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Medialink[®]
羚邦

MEDIALINK GROUP LIMITED
羚邦集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2230)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2024

FINANCIAL HIGHLIGHTS			
Financial overview	Year ended 31 March/as at 31 March		
	2024	2023	Change
	HK\$'000	HK\$'000	
Revenue			
— Media Content Distribution Business	322,495	314,198	+2.6%
— Brand Licensing Business	166,314	159,701	+4.1%
Total	488,809	473,899	+3.1%
Gross profit margin	48.3%	48.1%	
Profit attributable to Shareholders of the Company ("Shareholders")	48,963	47,523	+3.0%
Proposed dividends per share ⁽¹⁾			
— Final	HK 0.32 cent	HK 0.42 cent	
— Special	HK 0.02 cent	—	
Liquidity ratio			
Current ratio ⁽²⁾	2.6	2.5	
Cash ratio ⁽³⁾	0.7	0.8	
Capital adequacy ratio			
Debt to equity ratio ⁽⁴⁾	N/A	N/A	
<i>(1) Proposed dividends per share were calculated by dividing proposed dividends by the number of Company's ordinary shares of 1,992,000,000 in issue as at the dates of the announcements on 27 June 2024 and 30 June 2023, respectively.</i>			
<i>(2) Current ratio was calculated by dividing the total current assets by the total current liabilities as at the respective dates.</i>			
<i>(3) Cash ratio was calculated by dividing the cash and cash equivalents by the total current liabilities as at the respective dates.</i>			
<i>(4) The Group did not have any interest-bearing nor external borrowings. Thus the debt to equity ratio was not applicable.</i>			

ANNUAL RESULTS

The board of directors (the “**Board**”) of Medialink Group Limited (the “**Company**”) announces the consolidated annual results of the Company and its subsidiaries (collectively, “**Medialink Group**” or the “**Group**”) for the year ended 31 March 2024 (the “**Year**” or the “**Reporting Period**”).

CHAIRMAN’S STATEMENT

Dear Shareholders,

突破界限, 跨越想像, 勿忘初衷, 砥礪前行

(Surpassing boundaries, striding across imagination, remaining true to our purpose, and moving forward)

The Group celebrated its 30th anniversary on 14 March 2024 in Hong Kong and on 27 March 2024 in Japan, with the presence of over 700 industry partners, guests, and colleagues. Additionally, at Filmart, we proudly announced our latest investment in the drama and movie production studio, S11 Partners Limited.

We consider ourselves incredibly fortunate in our business endeavors, having navigated through both prosperous and challenging economic times. Our long-standing relationships and support from licensors, licensees, and partners have been instrumental in our success, as we continuously strive for mutually beneficial outcomes — benefiting not only ourselves but also our licensors, licensees, and customers. We firmly believe that true success lies in collective achievements, where all parties win, and no one loses.

As an IP management company aspiring to be the leading force in Asia, innovation and creativity are at the core of our identity. Over the past 30 years, we have embraced technological advancements and introduced new ideas and campaigns throughout Asia. Our content is no longer confined to traditional television and cinema platforms but extends to OTTs as well. We have evolved from merely producing animation series and movies to offering complete and immersive experiences, including cosplays, merchandise, and fan interactions with dubbing artists. Brand licensing, too, has transcended the mere placement of logos or characters on products or services; it has become a comprehensive concept aimed at bringing characters to life and expanding their presence across generations.

Since the listing of the Company in 2019, we have implemented a 5-year strategic plan, which has guided us through numerous challenges and allowed us to surpass them. As we enter the 5th year following our listing in May 2019, we are currently developing the next 5-year corporate strategy, which will be announced during the AGM in 2024. I am pleased to report that despite the challenging economic conditions impacting some of our licensees, the Group has continuously shown upward growth, with revenue increasing by 3.1% and net profit by 3.0% for the Year.

As of 31 March 2024, the Group has 702 active media content titles and 379 brands available in the Asia Pacific region. The Group will continue to acquire high-quality content and brands while investing in our own content and brands.

The Group's long-term dividend policy aims to share the rewards of our hard work with all Shareholders, while efficiently utilising the Group's resources to expand our business, enhance profitability, and foster value creation and sustainable growth. I am therefore pleased to announce that a final dividend of HK 0.32 cent per share was proposed for the Reporting Period. In celebration of the Group's 30th anniversary, a special dividend of HK 0.02 cent per share was proposed for the Reporting Period. These, combined with the interim dividend of HK0.89 cent per share distributed during the Reporting Period, bring the total dividends for the Reporting Period to HK 1.23 cent per share, representing a distribution of approximately 50% of the Group's profit attributable to Shareholders.

With our creative vision and dedicated team, I am confident that we will surpass boundaries, stride across imagination, remain true to our purpose, and move forward scaling new heights. I would like to take this opportunity to express my gratitude to my colleagues for their dedication and commitment to the Group's vision, values and mission. On behalf of the Board and the Group, I extend my heartfelt appreciation to you, our valued shareholders, for your unwavering support and shared strategic vision for the Group.

