royalties	**398**	459
Listing expenses	**–**	16,243
Others	**2,664**	2,137
Total cost of sales, selling and distribution expenses and administrative expenses	**83,647**	74,728

7 OTHER INCOME

	Year ended 31 March	
	2019	2018
	HK$'000	HK$'000
Disposal of wastage books	**85**	13

8 OTHER LOSS

	Year ended 31 March	
	2019	2018
	HK$'000	HK$'000
Loss on disposal of property, plant and equipment	**–**	4

9 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' REMUNERATIONS)

	Year ended 31 March	
	2019	2018
	HK$'000	HK$'000
Wages and salaries	**26,676**	18,661
Bonus	**2,101**	1,322
Commissions	**3,557**	2,923
Pension costs — defined contribution plans *(Note a)*	**1,203**	864
Welfare and other expenses	**601**	770
	34,138	24,540

The Group has no other obligations for the payment of retirement and other post-retirement benefits of employees or retirees other than the defined contribution payments as disclosed above.

(a) Pensions — defined contribution plans

No forfeited contribution is available to reduce the contribution payable in future year.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group include three directors for the year ended 31 March 2019 (2018: three), respectively, whose emoluments are reflected in the analysis presented in Note 29. The emoluments payable to the remaining two individuals for the years ended 31 March 2019 are as follows (2018: two):

	Year ended 31 March	
	2019	2018
	HK$'000	HK$'000
Wages and salaries	**565**	539
Bonus	**47**	46
Commissions	**2,450**	2,020
Pension costs — defined contribution plans	**36**	36
	3,098	2,641

9 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' REMUNERATIONS) *(Continued)*

(b) Five highest paid individuals *(Continued)*

The emoluments fell within the following bands:

	Number of individuals Year ended 31 March	
	2019	2018
	HK$'000	HK$'000
Emolument bands		
HK$nil–HK$1,000,000	**–**	–
HK$1,000,001–HK$1,500,000	**1**	1
HK$1,500,001–HK$2,000,000	**1**	1
	2	2

During the year ended 31 March 2019, no emoluments were paid by the Group to any of the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2018: nil).

10 FINANCE INCOME

	Year ended 31 March	
	2019	2018
	HK$'000	HK$'000
Bank interest income	**633**	176

11 INCOME TAX EXPENSES

	Year ended 31 March	
	2019	2018
	HK$'000	HK$'000
Current income tax — Hong Kong	**2,564**	5,250
Over provision for prior years	**(51)**	–
Deferred income tax *(Note 24)*	**19**	37
Income tax expenses	**2,532**	5,287

11 INCOME TAX EXPENSES *(Continued)*

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime.

The Bill was signed into law on 28 March 2018 and was gazette on the following day.

Under the two-tiered profits tax rates regime, the first HK$2 million of profits of qualifying corporation will be taxed at 8.25% and profits above HK$2 million will be taxed at 16.5%.

For the year, Hong Kong profits tax of the qualified entity is calculated in accordance with the two-tiered profits tax rates regime.

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

	Year ended 31 March	
	2019	2018
	HK$'000	HK$'000
Profit before income tax	**18,087**	12,204
Tax calculated at 16.5%	**2,984**	2,014
Tax effect of:		
Income not subject to tax	**(105)**	(29)
Expenses not deductible for tax purpose	**23**	2,832
Share of results of an associate	**(9)**	–
Tax losses for which no deferred income tax asset was recognised	**–**	510
Tax losses utilised	**(85)**	–
Over provision for prior years	**(51)**	–
Tax reduction	**(60)**	(40)
Tax concession under two-tiered profits rates regime	**(165)**	–
Income tax expenses	**2,532**	5,287

12 EARNINGS PER SHARE

(a) Basic

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

	Year ended 31 March	
	2019	2018
	HK$'000	HK$'000
Profit attributable to owners of the Company during the year	**15,555**	6,917
Weighted average number of ordinary shares in issue *(Note)*	**270,000,000**	203,239,726
Basic earnings per share *(Hong Kong cents)*	**5.76**	3.40

Note:

For the year ended 31 March 2018, the weighted average number of ordinary shares for such purpose has been retrospectively adjusted for the effects of the issue of Shares in connection with the Reorganisation and the capitalisation of shares (Note 21).

