

GURU 2022 ANNUAL REPORT



**Be Resilient.
Capturing The Transformative Force of Digitalization.**

GURU ONLINE (HOLDINGS) LIMITED

超凡網絡(控股)有限公司

INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY | STOCK CODE: 8121



CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the of companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this annual report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this annual report.

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

CONTENTS

Page

3	CORPORATE INFORMATION
6	CHAIRMAN'S STATEMENT
9	MANAGEMENT DISCUSSION AND ANALYSIS
20	BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT
25	REPORT OF THE DIRECTORS
38	CORPORATE GOVERNANCE REPORT
52	ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT
70	INDEPENDENT AUDITOR'S REPORT
75	CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
76	CONSOLIDATED STATEMENT OF FINANCIAL POSITION
78	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
79	CONSOLIDATED STATEMENT OF CASH FLOWS
81	NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
160	FINANCIAL SUMMARY

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Yip Shek Lun
(Chairman and Chief Executive Officer)
Mr. Ng Chi Fung
Ms. Wan Wai Ting
Mr. Chan Pak San
(appointed with effect from 6 August 2021)

Non-executive Directors

Mr. Wang Zhong Lei
(resigned with effect from 29 October 2021)
Ms. Cheung Laam
(resigned with effect from 29 October 2021)

Independent non-executive Directors

Mr. Tso Ping Cheong, Brian
Mr. David Tsoi
Mr. Hong Ming Sang
Mr. Lam Tung Leung
(resigned with effect from 4 May 2022)

AUTHORISED REPRESENTATIVES

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

COMPLIANCE OFFICER

Mr. Ng Chi Fung

COMPANY SECRETARY

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

Mr. Hong Ming Sang *(Chairman)*
Mr. Yip Shek Lun
Mr. David Tsoi
(appointed with effect from 4 May 2022)
Mr. Lam Tung Leung
(resigned with effect from 4 May 2022)

NOMINATION COMMITTEE

Mr. David Tsoi *(Chairman)*
(appointed with effect from 4 May 2022)
Mr. Yip Shek Lun
Mr. Tso Ping Cheong, Brian
Mr. Lam Tung Leung *(Chairman)*
(resigned with effect from 4 May 2022)

REGISTERED OFFICE

Windward 3
Regatta Office Park PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

4/F., KOHO
73-75 Hung To Road
Kwun Tong
Hong Kong

PRINCIPAL BANKER

Hang Seng Bank Limited
83 Des Voeux Road Central
Hong Kong

CORPORATE INFORMATION

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited
Windward 3
Regatta Office Park PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

LEGAL ADVISERS TO THE COMPANY

As to Hong Kong law:

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

As to PRC law:

Beijing Pacific ZhongZheng Law Firm
West 6-5D, Century Jin Yuan Hotel
69 Board Well Road
Haidian District, Beijing
People's Republic of China

As to Cayman Islands law:

Appleby
2206-19 Jardine House
1 Connaught Place
Central
Hong Kong

AUDITOR

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

STOCK CODE

8121

COMPANY'S WEBSITE

www.guruonline.com.hk



**CHAIRMAN'S
STATEMENT**

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "**Board**") of Directors of the Company, I hereby present the annual report of the Company for the year ended 31 March 2022 (the "**Year**").

In 2021, the novel coronavirus pandemic ("**COVID-19**" or the "**pandemic**") continued to wreak havoc around the world. Variants of the virus emerged in the second half of the year. The pandemic also paralysed social and economic activities in many countries and hence adversely affected the global economy, a number of emergency public health measures have been implemented, leading to the delay, rescheduling or cancellation of local activities and therefore battering all sectors.

In view of the changing development of the pandemic, we have leveraged the Group's experience in dealing with the pandemic in 2020 and adopted certain measures, such as cost-saving initiatives. In addition, to counter market challenges, the Group proactively adjusted its operating strategy during the Year in order to stabilise its businesses amidst the pandemic. Measures were implemented to protect the health of its employees as well. Aside from complying with the Government's anti-pandemic guidelines, the Group also took various preventive and control measures, including adopting work-from-home arrangements to safely provide client services and expand the operation of its business via the Internet to minimise COVID-19's impact on its business.

Some industries have been severely hit by the pandemic. For example, the tourism industry has been paralysed and inevitably prompted customers in related businesses to postpone or suspend promotional activities, thereby affecting the Group. Other customers were also cautious in implementing promotional activities. However, thanks to its extensive customer base, the Group has a balanced portfolio, enabling it to withstand some of the worst effects. Most notably, we saw an increase, instead of a drop, in the orders of some long-term customers during the Year, which indicated that consumers still have strong demand for selected products or online services amidst the pandemic. The Group also aggressively sought new business opportunities to mitigate the reduced demand of some customers due to the pandemic.