Chiu Siu Yin Lovinia

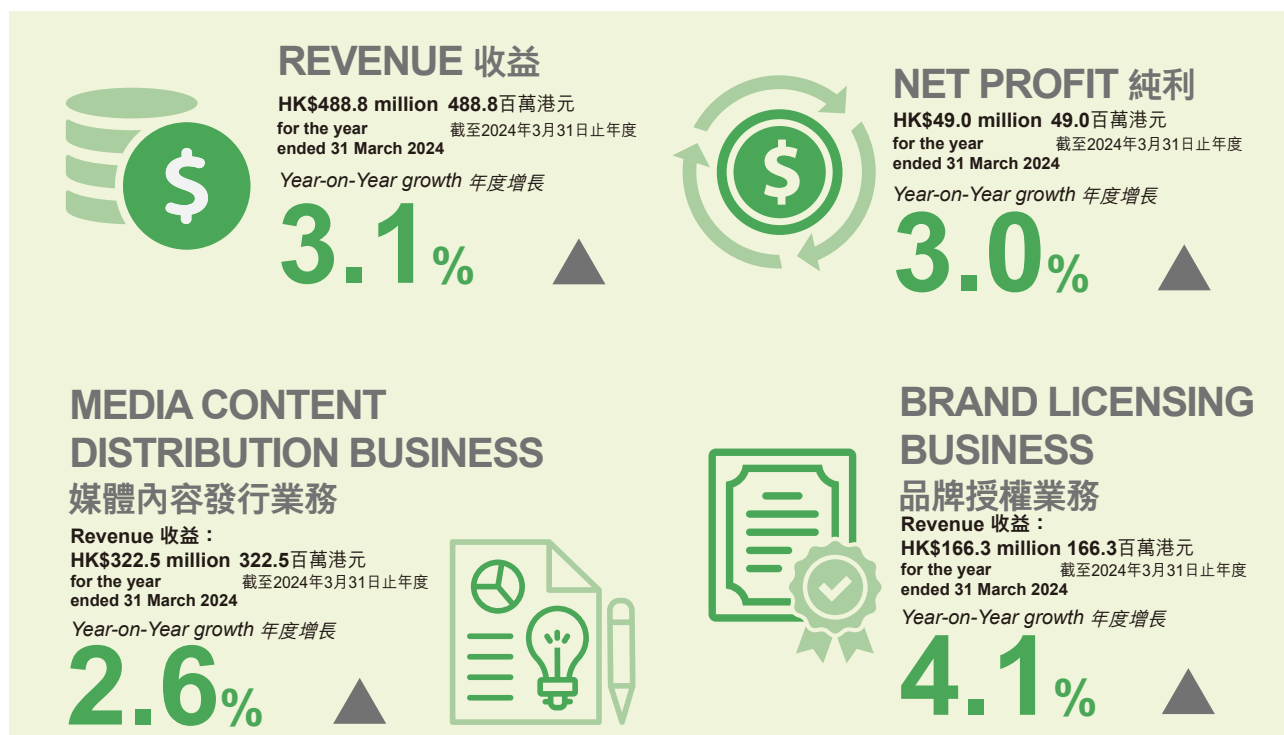
Chairman and Executive Director

27 June 2024

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

Business Review



A Media Content Distribution Business

1 *Bringing China created and designed contents and culture to overseas (國創出海)*

During the Reporting Period, the Group has invested in the PRC original animation ‘Nailong VS Boomlong’ 《奶龍與小七之大戰暴暴龍》 and is responsible for the global distribution of the animation and brand licensing business of the Nailong brand. The Group has also entered into a strategic partnership with Bilibili to exclusively distribute and jointly conduct brand licensing for more than 30 PRC animations, including ‘Heaven Official’s Blessing’ and ‘Link Click’ in the Southeast Asian region. The development direction of bringing China created contents and culture to overseas (國創出海) aligns with the vision of the Group to become a leading intellectual property management company. It is also in line with the national policy of positioning Hong Kong as a regional intellectual property trading center and promoting cultural exchanges in the 14th Five-Year Plan. This marks an important milestone for the Group to bring Chinese cultural creativity to the world stage. As a bridge for international renowned content industry and cultural communication, the Group has successfully established the reputation of bringing high-quality

Chinese original design content to overseas markets, enhanced its intellectual property (IP) influence, strengthened the Group's IP matrix, and increased revenue sources.

2 *Expanding Global Partnerships*

The Group continues to have close collaborations with global platform partners, including Bilibili, Crunchyroll, Disney+, iQiyi and Netflix. Furthermore, our Ani-One® platform has expanded its coverage and influence, with the addition of two new platforms in Taiwan, namely LiTV and ofiii 歐飛.

3 *Enhancing OTT Platforms and expanding its partnership business*

For Ani-One® YouTube channel, the Group has launched two new sub-channels in Vietnam and the Philippines respectively. As of 31 March 2024, the number of Ani-One® YouTube channels in Asia has increased from 3 to 5 channels. These localized channels covered particular Asian territories providing Japanese original dubbed content with localized subtitles and local dubbed versions. Ani-One® continues to provide both SVOD and AVOD services on YouTube channels with over 5.5 million subscribers and over 1 billion views.

Ani-One® as an anime platform brand has expanded its partnership business in hosting events and cross-over collaboration with different companies. For events, Ani-One® developed different events such as special screening and seiyuu fans meeting with big hit title like Solo Leveling, Oshi No Ko and hosting activities at ACG events in Asia. For cross-over collaboration, Ani-One® has worked with different organizations in games, toys, apparel including the largest NGO in Hong Kong.

4 *Launching new anime platform brands Ani-Mi動漫迷™ and Ani-Mi™ Asia on YouTube*

In October 2023, the Group has launched two new anime platform brand Ani-Mi動漫迷™ and Ani-Mi™ Asia on YouTube. Ani-Mi動漫迷™ and Ani-Mi™ Asia offer Chinese Anime for Chinese audience and Ani-Mi™ Asia covers covering 13 territories in Asia. These two YouTube channels grow rapidly and have now reached 77,500 subscribers for Ani-Mi動漫迷™ and 71,900 subscribers for Ani-Mi™ Asia accordingly. With acquisition of big hit title of 'Heaven Official's Blessing', Ani-Mi™ hosted offline event such as ticketing screening and themed cafe to attract market attention and acquired target audience.

5 *Acquiring content for content distribution business*

To support expansion of our content distribution network, we continue to acquire top quality contents in various genres — anime, variety, and movies.

For anime series that are active during the Reporting Period, the new and most popular titles are: “Jujutsu Kaisen Season 2”, “Bleach Thousand Year Blood War”, “Oshi No Ko”, “Solo Leveling”, “Dr.STONE 3rd Season”, “Mobile Suit Gundam The Witch from Mercury Season 2”, “MASHLE: MAGIC AND MUSCLES”, “The Masterful Cat is Depressed Again Today” and “MF Ghost”.

Among the new titles mentioned above, “The Masterful Cat Is Depressed Again Today” has been a top performer on Ani-One® YouTube Channels, reaching over 23.3 million views as of 31 March 2024. Another title “Solo Leveling” has been consistently ranked within the Top 10 TV Shows in the licensed territories such as Hong Kong, Indonesia, Malaysia, Mongolia, the Philippines, Singapore, Taiwan, Thailand, and Vietnam on Netflix as of 31 March 2024 since the title’s launch on the said SVOD service on 7 January 2024 (source: <https://www.netflix.com/tudum/top10>).

For movies, the Group has made continuous efforts to deliver movie content to serve the needs of the different market segments. During the Reporting Period, the Group released theatrically eight (8) movies in Hong Kong, and one (1) in Taiwan. The releases feature a mix of genre, including Japanese animation “Digimon Adventure 02 The Beginning”, “City Hunter The Movie: Angel Dust”, Japanese drama “A Mother’s Touch”, Hollywood action title “Guy Ritchie’s The Covenant” and Asian title “The Heavenly City”. In addition, “THE FIRST SLAM DUNK”, a highly popular and successful title released in 2023, has been showing in cinemas for over one year and still counting.

Also, during the Reporting Period, the Group has acquired two of the biggest animated movie IPs — “Haikyuu!!: The Dumpster Battle”, with around JPY8.75 billion in the Japanese box office as of 31 March 2024 (source: <https://www.imdb.com/news/ni64515126/>), coming from its initial theatrical release in Japan on 16 February 2024; and “Mobile Suit Gundam SEED Freedom”, with around JPY4.23 billion in the Japanese box office as of 31 March 2024 and counting (source: http://dorama.info/drama/pfd_boxoffice.php?num=41941), coming from its initial theatrical release in Japan on 26 January 2024. These movies have been released in Hong Kong on 11 April 2024 and 24 April 2024 respectively.

As global travel resumes its norm, the Group has enhanced its involvement in inflight distribution. Other than Southeast Asia and Middle East regions, the Group has extended the inflight distribution to North America and Europe and provided more inflight entertainment content to the passengers of different airlines. During the Reporting Period, the Group has provided inflight eight (8) top-tier Chinese movies including “Hong Kong Family (過時•過節)”, “A Guilty Conscience (毒舌大狀)”, “Cyber Heist (斷網)” and “The Wandering Earth II (流浪地球2)”.

B Strategic investment

1 Investment in Anime product company Sunrise eMarketing Limited

The Group’s affiliate Sunrise eMarketing Limited (“**Sunrise**”) is a company engaged in trading, wholesales and ecommerce of licensed anime products. Sunrise has gone through rapid development in the last 12 months. It received sound recognition by anime fans and consumers in Greater China and Southeast Asia through various local events, popup stores, retail presence and ecommerce engagement. Despite its short history, Sunrise has positively contributed profit to the Group in the Reporting Period.

Sunrise is currently carrying the Group’s product brand Ani-Two™ for products under “Jujutsu Kaisen”, “Chainsaw Man” and “Blue Lock”. Ani-Two™ is an umbrella brand owned by the Group for anime IP products developed both by the Group and its affiliated companies.