(b) Diluted

The Company did not have any potential dilutive shares throughout the year. Accordingly, diluted earnings per share is the same as the basic earnings per share.

13 PROPERTY, PLANT AND EQUIPMENT

	Computer equipment HK$'000	Furniture and fixtures HK$'000	Office equipment HK$'000	Leasehold improvements HK$'000	Total HK$'000
As at 31 March 2017					
Cost	1,036	158	512	754	2,460
Accumulated depreciation	(376)	(116)	(239)	(486)	(1,217)
Net book amount	660	42	273	268	1,243
Year ended 31 March 2018					
Opening net book amount	660	42	273	268	1,243
Additions	331	58	180	302	871
Depreciation	(222)	(34)	(160)	(189)	(605)
Disposal	(5)	–	(6)	–	(11)
Closing net book amount	764	66	287	381	1,498
As at 31 March 2018					
Cost	1,360	216	629	1,056	3,261
Accumulated depreciation	(596)	(150)	(342)	(675)	(1,763)
Net book amount	764	66	287	381	1,498
Year ended 31 March 2019					
Opening net book amount	**764**	**66**	**287**	**381**	**1,498**
Additions	**757**	**46**	**358**	**662**	**1,823**
Depreciation	**(377)**	**(44)**	**(220)**	**(274)**	**(915)**
Closing net book amount	**1,144**	**68**	**425**	**769**	**2,406**
As at 31 March 2019					
Cost	**2,090**	**262**	**844**	**1,718**	**4,914**
Accumulated depreciation	**(946)**	**(194)**	**(419)**	**(949)**	**(2,508)**
Net book amount	**1,144**	**68**	**425**	**769**	**2,406**

All depreciation during the year ended 31 March 2019 was charged to administrative expenses (2018: same).

14 SUBSIDIARIES

The following is a list of the principal subsidiaries at 31 March 2019 and 2018:

Company name	Place and date of incorporation	Issued and fully paid capital	Attributable equity interest of the Group as at 31 March 2019	2018	Principal activities/place of operation
Indirectly owned:					
Blackpaper Limited	Hong Kong, 30 November 2010	HK$1,000,009	**100%**	100%	Provision of creative multimedia services and advertising campaign and publication of periodicals and books, Hong Kong
Whitepaper Publishing Limited	Hong Kong, 2 December 2013	HK$3	**100%**	100%	Publication of books, Hong Kong
General Manager Management Limited	Hong Kong, 20 August 2014	HK$3	**100%**	100%	Provision of artistes management and creative multimedia services, Hong Kong
TV Most Broadcasts Limited	Hong Kong, 16 March 2015	HK$1	**100%**	100%	Provision of creative multimedia services and advertising campaign, Hong Kong
French Rotational Production Limited	Hong Kong, 24 March 2017	HK$1	**100%**	100%	Provision of advertising and promotion service, Hong Kong

15 INVESTMENT IN AN ASSOCIATE

Set out below is information of the associate of the Group as at 31 March 2019 which, in the opinion of the directors, are material to the Group. The associate listed below has share capital consisting solely of ordinary shares, which are held by the Group.

Nature of investment in an associate:

Name of entity	Place of business	Measurement method	% of ownership interest 2019 %	2018 %	Nature of relationship
Jar Gor 1996 Limited (“Jar Gor 1996”)	Hong Kong	Equity method	**49%**	–	Associate

Jar Gor 1996 is a private company and there is no quoted market price available for its shares.

15 INVESTMENT IN AN ASSOCIATE *(Continued)*

There are no contingent liabilities relating to the Group's interests in the associate.

The associate is accounted for using the equity method.

On 31 December 2018, a subsidiary of the Company entered into a sale and purchase agreement with independent third parties (the "Vendors") pursuant to which the Vendors agreed to sell, and the subsidiary of the Company agreed to purchase, 49% of the entire equity interest of Jar Gor 1996 at a consideration of HK$2,450,000. Upon completion of this transaction, 49% of the entire equity interest of Jar Gor 1996 was indirectly held by the Company.