Regarding prospecting for new customers, the Group has successfully secured a branded customer of smart home electronics products during the Year. Countries have introduced different restrictions in response to the pandemic, which has brought about earth-shaking changes in people's work practices and lifestyles. More companies have adopted flexible work-from-home arrangements, which greatly lengthened the time spent at home by consumers and led to the increase in "stay-at-home" needs. Benefiting from its diverse customer base, the Group was able to seize market opportunities in a timely manner and flexibly adjust its marketing strategies. Consequently, we have successfully extended our reach into new business segments while further expanding the Group's revenue stream.

CHAIRMAN'S STATEMENT

Though there were constant challenges arising from the market, the Group has successfully sequentially overcome them. It continued to earn high recognition from the industry for its quality services and state-of-the-art solutions. Last year, the Group received the "Best Cross-Regional Campaign – Silver Award" at Digiz Awards 2021 organized by the Marketing magazine, which demonstrated the industry's recognition of our innovative solutions. The Group will adhere to its "innovation-oriented" philosophy and provide quality marketing and promotion solutions to customers, so as to promote innovation in their own business and their sustainable development.

Since February 2022 and up to the date of this annual report, the fifth wave of the pandemic had a negative impact on Hong Kong. Looking ahead, as many countries have begun to adopt the policy of coexistence with the virus, the economies of many countries have gradually resumed normal activities. The economy in Hong Kong is expected to proceed along a path to a gradual recovery. We will continue to take all necessary measures to minimise the effects of the pandemic on the Group. At the same time, the Group will also endeavour to control the overall costs at a reasonable level in order to enhance its competitive advantages.

The outbreak of the pandemic has brought about tremendous changes to the digital marketing sector. The Group has observed that customers are more cautious in the overall allocation of resource than before but they are also more willing to invest in online promotion than in the past. Recently, the number of service enquiries we have received has steadily risen. Some industries severely affected by the pandemic earlier have also planned to launch promotional activities. These developments have reflected the recovery of market demand. As customers tend to plan ahead, a range of promotional events should resume after the market returns to a more normal level.

Going ahead, the Group will further bolster its strength in the digital marketing sector. In the past, a variety of innovative marketing solutions have been launched and incorporated with programmatic tools and artificial intelligence technology. We look forward to further leveraging our competitive advantages and making use of technology to further advance the Group's business development. On the digital advertising services front, the Group has recently adopted technologies more suitable for consumers' preferences with the aim of improving efficiency in advertising. Initial feedback from customers to these strategic initiatives has been positive. Moreover, we hope that as many countries around the world gradually ease entry restrictions, this will create favourable conditions for the resumption of cross-border tourism.

Last but not least, I wish to express my heartfelt gratitude on behalf of the Board, to all of our staff for their hard work and dedication. I also wish to give thanks to our shareholders, investors, customers, suppliers and business partners for their strong support to the Group.

Yip Shek Lun

Chief Executive Officer, Chairman of the Board and Executive Director

16 June 2022

The background is a soft, multi-colored gradient of pinks, purples, and blues. A large, semi-transparent pink sphere is the central focus, containing the text. Scattered around it are several smaller, semi-transparent geometric shapes: a small pink sphere in the top left, a pink cube in the top right, a pink cube in the bottom left, a pink pyramid in the bottom right, and a pink ring in the middle right.

**MANAGEMENT
DISCUSSION AND
ANALYSIS**

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

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

BUSINESS REVIEW

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

During the Year, the ongoing pandemic and emergence of new variants of the virus posed a huge challenge to the Group. Affected by a number of public health emergency measures such as outbound travel restrictions including quarantines as well as lockdowns, tourism was paralysed, many industries have entered a cold winter business season, and quite a few local activities had to be postponed, rescheduled or cancelled. Customers thus became more cautious, and postponed or suspended promotional activities, which inevitably affected the Group, in particular its revenue from creative and technology services, as the business is closely related to the promotional activities of customers.

Regarding digital advertisement placement services, the Group has established a broad customer base, therefore its balanced portfolio helped it to withstand some of the adverse effects brought about by the pandemic. Some customers, noting that consumers were spending more time online, decided to increase their budget for digital advertisements, which mitigated the impact of budget cuts. In addition, work-from-home and distance learning arrangements have greatly increased the duration of consumers' time-at-home and generated a series of related needs. As a result, during the year, the Group secured new customers, including a branded smart home electronics product.