2 Investment in a movie production company S11 Partners Limited

In March 2024, a subsidiary of the Company entered into an agreement with esteemed Chinese-language content producers Cora Yim (嚴嘉念) and Benjamin Lin (林秉聿), founders of S11 Partners Limited (“**S11**”), for subscription of a 10% interest in the enlarged issued share capital of S11. S11 is a content production company incorporated in Hong Kong with business operations in both Hong Kong and Taiwan. Cora and Benjamin are the executive producers for the drama program “Taiwan Crime Stories”, which received the 58th Golden Bell Awards in 2023 and was distributed by the Group on Disney+. The Group’s investment in S11 will enhance the Group’s content production capability and foster the cultivation of creative talents. This investment will also create new growth opportunities in content production and distribution. The subscription is expected to be completed in 2024.

C Brand Licensing Business

1 *Acquisition of new licensing brands*

During the Reporting Period, the Group has been designated as the master licensee of the “Star Trek” franchise for the Greater China Region. The Group is responsible for managing the brand licensing of “Star Trek” consumer products. “Star Trek” is a highly influential science fiction franchise rooted in the timeless aspirational values of hope, inclusivity, unity, and adventure. Since 1966, “Star Trek” has been uniting fans across the globe. Most recently, China’s video platform giants Youku and Bilibili have launched the first and second seasons of “Star Trek: Strange New Worlds” and “Star Trek: Picard” across China. With an explosion of vibrant new shows, the Group’s brand licensing program will help a new generation to discover the potential of the “Star Trek” franchise and its expansive fandom.

In addition to “Star Trek”, the Group has also entered into a new licensing deal with BBC Studios Asia to grow “Bluey”, The Emmy® award-winning preschool animation, across Southeast Asia. “Bluey” features relatable and often funny stories about family life. It is a smash hit with families in its home market Australia and in the United States.

2 *Expansion on licensing brands rights*

Collaboration with luxury brands: There has been a notable expansion in collaborations with luxury brands. The Group partnered with Emperor Jewellery to launch the “Le Petit Prince” collection. The “Le Petit Prince” collection features a wide range of exquisite solid gold and 18K rose gold pieces, captivating the hearts of both adults and children alike.

In honour of the 80th anniversary of the publication of “Le Petit Prince”, the Group has embarked on a creative journey by joining forces with BOSS to celebrate this momentous occasion. This extraordinary collaboration aims to seamlessly blend the world of high-end fashion with the timeless magic of the “Le Petit Prince”. The BOSS × “Le Petit Prince” collection has been thoughtfully designed, encompassing a variety of categories including t-shirts, shirts, and dresses.

Expansion on game license: “Game of Sultans” x “Le Petit Prince” was launched globally during the Reporting Period, embarking on an exciting adventure across the universe in a thrilling collaboration between “Game of Sultans” and “Le Petit Prince”. An interstellar adventure full of childlike wonder awaits — meet familiar characters from “Le Petit Prince”, earn unique rewards, and find the way home in the exciting retelling of a classic story. The “Game of Sultans” × “Le Petit Prince” was promoted around the world and in particular the New York Time Square.

Influence of Japanese anime: Japanese anime continues to exert its powerful influence in various brand licensing collaborations and partnerships. The Group has joined forces with Casetify, a renowned brand specializing in digital gadget accessories. The collaboration with Casetify focuses on “Chainsaw Man” and “Jujutsu Kaisen”, offering fans a range of high-quality and fashionable accessories to complement their digital devices.

To further expand Japanese Anime into different categories, the Group has different collaborations, including the collaboration with Bilmola in Thailand to create an “Initial D” helmet, and with Global prestige brand Secretlab in Singapore to launch a “Jujutsu Kaisen” gaming chair. Additionally, there are impressive projects such as Human x “Tokyo Ghoul” and MONOKEI x “Jujutsu Kaisen”. These partnerships serve as a testament to the Group’s commitment to delivering unique and captivating experiences, highlighting the driving force of Japanese anime in their endeavors.

Big success of brand licensing events: Different brand licensing events were launched with large exposure. Ocean Park x emoji® Summer Splash was launched in summer 2023, bracing the fans for the most epic water battle. Water World Ocean Park also joined the summer fiesta and launch summer emoji® themed experiences. Besides, “Le Petit Prince”, who reached his 80th anniversary in 2023, embarked a remarkable Galactic Voyage at Ocean Park.

Moreover, Mr. Men Little Miss made their first appearance at the signature Chinese New Year celebration in Hong Kong — Chinese New Year Night Parade by presenting a float and performance with local dance group.

3 *Pop-up stores and Ani-Mall®*

Pop-up stores: The Group launched various pop-up stores in different regions in the Reporting Period. “OSHI NO KO” and “Haikyuu!!” Pop-up stores were launched in Festival Walk Hong Kong and “Haikyuu!!” Pop-up stores were launched in Huashan 1914 Creative Park in Taiwan. These pop-up stores were launched close to the time when the animation “OSHI NO KO” and movie “Haikyuu!!: The Dumpster Battle” were distributed offering different products for their fans, generated substantial income and large marketing exposures.

Ani-Mall®: Continuing with its previous success, Ani-mall® released more projects with Octopus card, including the “Yu-Gi-Oh!” Card Game’s 25th Anniversary Octopus card, “Jujustu Kaisen” Octopus card, along with a series of special edition products. These anime branded Octopus cards were snapped by fans immediately when offered and it was a big success for fans and anime brands.

To further expand the business, Ani-mall® has rapidly grown different sales channels including both offline and online channels. For offline channel, Ani-mall® worked with convenient stores and launched the first Japanese-anime-themed pre-order project at convenient store’s channels. This project had successfully brought Japanese anime to mass market. Furthermore, Ani-mall® also brought the Chinese-anime products to convenient stores. For online channel, besides our own platform, Ani-mall® also has YouTube Shopping, which allows more convenient product promotion functions and helps expand the sales of products with the videos.

4 *Whateversmiles™*

Whateversmiles™ continues its objective of supporting and nurturing Hong Kong artists. For the first time, it participated in the Affordable Art Fair Hong Kong, showcasing a series of artworks by various artists. This includes a new series created by Plastic Thing, a popular local illustrator Yan Ip. The exhibition also features works by popular Japanese artist WAKARU, as well as creations by artists Alco Leung, CY Wang, Inmanyi, and Luke Luk.

Besides, Whateversmiles™ collaborates with Hong Kong Baptist University, bringing their students to showcase their artwork at the Hong Kong International Licensing Show. This is the first university in Hong Kong to feature their students’ work at an internationally recognized exhibition which provided a great opportunity for the students to learn more about the industry, get exposure for themselves and their creative multi-media work and network with designers from all over the world.

5 *Licensing brands x charity*

The Group is deeply committed to supporting various charitable initiatives. During the Reporting Period, the Group supported Yan Chai Hospital’s funding campaign through the IP emoji® and LYCHEE & FRIENDS. Yan Chai Hospital is actively involved in organizing charity walks and flag days to raise funds. Other than Yan Chai Hospital, the Group also supported our long term partner Oxfam with “Le Petit Prince” on their annual fundraising event, Oxfam Rice Event 2024. For the campaign of Ocean Park Hong Kong & “Le Petit Prince”, the Group arranged a special tour for Ebenezer School & Home for the Visually Impaired and over 160 children and their families explored the Le Petit Prince Starry Universe at the Ocean Park.

Awards

The Group has been awarded the “ACG Culture Export Enterprise top 10” in The First Digital Culture Export Forum held Beijing Animation & Game Industry Alliance, Beijing Xicheng District Wencu Centre and Beijing Digital Creative Industries Association, commending the Group’s outstanding contributions in promoting the animation industry and Chinese animation to overseas.