The amount recognised in the consolidated balance sheet is as follows:

	As at 31 March 2019 HK$'000
Cost of investment in associate (Cash consideration)	**2,450**
Share of post-acquisition profit of an associate	**57**
Carrying amount of investment in Jar Gor 1996	**2,507**

Summarised financial information of material associate

Set out below is the summarised financial information of Jar Gor 1996 for the period from 31 December 2018 to 31 March 2019:

	As at 31 March 2019 HK$'000
Total current assets	**3,512**
Total non-current assets	**2,235**
Total current liabilities	**1,586**
Net assets	**4,161**

Reconciliation to carrying amounts:

	HK$'000
Net assets at acquisition date of 31 December 2018	**4,045**
Profit for the 3 months period ended 31 March 2019	**116**
Closing net assets as at 31 March 2019	**4,161**
Group's ownership interest in Jar Gor 1996 in %	**49%**
Group's ownership interest in Jar Gor 1996 in HK$	**2,039**
Goodwill	**468**
Carrying amount as at 31 March 2019	**2,507**

15 INVESTMENT IN AN ASSOCIATE *(Continued)*

Summarised financial information of material associate *(Continued)*

	For the three months ended 31 March 2019 HK$'000
Revenue	**5,793**
Profit for the period	**116**
Profit and total comprehensive income attributable to owners of Jar Gor 1996 for the period	**116**
Dividends received from the associate during the year	**–**

16 FINANCIAL INSTRUMENTS BY CATEGORY

	Loans and receivables As at 31 March	
	2019 HK$'000	2018 HK$'000
Financial assets		
Trade receivables *(Note 20)*	**13,791**	18,856
Deposits and other receivables *(Note 17)*	**514**	461
Cash and cash equivalents *(Note 19)*	**88,361**	80,525
	102,666	99,842

	Financial liabilities at amortised cost As at 31 March	
	2019 HK$'000	2018 HK$'000
Financial liabilities		
Trade payables *(Note 22)*	**680**	1,632
Other payables and accruals	**2,331**	16,689
	3,011	18,321

17 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 31 March	
	2019	2018
	HK$'000	HK$'000
Current portion		
Prepayments	**3,017**	1,597
Deposits	**40**	68
Other receivables	**9**	–
	3,066	1,665
Non-current portion		
Deposits	**465**	393
	465	393
	3,531	2,058

As at 31 March 2019, the carrying amounts of deposits approximated their fair values (2018: same).

The carrying amounts of the prepayments, deposits and other receivables were denominated in HK$.

18 INVENTORIES

	As at 31 March	
	2019	2018
	HK$'000	HK$'000
Books held for sale	**797**	856

The cost of inventories recognised as expense and included in cost of sales amounted to HK$1,024,000 for the year ended 31 March 2019 (2018: HK$1,153,000).

Inventory written off amounted to HK$223,000 and recognised in cost of sales for the year ended 31 March 2019 (2018: Nil).

19 CASH AND CASH EQUIVALENTS

	As at 31 March	
	2019	2018
	HK$'000	HK$'000
Cash at banks	**88,329**	80,473
Cash on hand	**32**	52
Cash and cash equivalents	**88,361**	80,525
Maximum exposure to credit risk	**88,329**	80,473

Cash and cash equivalents include the following for the purposes of the consolidated statement of cash flows:

	As at 31 March	
	2019	2018
	HK$'000	HK$'000
Cash and cash equivalents	**88,361**	80,525

Cash at banks earned interest at floating rates based on daily bank deposits rate. The carrying amounts of cash and cash equivalents approximated their fair values. The carrying amounts of the cash and cash equivalents were denominated in HK$.

20 TRADE RECEIVABLES

	As at 31 March	
	2019	2018
	HK$'000	HK$'000
Trade receivables	**14,863**	18,856
Less: provision for impairment of trade receivables	**(1,072)**	–
	13,791	18,856

The carrying amounts of trade receivables approximated their fair values. The carrying amounts of the trade receivables were denominated in HK$.