During the Year, the performance of social media management services was stable. This was mainly because branded customers wished to maintain interaction with consumers during the pandemic, and consumers' longer time-at-home also spurred them to use social media more frequently, which, in turn, created stable demand for social media management services accordingly. The Group has begun to provide products and services such as "Chatbot", along with Big Data and video solutions several years ago. It has also been improving related technologies in order to keep up with the latest consumer trends, such as helping customers to launch AR online promotion projects on social media platforms, thus allowing consumers to experience and understand product information in a more practical way and thereby generate online sales. In these ways, the pandemic has brought irreversible changes to consumption patterns. Effective digital marketing services allow companies to better interact with target audiences and gain marketing benefits.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue and gross profit

The Group's revenue was generated from the integrated digital marketing business which is divided into provision of (i) social media management services; (ii) digital advertisement placement services; and (iii) creative and technology services. For the Year, our total revenue amounted to approximately HK\$155.78 million (2021: approximately HK\$141.39 million).

For the Year, our revenue generated from (i) social media management services amounted to approximately HK\$39.22 million (2021: approximately HK\$62.33 million), representing approximately 25.18% of our total revenue (2021: approximately 44.08%); (ii) digital advertisement placement services amounted to approximately HK\$9.18 million (2021: approximately HK\$11.76 million), representing approximately 5.89% of our total revenue (2021: approximately 8.32%); and (iii) creative and technology services amounted to approximately HK\$107.38 million (2021: approximately HK\$67.30 million), representing approximately 68.93% of our total revenue (2021: approximately 47.60%).

Overall, our total revenue increased by approximately 10.18% from approximately HK\$141.39 million for the year ended 31 March 2021 to approximately HK\$155.78 million for the Year. The increase in total revenue was mainly attributable to the increase in revenue from creative and technology services, offset by the decrease in revenue from social media management services and digital advertisement placement services. The Group's gross profit margin decreased from approximately 30.66% for the year ended 31 March 2021 to approximately 21.64% for the Year. The decrease in gross profit margin was mainly because the increase in cost of services outweighed the increase in revenue. As a result, the Group's gross profit decreased by approximately 22.21% from approximately HK\$43.35 million for the year ended 31 March 2021 to approximately HK\$33.72 million for the Year.

Other income or gains

Our other income or gains of the Group decreased from approximately HK\$11.00 million for the year ended 31 March 2021 to approximately HK\$2.19 million for the Year, which was mainly attributable to the decrease in subsidy income received from the Hong Kong Government under the Employment Support Scheme.

Selling expenses

Staff costs

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

For the year ended 31 March 2021 and the Year, our staff cost under selling expenses amounted to approximately HK\$8.72 million and HK\$7.98 million, representing approximately 6.17% and 5.12% of our revenue, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

Sales commission

For the year ended 31 March 2021 and the Year, our sales commission amounted to approximately HK\$3.44 million and HK\$1.93 million, representing approximately 2.43% and 1.24% of our total revenue, respectively.

Marketing-related expenses

For the year ended 31 March 2021 and the Year, our marketing-related expenses amounted to approximately HK\$2.54 million and HK\$2.96 million, representing approximately 1.80% and 1.90% of our revenue, respectively.

Administrative expenses

Our administrative expenses decreased by approximately 29.08% from approximately HK\$51.03 million for the year ended 31 March 2021 to approximately HK\$36.19 million for the Year. Our administrative expenses mainly comprised administrative staff costs, foreign exchange loss, depreciation of right-of-use assets, utility expenses, building management fees, recruitment-related expenses and legal and professional fees. The decrease in our administrative expenses for the Year was mainly due to the decrease in administrative staff costs.

Finance costs

Our finance costs amounted to approximately HK\$0.25 million for the Year (2021: HK\$0.35 million). This item comprised interest expense on lease liabilities.

Gain on disposal of a subsidiary

During the Year, the Group disposed of the entire equity interest in a wholly-owned subsidiary, namely, 北京超帆文化傳播發展有限公司 (Beijing AdBeyond Culture Media Development Limited*) (the “**Disposal**”), and recognised a gain on disposal of a subsidiary of approximately HK\$12.87 million, the details of which is set out in note 31 to the consolidated financial statements. For details of the Disposal, please refer to the Company’s announcement dated 9 November 2021.

Income tax expense

The income tax expense decreased from HK\$0.33 million for the year ended 31 March 2021 to approximately HK\$0.03 million for the Year, which was mainly attributable to the decrease in PRC Enterprise Income Tax and Taiwan Corporate Income Tax for the Year.