“KIKI & NUNA 2” has been awarded and recommended by various authorities such as Jiangsu Provincial Radio and Television Administration (江蘇省廣播電視局) and the Organizing Committee of China International Cartoon & Animation Festival (中國國際動漫節組委會).

The Group received two awards at The 6th Jade Monkey Awards: “Top 10 IP Licensing Agency” and “Top 10 licensing teams”. Amid keen competition, which included online voting, judging by experts, and consideration on the level of attention from online users and search traffic, the Group garnered the “Top 10 IP Authorized Agents of the Year” award and the “Top 10 Licensing Team Awards of the Year”, which are once again a testament to the Group’s strong and outstanding performance in the brand licensing business. The “Jade Monkey Awards” are organized by the organizing committee of the China IP Industry Conference. Its name implies “with fine craftsmanship, a raw piece of jade can become an exquisite jewel”. It is the first IP industry award in China to utilize market value as a criterion in the selection process.

BUSINESS OUTLOOK AND FUTURE PLANS

The Group will continue its growth model for year 2024/2025.

We will build on the depth and breadth of our Media Content Distribution Business and Brand Licensing Business with the following focus areas:

- Broaden the reach of our proprietary content distribution networks, including Ani-One® and additional forthcoming channels to Indonesia.
- Actively acquire and distribute A Grade Series and Movies in Asia with different genres and target global distribution footprint.
- Invest in content production and co-invest in movies.
- Continue to look for opportunities for joint ventures and invest in companies that would bring value to the business and our Shareholders.
- Expand licensing rights to more regions and continuously seek opportunities to collaborate with global brands on regional or global scale.
- As the number of our self-developed products grow, we will explore and expand our product sales network, produce more sales channels and new partners as well as pop up stores to generate new income streams.

	As at 31 March 2024	As at 31 March 2023
Number of active titles of media contents available	702	656
Number of brands available	379	260

FINANCIAL REVIEW

Revenue

For the year ended 31 March 2024, our Group's revenue reached HK\$488.8 million, representing an increase of HK\$14.9 million or 3.1% as compared to the year ended 31 March 2023, mainly due to increases from both Media Content Distribution Business and Brand Licensing Business.

The following table sets forth a breakdown of the revenue by business segment during the years indicated, both in absolute amount and as a percentage of total revenue:

	For the year ended 31 March 2024		For the year ended 31 March 2023		Change
	Revenue <i>HK\$'000</i>	Percentage %	Revenue <i>HK\$'000</i>	Percentage %	
Media Content					
Distribution Business	322,495	66.0	314,198	66.3	+2.6%
Brand Licensing					
Business	<u>166,314</u>	<u>34.0</u>	<u>159,701</u>	<u>33.7</u>	+4.1%
	<u><u>488,809</u></u>	<u><u>100.0</u></u>	<u><u>473,899</u></u>	<u><u>100.0</u></u>	+3.1%

Revenue derived from Media Content Distribution Business remained the largest source of revenue for the Group, contributing 66.0% (2023: 66.3%). It experienced a modest increase in revenue this year, with a 2.6% growth primarily driven by a continued increase in revenue from distribution of media contents. This growth reflected not only customers' increased demand for media contents but also the Group's efforts to strengthen its content distribution network by expanding the customer base in new and existing geographical locations, resulting in more sales with new and scalable global platforms outside the Greater China. Although the Group did not match last year's impressive movie sales figures, which were significantly boosted by the release of "Jujutsu Kaisen 0", this year's key release, "THE FIRST SLAM DUNK" performed well and generated substantial revenue. The distribution of feature films contributed a revenue of HK\$32.3 million to the Group during the Year, which represented 6.6% of the Group's total revenue (2023: HK\$60.6 million).

Revenue derived from Brand Licensing Business increased by HK\$6.6 million or 4.1% to HK\$166.3 million during the Year. The increase was mainly due to the growth in sales of merchandise in various pop-up stores, events and different online sales channels, which contributed revenue of HK\$39.5 million for the Year, representing an increase of approximately HK\$10.7 million or 37.2% as compared with last year.

Cost of Sales

Cost of sales was primarily royalty payments to the media content licensors and brand licensors at the mutually agreed royalty rates. Our Group's cost of sales increased by HK\$7.0 million or 2.9% to HK\$252.9 million for the Year. The slight increase was in line with the increase in revenue.

Gross Profit and Gross Profit Margin

Gross profit for the Year amounted to HK\$235.9 million, representing an year on year increase of HK\$7.9 million or 3.4%, mainly due to an increase in revenue. Meanwhile, gross profit margin of 48.3% for the Year was slightly higher than the previous year's 48.1%.

Other Income and Gains, net

Other income and gains increased by HK\$3.3 million or 60.9% to HK\$8.8 million for the Year. The increase was mainly due to the increase in bank interest income, partially offset by the absence of government subsidies under the Employment Support Scheme (2023: HK\$1.5 million).

Selling and Distribution Expenses

Selling and distribution expenses for the Year amounted to HK\$75.8 million, representing an increase of approximately HK\$15.4 million or 25.6% as compared to last year. There were increases in staff costs, withholding tax, and expenses for mainly marketing and travelling which is in line with the increase in revenue growth and business expansion.

General and Administrative Expenses

General and administrative expenses of the Group for the Year amounted to HK\$64.3 million, representing an increase of HK\$7.1 million or 12.3% as compared to last year, which was mainly due to the increase in staff costs (including the share-based payment), rental expenses and expenses for organizing the Group's 30th anniversary event.

Fair Value Losses On Investment In Convertible Bonds

The Group has invested in unlisted convertible bonds due 2026 issued by an independent third party. The fair value of the convertible bonds as at 31 March 2024 is estimated to be S\$926,000 (approximately HK\$5,369,000), resulting in a fair value loss of HK\$428,000 debited to profit or loss for the Year.

Share of Result of a Joint Venture

During the Year, the Group recorded a share of profit of Sunrise, amounting to HK\$0.3 million (2023: HK\$0.2 million).

Other Expenses, Net

Other expenses, net for the Year amounted to HK\$46.4 million, representing a decrease of HK\$17.3 million, owing to decrease in impairment loss and write-off of various assets during the Year. These included (i) a write-down of HK\$40.0 million of licensed rights to net realizable value, a decrease of HK\$15.8 million compared with last year, after taking into account the current market conditions and estimated future recoverable amounts in respect of the licensed rights, (ii) impairment on intangible assets of HK\$0.6 million (2023: HK\$1.8 million) in view of the unlikelihood of recovery of the amount invested; (iii) foreign exchange losses of HK\$6.0 million (2023: HK\$4.0 million) resulting mainly from depreciation of Japanese Yen and Renminbi, partially offset by (iv) net of impairment, reversal of impairment and write-off of trade receivables amounting to HK\$0.3 million (2023: HK\$2.1 million) after taking into account the aged trade receivable balances and customers that were in financial difficulties.

Income Tax Expense

Income tax expense for the Year amounted to HK\$8.8 million (2023: HK\$4.5 million), representing an effective tax rate (income tax expense divided by profit before tax) of 15.2% for the Year (2023: 8.7%). The increase in effective tax rate for the Year was mainly due to a change in the geographical mix of the Group's profit and relatively less amount of tax credit claimed during the Year.

Profit for the year

As a result of the foregoing, profit for the Year increased by HK\$1.4 million or 3.0% to HK\$49.0 million. Net profit margin of 10.0% was similar to the previous year.

Profit For The Year Attributable to Shareholders of the Company

Profit for the Year attributable to Shareholders of the Company also amounted to HK\$49.0 million, representing an increase of HK\$1.4 million or 3.0%.