20 TRADE RECEIVABLES *(Continued)*

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

	As at 31 March	
	2019	2018
	HK$'000	HK$'000
Within 2 months	**9,481**	9,780
2 to 4 months	**3,200**	4,250
4 to 6 months	**1,018**	2,407
Over 6 months	**1,164**	2,419
	14,863	18,856

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade receivables. To measure the expected credit losses, these receivables have been grouped based on shared credit risk characteristics and the aging from billing. See Note 3.1(i)(b) for further information about expected credit loss provision. See note 2.8(iv) for information about how impairment losses are calculated.

Movement in the provision for impairment of trade receivables that are assessed for impairment are as follows:

	HK$'000
As at 1 April 2018	1,550
Reversal of provisions for impairment recognised during the year	(478)
As at 31 March 2019	1,072

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

21 SHARE CAPITAL AND SHARE PREMIUM

The Company was incorporated in the Cayman Islands on 8 June 2017. At the date of incorporation, the authorised share capital is HK$380,000 comprising 38,000,000 ordinary shares of HK$0.01 each. By a shareholder's written resolution dated 2 March 2018, the authorised share capital was increased to HK$3,800,000 comprising 380,000,000 ordinary shares of HK$0.01 each.

Authorised share capital:

	Number of shares	Nominal value of ordinary shares HK$'000
At 8 June 2017 (Date of incorporation)	38,000,000	380
Increase during the year	342,000,000	3,420
At 31 March 2018 and 2019	380,000,000	3,800

Ordinary shares, issued and fully paid:

	Number of shares	Nominal value of ordinary shares HK$'000	Share premium HK$'000
At 8 June 2017 (Date of incorporation) *(Note (a))*	1	–	–
Shares issued pursuant to the Reorganisation *(Note (b))*	59	–	–
Capitalisation of shares *(Note (c))*	202,499,940	2,025	(2,025)
Shares issued pursuant to the share offer in the Listing *(Note (d))*	67,500,000	675	69,053
At 31 March 2018 and 2019	270,000,000	2,700	67,028

Notes:

(a) On 8 June 2017 (Date of incorporation), 1 share of HK$0.01 was allotted and issued.

(b) Upon the completion of the Reorganisation, 59 shares of HK$0.01 each were allotted and issued.

(c) By a shareholder's written resolution dated 2 March 2018 and conditional on the share premium account of the Company being credited as a result of issue of new Shares pursuant to the proposed offering of the Shares, the Company issued additional 182,249,946 and 20,249,994 Shares (the "Capitalisation Shares"), credited as fully paid, to Blackpaper BVI and Tronix Investment Limited, respectively, by way of capitalisation of approximately HK$2,025,000 standing to the credit of the Company's share premium account.

(d) On 28 March 2018, the Shares were listed on the Main Board of the Stock Exchange. In connection with the Listing completed on 28 March 2018, the Company issued a total of 67,500,000 shares at a price of HK$1.2 per share for total proceeds (before related fees and expenses) of HK$81,000,000. Issuance costs amounted to HK$11,272,000 were charged to the Company's share premium account.

22 TRADE PAYABLES

	As at 31 March	
	2019	2018
	HK$'000	HK$'000
Trade payables	**680**	1,632

The carrying amounts of trade payables approximated their fair values. The carrying amounts of the trade payables are denominated in HK$.

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

	As at 31 March	
	2019	2018
	HK$'000	HK$'000
Within 1 months	**558**	790
1 to 2 months	**112**	510
2 to 3 months	**1**	241
Over 3 months	**9**	91
	680	1,632

23 OTHER PAYABLES AND ACCRUALS

	As at 31 March	
	2019	2018
	HK$'000	HK$'000
Other payables *(Note)*	**4,504**	13,739
Accruals	**5,454**	4,411
	9,958	18,150

The carrying amounts of other payables approximated their fair values. They were unsecured, interest free and repayable on demand. The carrying amounts of the other payables were denominated in HK$.

Note:

As at 31 March 2019, other payables include listing expenses payable amounted to Nil (2018:HK$12,083,000).