Intangible assets

Intangible assets comprise media content commercial rights, computer software and brand licensing contracts.

The movements of the intangible assets during the Year are set out below:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
At the beginning of the year, net	8,582	12,863
Additions	4,598	818
Amortisation	(3,674)	(2,001)
Impairment	(643)	(1,769)
Derecognition	—	(507)
Exchange realignment	(163)	(822)
	<hr/>	<hr/>
At the end of the year, net	<u>8,700</u>	<u>8,582</u>

Investments in media contents

The Group has invested in certain media content production projects of which the Group is guaranteed by the respective media content producers for a fixed rate of return or minimum amount of return after the release of the media contents within the specified periods. In addition, the Group is also entitled to certain distribution rights of related media contents as stipulated in the respective agreements.

The movements of the investments in media contents during the Year are set out below:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
At the beginning of the year, net	23,888	39,742
Additions	1,894	1,500
Return of investments	(7,975)	(15,621)
Change in fair value	(2,452)	(256)
Derecognition	—	(1,380)
Exchange realignment	—	(97)
	<hr/>	<hr/>
At the end of the year, net	<u>15,355</u>	<u>23,888</u>

Licensed Assets

The licensed assets increased by HK\$29.9 million or 9.0% to HK\$359.9 million as at 31 March 2024, of which HK\$13.3 million (31 March 2023: HK\$70.4 million) related to prepayments for licensed assets with licence periods which have yet to begin. The increase was mainly due to the acquisition of media content distribution rights, partially offset by the write-down of licensed rights to net realisable value during the Year.

Trade receivables

Trade receivables increased by 16.0% which is attributable to more revenue generated during the Year.

Trade payables

The decrease in trade payables by 10.5% is primarily attributable to settlement of trade payables during the Year.

Contract liabilities

The increase in contract liabilities in 2024 was mainly due to the increase in advance payment received from customers.

NET CURRENT ASSETS

In line with the business expansion, the net current assets increased by 5.4% to HK\$513.9 million as at 31 March 2024, compared to HK\$487.8 million as at 31 March 2023. The current assets were HK\$842.3 million as at 31 March 2024, an year on year increase of HK\$19.4 million, primarily due to the increase in licensed assets and trade receivables. The current liabilities were HK\$328.4 million as at 31 March 2024, a decrease of HK\$6.7 million as compared with last year, which was mainly due to the decrease in trade payable partly offset by the increases in contract liabilities and lease liabilities.

NET ASSETS

The net assets increased by 3.9% to HK\$587.7 million as at 31 March 2024, compared to HK\$565.4 million as at 31 March 2023. The increase was mainly due to (i) the increase of HK\$26.1 million in net current assets; (ii) the decrease of HK\$4.0 million in non-current liabilities; and partially offset by (iii) the decrease of HK\$7.8 million in non-current assets.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

As at 31 March 2024, our Group had cash and bank balances of HK\$235.7 million (2023: HK\$281.7 million), the majority of which were denominated in US dollars.

As at 31 March 2024, our Group had a current ratio¹ of 2.6 (compared to 2.5 at 31 March 2023) and a cash ratio² of 0.7 (compared to 0.8 as at 31 March 2023). The liquidity ratio remained stable as compared with last year.

Notes:

- 1 Current ratio was calculated by dividing the total current assets by the total current liabilities as at the respective dates.
- 2 Cash ratio was calculated by dividing the cash and cash equivalents by the total current liabilities as at the respective dates.

As at 31 March 2023 and 2024, our Group did not have any interest-bearing nor external borrowings. Thus, neither the gearing ratio nor the debt to equity ratio was applicable to our Group.

Following the Listing, our Group's operations were mainly financed by internal resources including but not limited to existing cash and cash equivalents, anticipated cash flow from its operating activities and the net proceeds generated from the Listing. With a strong liquidity position, our Group is able to expand in accordance with its business strategy.

Our Group did not have any significant contingent liabilities as at 31 March 2024.

There was no material impact to our Group arising from the fluctuation in the exchange rates of the major currencies in US dollars and Renminbi during the Year.

USE OF PROCEEDS FROM LISTING

After deduction of the underwriting fees and commissions and expenses payable by the Company in connection with the Listing, the net proceeds from Listing were HK\$185.9 million (the “**Net Proceeds**”).

The Board closely monitored the use of proceeds from the Listing with reference to the use of proceeds disclosed in the Prospectus and the announcement in relation to change in use of Net Proceeds dated 25 July 2022. For further details of the change in use of Net Proceeds and the reasons for and benefits of such change, please refer to the announcement of the Company dated 25 July 2022.

As at 31 March 2024, the Group utilised approximately HK\$181.6 million of the Net Proceeds, representing approximately 97.7% of the Net Proceeds, and the unutilised Net Proceeds amounted to approximately HK\$4.3 million (the “**Unutilised Net Proceeds**”), representing approximately 2.3% of the Net Proceeds.

The following table sets out the original planned use of Net Proceeds, the revised allocation as at 25 July 2022, and the actual usage up to 31 March 2024.

Intended use of Net Proceeds as stated in the Prospectus and the change in use of Net Proceeds announcement dated 25 July 2022	Approximate % of total Net Proceeds	Planned use of actual Net Proceeds <i>(Note 2)</i> HK\$' million	Utilised Net Proceeds as at 25 July 2022 HK\$' million	Unutilised Net Proceeds as at 25 July 2022 HK\$' million	Revised allocation of		
					the unutilised Net Proceeds as at 25 July 2022 HK\$' million	Utilised Net Proceeds from 26 July 2022 to 31 March 2024 HK\$' million	Unutilised Net Proceeds as at 31 March 2024 HK\$' million
Strengthen media content portfolio	54.8%	101.8	(48.2)	53.6	78.3	(78.3)	—
Expand our Brand Licensing Business	17.5%	32.6	(12.4)	20.2	5.9	(3.2)	2.7
Use for co-investment in the production of media content	9.5%	17.7	(10.7)	7.0	—	—	—
Acquisition of a potential target company to strengthen the development of Brand Licensing Business	—	—	—	—	4.4	(4.3)	0.1
Relocation and renovation of Hong Kong office and upgrade information technology equipment	6.9%	12.9	(4.8)	8.1	3.8	(2.3)	1.5
Use for our general working capital	6.6%	12.3	(12.3)	—	—	—	—
Expand media content team, brand licensing team, and expand workforce and enhance back-office support	4.7%	8.6	(4.5)	4.1	0.6	(0.6)	—
	<u>100.0%</u>	<u>185.9</u>	<u>(92.9)</u>	<u>93.0</u>	<u>93.0</u>	<u>(88.7)</u>	<u>4.3</u>

Note 1: Subsequent to the end of the Reporting Period and up to the date of this announcement, the Group utilised approximately HK\$0.2 million of the Net Proceeds, comprising HK\$0.2 million for upgrading information technology system.

Note 2: The planned amount of use of Net Proceeds has been adjusted in the same proportion and same manner as stated in the Prospectus due to the difference between the estimated net proceeds and the actual net proceeds.

Save for the aforesaid changes, there is no other change in use of Net Proceeds.

The Board is of the view that the change in use of the Unutilised Net Proceeds will enable the Group to effectively meet the financial needs of the Group and enhance the flexibility in financial management of the Company, and is in line with the current business needs of the Group, and therefore, is in the best interests of the Company and its Shareholders as a whole.

The Board also confirms that there is no material change in the principal business of the Group as set out in the Prospectus and is of the view that the above change is in line with the business strategy of the Group and will not adversely affect its operation and business.

The Board will continuously assess the plans for use of the Net Proceeds, and may revise or amend such plans where necessary to respond to the changing market conditions and strive for better business performance of the Group.

Capital Structure

There has been no change in the capital structure of our Group during the Reporting Period and the share capital of our Company only comprises ordinary shares. As at the date of this announcement, our Company has 1,992,000,000 ordinary shares in issue.

Material Acquisitions and Disposals of Subsidiary, Associate and Joint Venture

There was no material acquisition or disposal of subsidiary, associate or joint venture during the Reporting Period.

Pledge of Assets

As at 31 March 2024, none of the assets of our Group was pledged.

Capital Commitments

As at 31 March 2024, our Group had no material capital commitment that was not provided for in the consolidated financial statements.

Purchase, Sale or Redemption of Listed Shares

During the Year, neither our Company nor any of our subsidiaries purchased, sold or redeemed any of our Company's listed shares, except that the trustee of the share award scheme of the Company acquired a total of 21,985,000 shares of the Company on the market for the purpose of the share award scheme and the grant of the award shares.

Significant Events after the Reporting Period

There is no significant event of the Group which requires disclosure since the end of Reporting Period.

AUDIT COMMITTEE

The Company's audit committee has reviewed the accounting policies and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the draft consolidated financial statements for the year ended 31 March 2024.

REVIEW OF RESULTS ANNOUNCEMENT BY INDEPENDENT AUDITORS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income, and the related notes thereto for the year ended 31 March 2024 as set out in this announcement have been agreed by the Company's auditors, Ernst & Young ("EY"), to the amounts set out in the Group's draft consolidated financial statements for the Year. The work performed by EY in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by EY on this announcement.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operations of the Company and its subsidiaries during the year ended 31 March 2024.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company maintained the public float of its issued shares as required under the Listing Rules during the Year.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as the Group's code of conduct regarding Directors' securities transactions.

Specific enquiry has been made to all the Directors and all the Directors have confirmed that they have complied with the Model Code for the year ended 31 March 2024 and up to the date of this announcement.

The Company has also established written guidelines no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Board and the management of our Company are committed to the maintenance of good corporate governance practices and procedures.

The Board believes that good corporate governance standards are essential in providing a framework for our Group to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the “**CG Code**”) as contained in Appendix C1 to the Listing Rules as its own code of corporate governance. For the year ended 31 March 2024 and up to the date of this announcement, the Company has complied with the code provisions as set out in the CG Code, save and except for code provision C.2.1 in Part 2 of CG Code as set out below:

Chairman and Chief Executive

Ms. Chiu Siu Yin Lovinia currently holds both positions as chairman and chief executive officer. Throughout the business history, Ms. Chiu Siu Yin Lovinia has been the key leadership figure of the Group and has been primarily involved in the formulation of business strategies and determination of the business plans. The Directors (including the independent non-executive Directors) consider Ms. Chiu Siu Yin Lovinia the best candidate for both positions and that the present arrangements are beneficial for and in the interests of the Company and the Shareholders as a whole.

ANNUAL GENERAL MEETING

The annual general meeting of the Company is scheduled to be held on Wednesday, 25 September 2024. The notice of the annual general meeting will be published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.medialink.com.hk) in due course.

FINAL AND SPECIAL DIVIDENDS

The Board has recommended the payment of a final dividend and a special dividend of HK 0.32 cent per share and HK 0.02 cent per share respectively for the year ended 31 March 2024 (2023: HK 0.42 cent per share and HK 0 cent per share respectively), amounting to HK\$6,374,000 and HK\$398,000 respectively (2023: HK\$8,366,000 and HK\$0 respectively), to the Shareholders whose names appear on the register of members of our Company on Monday, 7 October 2024. The proposed final and special dividends will be paid on Monday, 4 November 2024, subject to approval by the Shareholders at the annual general meeting.

CLOSURE OF THE REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the forthcoming AGM, the register of members will be closed from Friday, 20 September 2024 to Wednesday, 25 September 2024, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the annual general meeting, all completed transfer forms, accompanied by the relevant share certificates, must be lodged for registration with our Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by no later than 4:30 p.m. on Thursday, 19 September 2024.

To ascertain entitlement to the proposed final dividend and special dividend, the register of members will be closed from Wednesday, 2 October 2024 to Monday, 7 October 2024, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend and special dividend, which is subject to approval of the Shareholders at the forthcoming AGM, all completed transfer forms, accompanied by the relevant share certificates, must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by no later than 4:30 p.m. on Monday, 30 September 2024.

PUBLICATION OF INFORMATION ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.medialink.com.hk). The annual report for the year ended 31 March 2024 containing all information required by the Listing Rules will be published on the aforesaid websites on or before 31 July 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2024

		2024	2023
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	4	488,809	473,899
Cost of sales		<u>(252,941)</u>	<u>(245,893)</u>
Gross profit		235,868	228,006
Other income and gains, net	5	8,783	5,457
Selling and distribution expenses		(75,828)	(60,395)
General and administrative expenses		(64,280)	(57,215)
Other expenses, net		(46,391)	(63,708)
Finance cost		(293)	(339)
Fair value losses on investment in convertible bonds		(428)	—
Share of profit of a joint venture		<u>318</u>	<u>244</u>
Profit Before Tax	6	57,749	52,050
Income tax expense	7	<u>(8,786)</u>	<u>(4,527)</u>
Profit For The Year Attributable to Shareholders of the Company		<u>48,963</u>	<u>47,523</u>
Earnings Per Share Attributable to Shareholders of the Company			
Basic and diluted	9	<u>HK 2.6 cents</u>	<u>HK 2.5 cents</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2024

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit For The Year	48,963	47,523
Other Comprehensive Loss		
Items that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(1,094)	(514)
Share of other comprehensive loss of a joint venture	(18)	(1)
	<u>(1,112)</u>	<u>(515)</u>
Total Comprehensive Income For The Year Attributable to Shareholders of the Company	<u>47,851</u>	<u>47,008</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	Note	2024 HK\$'000	2023 HK\$'000
Non-Current Assets			
Goodwill		29,709	29,709
Property, plant and equipment		14,119	19,217
Intangible assets		8,700	8,582
Investments in media contents		15,355	23,888
Investment in a joint venture		4,543	4,243
Investment in convertible bonds	10	5,369	—
Deferred tax assets		81	—
Deposits		1,409	1,387
		<u>79,285</u>	<u>87,026</u>
Current Assets			
Licensed assets	11	359,929	330,068
Inventories		6,511	2,091
Trade receivables	12	223,803	192,919
Prepayments, deposits and other receivables		15,764	11,177
Due from a joint venture		556	604
Tax recoverable		—	4,331
Cash and cash equivalents		235,727	281,742
		<u>842,290</u>	<u>822,932</u>
Current Liabilities			
Trade payables	13	165,865	185,351
Accruals and other payables		73,848	73,268
Contract liabilities		81,067	69,386
Lease liabilities		5,394	5,301
Tax payable		2,236	1,816
		<u>328,410</u>	<u>335,122</u>
Net Current Assets		<u>513,880</u>	487,810
Total Assets Less Current Liabilities		<u>593,165</u>	574,836
Non-Current Liabilities			
Lease liabilities		4,134	8,088
Provision		1,311	1,311
		<u>5,445</u>	9,399
Net Assets		<u>587,720</u>	<u>565,437</u>
Equity			
Share capital	14	19,920	19,920
Reserves		567,800	545,517
Total Equity		<u>587,720</u>	<u>565,437</u>

NOTES

1. Corporate and Group Information

Medialink Group Limited is a limited liability company incorporated in the Cayman Islands.

The principal place of business of the Company is located at Suites 1801–6, 18/F., Tower 2, The Gateway, Harbour City, 25 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The registered office of the Company is located at Third Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands.