24 DEFERRED INCOME TAX

The analysis of deferred income tax liabilities is as follows:

	As at 31 March	
	2019	2018
	HK$'000	HK$'000
Deferred income tax liabilities:		
— Deferred income tax liabilities to be recovered after 12 months	**140**	121
Deferred income tax liabilities	**140**	121

The gross movement on the deferred income tax account is as follows:

	As at 31 March	
	2019	2018
	HK$'000	HK$'000
Accelerated tax depreciation		
As at beginning of year	**121**	84
Charged to consolidated statement of comprehensive income *(Note 11)*	**19**	37
As at end of year	**140**	121

As at 31 March 2019, the Group did not recognise any deferred income tax assets of HK$455,000 (2018: HK$510,000) in respect of losses amounting to HK$2,759,000 (2018: HK$3,272,000) respectively, that can be carried forward against future taxable income. These tax losses have no expiry date.

25 CASH GENERATED FROM OPERATIONS

(a) Reconciliation of profit before income tax for the year to cash generated from operations

	As at 31 March	
	2019	2018
	HK$'000	HK$'000
Profit before income tax	**18,087**	12,204
Adjustments for:		
Finance income	**(633)**	(176)
Depreciation	**915**	605
Reversal of impairment losses on financial and contract assets, net	**(478)**	–
Share of profit of an associate	**(57)**	–
Loss on disposal of property, plant and equipment	**–**	4
	17,834	12,637
Changes in working capital:		
— Inventories	**59**	(250)
— Trade receivables	**3,993**	(5,186)
— Prepayments, deposits and other receivables	**(1,473)**	(531)
— Trade payables	**(952)**	890
— Other payables and accruals	**(3,215)**	10,839
— Receipts in advance/contract liabilities	**1,983**	(272)
— Amounts due to directors	**–**	(90)
Cash generated from operations	**18,229**	18,037

(b) In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

	As at 31 March	
	2019	2018
	HK$'000	HK$'000
Net book amount *(Note 13)*	**–**	11
Loss on disposal of property, plant and equipment	**–**	(4)
Proceeds from disposal of property, plant and equipment	**–**	7

26 COMMITMENTS

Operating lease commitments — as lessee

The total future minimum lease payments under non-cancellable operating leases are payable as follows:

	As at 31 March	
	2019	2018
	HK$'000	HK$'000
Within 1 year	**824**	1,043
After 1 year and no later than 5 years	**534**	737
	1,358	1,780

27 RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in holding power over the investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

The ultimate holding company and the Ultimate Shareholders are disclosed in Note 1. Major related parties that had transactions with the Group were as follows:

Related parties	Relationship with the Group As at 31 March 2019
Ming Pao Newspaper Limited	Subsidiary of Media Chinese International Limited ("MCI"), a company with significant influence on the Group *(Note)*
Ming Pao Magazines Limited	Subsidiary of MCI *(Note)*
Mr. Iu	Executive Director
Mr. Luk	Executive Director
Mr. Tsui	Executive Director
Mr. Ho Kwong Yu	Independent non-executive Director
Mr. Leung Ting Yuk	Independent non-executive Director
Mr. Leung Wai Man	Independent non-executive Director

Note:

Ming Pao Newspaper Limited and Ming Pao Magazines Limited ceased to be related parties of the Group on 28 March 2018 and MCI no longer held significant influence against the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27 RELATED PARTY TRANSACTIONS *(Continued)*

(a) Balances with related parties

	As at 31 March	
	2019	2018
	HK$'000	HK$'000
Trade receivables with Jar Gor 1996	**552**	–
Other payables to related parties		
Ming Pao Magazines Limited	**–**	200
Ming Pao Newspapers Limited	**–**	4
	–	204
Other payables to directors		
Mr. Iu	**5**	1
Mr. Luk	**11**	199
Mr. Tsui	**–**	831
Mr. Ho Kwong Yu	**–**	12
Mr. Leung Ting Yuk	**–**	12
Mr. Leung Wai Man	**–**	12
	16	1,067

27 RELATED PARTY TRANSACTIONS *(Continued)*

(b) Transactions with related parties

Save as disclosed elsewhere in these financial statements, the following transactions were carried out with related parties:

	Year ended 31 March	
	2019	2018
	HK$'000	HK$'000
Accounting service fee		
Ming Pao Magazines Limited	**–**	(1,200)
Production cost		
Ming Pao Newspapers Limited	**–**	(20)
Royalties		
Mr. Iu	**(1)**	(1)
Mr. Luk	**(1)**	(1)
Mr. Tsui	**(12)**	(84)
	(14)	(86)
System maintenance		
Ming Pao Magazines Limited	**–**	(15)

Note:

The pricing of these transactions was determined based on mutual negotiation and agreement between the Group and the related parties.