In the opinion of the directors of the Company (the “**Directors**”), the immediate holding company and the ultimate holding company of the Company is RLA Company Limited, which is incorporated in the British Virgin Islands (“**BVI**”).

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 21 May 2019 (the “**Listing**”).

The Company is an investment holding company. During the year, the Company’s subsidiaries were involved in the following principal activities:

- media content distribution and investments in media content production (“**Media Content Distribution Business**”)
- brand licensing (“**Brand Licensing Business**”)

2.1 Basis of Preparation

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Companies Ordinance, Cap. 622, laws of Hong Kong.

The financial statements have been prepared on a going concern basis and under the historical cost convention, except for investments in media contents and investment in convertible bonds which have been measured at fair value. They are presented in Hong Kong dollars (“**HK\$**”) and all amounts are rounded to the nearest thousand (HK\$’000) except when otherwise indicated.

2.2 Changes in Accounting Policies and Disclosures

The Group has adopted the following new and revised HKFRSs for the first time for the current year’s financial statements.

HKFRS 17	<i>Insurance Contracts</i>
Amendments to HKAS 1 and HKFRS Practice Statements 2	<i>Disclosure of Accounting Policies</i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to HKAS 12	<i>International Tax Reform — Pillar Two Model Rules</i>

The nature and the impact of the new and revised HKFRSs that are applicable to the Group are described below:

- (a) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 *Making Materiality Judgements* provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has disclosed the material accounting policy information in the financial statements. The amendments did not have any impact on the measurement, recognition or presentation of any items in the Group’s financial statements.

- (b) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group's approach and policy align with the amendments, the amendments had no impact on the Group's financial statements.
- (c) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The amendments did not have any significant impact on the financial position or performance of the Group upon the initial application.
- (d) Amendments to HKAS 12 *International Tax Reform — Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

3. Operating Segment Information

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

- (a) the media content distribution segment comprises distributions and investments in media contents including animation series, variety shows, drama series, animated and live-action feature films and other video contents; and
- (b) the brand licensing segment comprises (i) obtaining various rights to use third-party owned brands, which include certain merchandising rights, location-based entertainment rights and promotion rights, and sub-licensing the use of these brands to customers; and (ii) acting as an agent for the brand licensors.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit before tax except that interest income and unallocated gains, depreciation and other corporate and unallocated expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, property, plant and equipment, investment in convertible bonds, cash and cash equivalents, tax recoverable and corporate and other unallocated assets as these assets are managed on a group basis.

Segment liabilities exclude tax payable, lease liabilities and corporate and other unallocated liabilities as these liabilities are managed on a group basis.

Year ended 31 March 2024

	Media content distribution HK\$'000	Brand licensing HK\$'000	Total HK\$'000
Segment revenue:			
Sales to external customers	324,947	166,314	491,261
Fair value losses on investments in media contents, net	<u>(2,452)</u>	<u>—</u>	<u>(2,452)</u>
Total	<u>322,495</u>	<u>166,314</u>	<u>488,809</u>
Segment results			
	41,527	33,766	75,293
<i>Reconciliation:</i>			
Interest income and unallocated gains			8,769
Depreciation			(7,688)
Other corporate and unallocated expenses			<u>(18,625)</u>
Profit before tax			<u>57,749</u>
Segment assets			
	528,780	127,701	656,481
<i>Reconciliation:</i>			
Corporate and other unallocated assets			<u>265,094</u>
Total assets			<u>921,575</u>
Segment liabilities			
	188,121	117,340	305,461
<i>Reconciliation:</i>			
Corporate and other unallocated liabilities			<u>28,394</u>
Total liabilities			<u>333,855</u>

Year ended 31 March 2023

	Media content distribution <i>HK\$'000</i>	Brand licensing <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue:			
Sales to external customers	314,454	159,701	474,155
Fair value losses on investments in media contents, net	<u>(256)</u>	<u>—</u>	<u>(256)</u>
Total	<u><u>314,198</u></u>	<u><u>159,701</u></u>	<u><u>473,899</u></u>
Segment results			
	31,824	36,547	68,371
<i>Reconciliation:</i>			
Interest income and unallocated gains			4,637
Depreciation			(7,548)
Other corporate and unallocated expenses			<u>(13,410)</u>
Profit before tax			<u><u>52,050</u></u>
Segment assets			
	502,919	91,595	594,514
<i>Reconciliation:</i>			
Corporate and other unallocated assets			<u>315,444</u>
Total assets			<u><u>909,958</u></u>
Segment liabilities			
	215,175	85,980	301,155
<i>Reconciliation:</i>			
Corporate and other unallocated liabilities			<u>43,366</u>
Total liabilities			<u><u>344,521</u></u>

4. Revenue

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Major product or service lines		
<i>Media Content Distribution Business</i>		
Distribution of licensed media contents	292,683	253,836
Distribution of feature films	32,264	60,618
	324,947	314,454
Fair value losses on investments in media contents, net	(2,452)	(256)
	322,495	314,198
<i>Brand Licensing Business</i>		
Sub-licensing of brands	92,763	96,077
Provision of licensing agency services	34,088	34,869
Sales of merchandise	39,463	28,755
	166,314	159,701
	488,809	473,899

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Geographical locations		
<i>Media Content Distribution Business</i>		
United States of America	129,337	97,146
Hong Kong	90,811	97,739
Mainland China	41,339	34,420
Taiwan	20,739	49,356
Curacao	16,524	—
Singapore	12,370	10,870
Others*	13,827	24,923
	324,947	314,454
<i>Brand Licensing Business</i>		
Mainland China	39,082	43,779
Hong Kong	31,011	24,347
Japan	31,040	37,330
Taiwan	26,607	17,344
France	16,441	16,795
United States of America	7,582	8,839
Others#	14,551	11,267
	166,314	159,701
	<u>491,261</u>[^]	<u>474,155</u>[^]

* Others mainly include geographical locations of Vietnam, Indonesia, Korea, India, the Philippines and Mongolia.

Others mainly include geographical locations of Thailand, Korea, Italy, Singapore, Indonesia and the Philippines.

[^] Exclude fair value changes in investments in media contents, net.

5. Other Income and Gains, Net

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Bank interest income	8,430	2,783
Government subsidies (<i>note</i>)	—	1,479
Others	<u>353</u>	<u>1,195</u>
	<u>8,783</u>	<u>5,457</u>

Note: The subsidies were mainly granted under Employment Support Scheme from the Government of the Hong Kong Special Administrative Region. There were no unfulfilled conditions relating to these subsidies.

6. Profit Before Tax

The Group's profit before tax is arrived at after charging/(crediting):

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Cost of goods sold and other services rendered	249,356	243,937
Depreciation:		
Right-of-use assets	5,590	5,500
Other items of property, plant and equipment	2,098	2,048
	7,688	7,548
Amortisation of intangible assets [#]	3,674	2,001
Lease payments not included in the measurement of lease liabilities	423	200
Employee benefit expense (including directors' remuneration):		
Salaries, wages, allowances and bonuses	79,121	73,331
Pension scheme contributions (defined contribution schemes)	5,225	4,537
Share-based payment expense [^]	3,752	—
	88,098	77,868
Foreign exchange differences, net	5,960	4,035
Impairment of intangible assets*	643	1,769
Impairment of trade receivables*	1,117	1,997
Reversal of impairment of trade receivables*	(1,382)	(738)
Write-off of trade receivables*	—	838
Write-off of property, plant and equipment*	44	3
Gain on disposal of property, plant and equipment*	—	(3)
Write-down of licensed rights to net realisable value, net*	40,009	55,807
Finance cost — interest on lease liabilities	293	339

[#] Included HK\$3,585,000 (2023: HK\$1,956,000) in respect of amortisation of media content commercial rights which is included in "Cost of sales" in the consolidated statement of profit or loss.