(c) Key management compensation

Key management includes directors and top management. The compensation paid or payable to key management for employee services is shown below:

	Year ended 31 March	
	2019	2018
	HK$'000	HK$'000
Wages and salaries	**5,354**	5,254
Bonus	**253**	114
Commissions	**1,267**	1,067
Pension costs — defined contribution plan	**108**	108
	6,982	6,543

28 DIVIDENDS

	Year ended 31 March	
	2019	2018
	HK$'000	HK$'000
Interim and special dividends declared and paid	**–**	22,000

Dividends during the year ended 31 March 2018 represented dividends declared by a subsidiary now comprising the Group to the then owners of a subsidiary for the year ended 31 March 2018. The rates for dividend and the number of shares ranking for dividends are not presented as such information is not considered meaningful for the purpose of this report.

On 24 June 2019, the Board has recommended the payment of a final dividend of HK5.2 cents per share for the year ended 31 March 2019, totaling approximately HK$14,000,000 (2018: nil) based on a total 270,000,000 shares in issue as at 31 March 2019. The proposed final dividend will be subjected to approval by the shareholders of the Company at the forthcoming annual general meeting.

29 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

The remuneration of every Director is set out below:

Name of Director	Directors' fees HK$'000	Salaries HK$'000	Discretionary bonus HK$'000	Employer's contribution to pension scheme HK$'000	Total HK$'000
Year ended 31 March 2019					
Executive Directors					
— Mr. Iu	**–**	**1,296**	**–**	**18**	**1,314**
— Mr. Luk	**–**	**1,296**	**–**	**18**	**1,314**
— Mr. Tsui	**–**	**1,296**	**–**	**18**	**1,314**
Independent non-executive Directors					
— Mr. Ho Kwong Yu	**150**	**–**	**–**	**–**	**150**
— Mr. Leung Ting Yuk	**150**	**–**	**–**	**–**	**150**
— Mr. Leung Wai Man	**150**	**–**	**–**	**–**	**150**
	450	**3,888**	**–**	**54**	**4,392**

29 BENEFITS AND INTERESTS OF DIRECTORS *(Continued)*

(a) Directors' emoluments *(Continued)*

Name of Director	Directors' fees HK$'000	Salaries HK$'000	Discretionary bonus HK$'000	Employer's contribution to pension scheme HK$'000	Total HK$'000
Year ended 31 March 2018					
Executive Directors					
— Mr. Iu	–	1,296	–	18	1,314
— Mr. Luk	–	1,296	–	18	1,314
— Mr. Tsui	–	1,296	–	18	1,314
Independent non-executive Directors					
— Mr. Ho Kwong Yu	12	–	–	–	12
— Mr. Leung Ting Yuk	12	–	–	–	12
— Mr. Leung Wai Man	12	–	–	–	12
	36	3,888	–	54	3,978

Mr. Iu, Mr. Luk and Mr. Tsui were appointed as executive Directors of the Company on 8 June 2017. They were also the Directors of certain subsidiaries of the Company and/or employees of the Group during the year ended 31 March 2019 and the Group paid emoluments to them in their capacity as the Directors of these subsidiaries and/or employees of the Group before their appointment as executive Directors of the Company on 8 June 2017 (2018: same).

Mr. Leung Wai Man, Mr. Ho Kwong Yu and Mr. Leung Ting Yuk were appointed as independent non-executive Directors of the Company on 2 March 2018.

During the year ended 31 March 2019, none of the Directors of the Company (i) received or paid any remuneration in respect of accepting office; (ii) received or paid emoluments in respect of services in connection with the management of the affairs of the Company or its subsidiary undertaking; and (iii) waived or has agreed to waive any emolument (2018: same).

29 BENEFITS AND INTERESTS OF DIRECTORS *(Continued)*

(b) Directors' retirement benefits and termination benefits

During the year ended 31 March 2019, no emoluments, retirement benefits, payments or benefits in respect of termination of Directors' services were paid or made, directly or indirectly, to the Directors; nor are any payable (2018: nil).