* These amounts are included in "Other expenses, net" in the consolidated statement of profit or loss.

[^] A total of 4,980,000 Director Award Shares and 4,346,000 Staff Award Shares at nil consideration were granted to Ms. Chiu Siu Fung Noletta and 23 staff respectively under the Share Award Scheme of the Company approved by the Board of Directors of the Company on 2 April 2024, which is after the end of the reporting period. The respective share-based payment expense in total of HK\$1,735,000 will be recorded in next reporting period.

7. Income Tax

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime effective from the year of assessment 2019/2020. The first HK\$2,000,000 (2023: HK\$2,000,000) of assessable profits of that subsidiary is taxed at 8.25% (2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (2023: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current — Hong Kong		
Charge for the year	6,577	3,739
Underprovision/(overprovision) in prior years	1,292	(418)
Current — Elsewhere		
Charge for the year	998	1,206
Deferred	(81)	—
	<hr/>	<hr/>
Total tax charge for the year	<u>8,786</u>	<u>4,527</u>

8. Dividends

The dividends paid by the Company are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Dividends declared and recognised as distribution during the year:		
Interim dividend for the year — HK 0.89 cent (2023: HK 0.70 cent) per ordinary share	17,729	13,944
Less: Dividend for shares held under the share award scheme	<u>(659)</u>	<u>(481)</u>
	<u>17,070</u>	<u>13,463</u>
Final dividend for the year ended 31 March 2023 — HK 0.42 cent (2022: HK 0.35 cent) per ordinary share	8,366	6,972
Less: Dividend for shares held under the share award scheme	<u>(291)</u>	<u>(236)</u>
	<u>8,075</u>	<u>6,736</u>
	<u>25,145</u>	<u>20,199</u>
Dividend proposed after the end of the reporting period:		
Proposed final dividend for the year — HK 0.32 cent (2023: HK 0.42 cent) per ordinary share	6,374	8,366
Proposed special dividend for the year — HK 0.02 cent (2023: Nil) per ordinary share	<u>398</u>	<u>—</u>
	<u>6,772</u>	<u>8,366</u>

The proposed final and special dividends for the year ended 31 March 2024 are subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

9. Earnings Per Share Attributable to Shareholders of the Company

The calculation of basic earnings per share for the year ended 31 March 2024 is based on the consolidated profit for the year attributable to shareholders of the Company of HK\$48,963,000 (2023: HK\$47,523,000), and the weighted average number of our Company's ordinary shares of 1,916,926,290 (2023: 1,925,041,781) in issue during the year as adjusted to exclude the shares held under share award scheme of the Company.

No adjustment has been made to the basic earnings per share presented for the years ended 31 March 2024 and 2023 as the Group has no potentially dilutive ordinary shares in issue during those periods.

10. Investment in Convertible Bonds

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Investment in convertible bonds, at fair value	<u><u>5,369</u></u>	<u><u>—</u></u>

The above unlisted investment represents S\$1,000,000 6% convertible bonds due 2026 (the “**Convertible Bonds**”) issued by an independent third party (the “**CB Issuer**”). According to the subscription agreement, the Group has the rights (i) to convert the entire principal amount of the Convertible Bonds together with accrued but unpaid interest into such number of conversion shares at an issue price with a discount to the price at which the CB Issuer’s shares are offered in the initial public offering (“**IPO**”), prior to or on the date of launch of the IPO; and (ii) to subscribe for further convertible bonds of a principal amount of up to S\$1,000,000 (the “**Call Option**”). The Group did not exercise the Call Option within the exercisable period (i.e. within six months from 30 June 2023). The Convertible Bonds are unsecured and will mature on 6 July 2026, bearing interest at 6.0% per annum.

The Convertible Bonds are classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

The Group has engaged an independent firm of professionally qualified valuers to perform a valuation on the fair value of the Convertible Bonds as at 31 March 2024 which is estimated to be S\$926,000 (approximately HK\$5,369,000), resulting in a fair value loss of HK\$428,000 debited to profit or loss for the year.

11. Licensed Assets

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Licensed rights	346,592	259,684
Prepayments for licensed rights	<u>13,337</u>	<u>70,384</u>
	<u>359,929</u>	<u>330,068</u>

Licensed assets represent payments to licensors in connection with obtaining media content distribution rights and brand licensing rights over definitive licensing periods. These licensed assets are held to generate revenue in the ordinary course of the Group's businesses.

12. Trade Receivables

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Billed	218,744	159,976
Unbilled	<u>13,189</u>	<u>41,538</u>
	231,933	201,514
Less: Allowance for impairment	<u>(8,130)</u>	<u>(8,595)</u>
	<u>223,803</u>	<u>192,919</u>

The Group's trading terms with its customers are mainly on credit. For the Media Content Distribution Business, the payment terms with customers are generally of two to four payments with the first payments usually due upon the issuance of the letters of authorisation relating to the media contents to the respective customers. The credit periods generally range from 30 to 45 working days after the payment milestone as specified in the underlying contracts. For the Brand Licensing Business, the payment terms are generally of one to two payments with the first payments usually due upon the execution of the contracts. The credit periods are generally 30 days after the payment milestone as specified in the underlying contracts.

The Group seeks to maintain strict control over its outstanding receivables as overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the billed trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 30 days	40,399	8,813
31 to 60 days	30,809	7,653
61 to 90 days	45,868	2,004
91 to 180 days	14,360	44,098
181 to 360 days	60,809	63,700
Over 360 days	26,499	33,708
	218,744	159,976

13. Trade Payables

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Billed	99,356	46,196
Unbilled	66,509	139,155
	165,865	185,351

An ageing analysis of the billed trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 30 days	31,260	23,818
31 to 90 days	13,828	9,559
Over 90 days	54,268	12,819
	99,356	46,196

The trade payables are unsecured and non-interest-bearing. For the minimum guarantee payments to the licensors, the payment terms and the due dates are specified in the relevant contracts and are usually settled by instalments at the early stage of the relevant licensing periods. For royalty payable which exceed the minimum guarantee, the amounts are due when the Group submits the royalty reports to the licensors which are subsequent to the collection of the corresponding trade receivables from the licensees.

The unbilled trade payables relate to royalty amounts that are payable to but not yet invoiced by licensors and are calculated based on the royalty rates as stipulated in the respective licensing contracts.

14. Share Capital

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Authorised:		
5,000,000,000 ordinary shares of HK\$0.01 each	<u>50,000</u>	<u>50,000</u>
Issued and fully paid:		
1,992,000,000 ordinary shares of HK\$0.01 each	<u>19,920</u>	<u>19,920</u>

On behalf of the Board
MEDIALINK GROUP LIMITED
Chiu Siu Yin Lovinia
Chairman and Executive Director

Hong Kong, 27 June 2024

As at the date of this announcement, the executive Directors are Ms. Chiu Siu Yin Lovinia, Ms. Chiu Siu Fung Noletta and Mr. Ma Ching Fung, the non-executive Director is Ms. Wong Hang Yee, JP, and the independent non-executive Directors are Mr. Fung Ying Wai Wilson, MH, Ms. Leung Chan Che Ming Miranda and Mr. Wong Kam Pui, BBS, JP.

Please also refer to the published version of this announcement on the Company's website at www.medialink.com.hk.

Note: If there is any inconsistency between the English and Chinese versions of this document, the English version shall prevail.