(c) Consideration provided to third parties for making available Directors' services

During the year ended 31 March 2019, no consideration was provided to third parties for making available Directors' services.

(d) Information about loans, quasi-loans and other dealings in favor of Directors, controlled bodies corporate by and connected entities with such directors

During the year ended 31 March 2019, there are no loans, quasi-loans or other dealings in favor of the Directors, their controlled bodies corporate and connected entities (2018: nil).

(e) Directors' material interests in transactions, arrangements or contracts

Except for disclosed in Notes 27(a) and 27(b), no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year ended 31 March 2019 or at any time during the year (2018: same).

30 SUBSEQUENT EVENTS

Save as disclosed elsewhere in the other notes to the financial statements, there were no other subsequent events requiring disclosure after the consolidated balance sheet date.

31 BALANCE SHEET AND RESERVES MOVEMENT OF THE COMPANY

		As at 31 March	
		2019	2018
	Note	**HK$'000**	HK$'000
ASSETS			
Non-current assets			
Investment in a subsidiary	*14*	**14,444**	14,444
Current assets			
Amount due from subsidiaries		**68,337**	34,211
Cash and cash equivalents		**153**	35,693
		68,490	69,904
Total assets		**82,934**	84,348
Equity			
Equity attributable to owners of the Company			
Share capital	*21*	**2,700**	2,700
Share premium	*21*	**67,028**	67,028
Reserves		**13,206**	13,784
Total equity		**82,934**	83,512
LIABILITIES			
Current liabilities			
Other payables and accruals		**–**	836
Total liabilities		**–**	836
Total equity and liabilities		**82,934**	84,348

The balance sheet of the Company was approved for issue by the Board of Directors on 24 June 2019 and was signed on its behalf.

Iu Kar Ho	**Luk Ka Chun**
Executive Director	*Executive Director*

31 BALANCE SHEET AND RESERVES MOVEMENT OF THE COMPANY

(a) Reserves movement of the Company

	Other reserve	Accumulated losses	Total
	HK$'000	HK$'000	HK$'000
Incorporation of the Company	–	–	–
Completion of reorganization	14,444	–	14,444
Loss for the year	–	(660)	(660)
Balance as at 31 March 2018	14,444	(660)	13,784
Balance as at 1 April 2018	14,444	(660)	13,784
Loss for the year	–	(578)	(578)
As at 31 March 2019	14,444	(1,238)	13,206

As part of the Reorganisation, the Company acquired interests in subsidiaries and assets and liabilities related to the Business from the Ultimate Shareholders and Tronix Investment. As the Reorganisation is regarded as a continuance of the Business under the Operating Companies, no fair value is applied to the acquired interests in subsidiaries and assets and liabilities related to the Business. The difference between the consideration received from the equity holder and the par value of shares issued to the equity holder is recorded as other reserve.

FIVE-YEAR FINANCIAL SUMMARY

The results of the Group for the last five financial years are as follows:

	For the year ended 31 March				
	2019	2018	2017	2016	2015
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Turnover	**100,481**	86,747	95,228	54,825	23,986
Profit and total comprehensive income attributable to the owners of the Company for the year	**15,555**	6,917	36,263	22,400	7,818
Basic and diluted earnings per share for profit attributable to owners of the Company (Hong Kong cents)	**5.76**	3.40	17.91	11.06	3.86

The assets and liabilities of the Group for the last five financial years are as follows:

	As at 31 March				
	2019	2018	2017	2016	2015
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Property, plant and equipment	**2,406**	1,498	1,243	1,222	724
Current assets	**111,139**	107,564	39,077	34,469	18,119
Current liabilities	**(17,399)**	(24,361)	(10,065)	(6,649)	(2,254)
Net current assets	**93,740**	83,203	29,012	27,820	15,865
Total assets less current liabilities	**99,118**	85,094	30,415	29,156	16,703
Deferred income tax liabilities	**(140)**	(121)	(84)	(88)	(35)
Capital and reserves attributable to the owners of the Company	**98,978**	84,973	30,331	29,068	16,668