Loss for the Year attributable to owners of the Company

For the Year, loss attributable to owners of the Company amounted approximately HK\$0.03 million, as compared to approximately HK\$16.25 million for the year ended 31 March 2021. The decrease in loss attributable to owners of the Company was mainly due to (i) the continuing implementation of the expense control policy, via which there was a decrease in staff costs incurred in administrative expenses; (ii) a decrease in marketing-related expenses incurred in selling expenses; and (iii) increase in the gain on disposal of a subsidiary during the Year.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND CAPITAL RESOURCES

As at 31 March 2022, the Group's current ratio was 1.33, compared to 1.07 as at 31 March 2021. The increase in current ratio was mainly due to decrease in trade and other payables, contract liability and accrued expenses. As at 31 March 2022, the Group's bank balances and cash amounted to approximately HK\$12.24 million (2021: approximately HK\$33.50 million).

The total interest-bearing loans and borrowings (interest-bearing bank borrowings and bank overdrafts) of the Group as at 31 March 2022 were nil (2021: Nil).

During the Year, the Group did not experience any withdrawal of facilities, default in payment of trade and other payables, bank borrowing or breach of financial covenants. As at 31 March 2022, there was no amount due to related parties (2021: Nil). The Group does not have a foreign currency hedging policy. However, we monitor our exposure to foreign currency risk on an ongoing basis and would consider hedging against significant foreign currency exposure as and when necessary. The Group's financial position remained solid and we have sufficient bank balances and cash denominated in RMB to meet our foreign exchange liabilities as they become due.

CAPITAL STRUCTURE

On 29 May 2015 (the "Listing Date"), the shares of the Company (the "Shares") were successfully listed on GEM of the Stock Exchange. Our equity consists only of ordinary shares. On 16 July 2021, the share consolidation was implemented and the total amount of issued shares of the Company was adjusted from 1,667,200,000 to 166,720,000. After the share consolidation, every ten (10) issued and unissued shares of HK\$0.01 each in the share capital of the Company were consolidated into one (1) consolidated share of HK\$0.10 each; there was no change to the amount of share capital and share premium of the Company. As at the date of this annual report, the Company's issued share capital amounted to HK\$16,672,000 and the number of issued ordinary shares was 166,720,000 with a par value of HK\$0.01 each (2021: Share capital represented HK\$16,672,000 and the number of issued ordinary shares is 1,667,200,000). Our contract commitments mainly involve leases of office properties.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save for the business plan as disclosed in the prospectus of the Company dated 22 May 2015 (the "Prospectus") or otherwise disclosed in this annual report, the Group did not have any future plans for material investments or capital assets as at 31 March 2022.

SIGNIFICANT INVESTMENTS HELD

Financial assets at fair value through other comprehensive income

	As at 31 March 2022 HK\$'000	As at 31 March 2021 HK\$'000
Unlisted investments	–	1,250

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

MANAGEMENT DISCUSSION AND ANALYSIS

During the Year, the Group disposed of the equity investment designated at FVTOCI at consideration of HK\$1,250,000. At the date of disposal, the fair value of such investment was HK\$1,250,000 and the gain on disposal was nil. The management considered the investee would be unlikely to be profitable in the future and therefore disposed of the investment.

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

Financial asset at fair value through profit or loss

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

Name/fund details	Nature of business	Number of shares/Units held as at 31 March 2022	Carrying amount as at 31 March 2021 HK\$'000	Acquisition (Disposal) during the Year HK\$'000	Unrealised gain (loss) on change in fair value during the Year HK\$'000	Realised gain (loss) on disposal during the Year HK\$'000	Carrying amount as at 31 March 2022 HK\$'000	Percentage to the Group's total assets as at 31 March 2022	Dividend received during the Year HK\$'000
SIS International Holdings Limited	Note	-	67	(80)	(166)	179	-	-	-
Listed equity security			67	(80)	(166)	179	-	-	-
Baillie Gifford Worldwide Funds Plc – Long Term Global Growth A-USD-acc	Investment in fund	-	1,435	(1,646)	116	95	-	-	-
BlackRock Global Funds SICAV – Next Generation Technology A2-USD-capitalisation	Investment in fund	-	1,432	(1,559)	119	8	-	-	-
Morgan Stanley Inv. Funds SICAV – Global Endurance Fund	Investment in fund	-	1,416	(1,603)	135	52	-	-	-
Listed fund investment			4,283	(4,808)	370	155	-	-	-
Manulife Inv Allianz and Growth Fund (dist)	Investment in fund	-	1,013	(1,044)	(13)	44	-	-	49
Unlisted fund investment			1,013	(1,044)	(13)	44	-	-	49
Total			5,363	(5,932)	191	378	-	-	49

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

MANAGEMENT DISCUSSION AND ANALYSIS

Investment properties

As at 31 March 2022, the Group had investment properties measured at cost less accumulated depreciation and impairment, and the aggregate carrying amount of which amounted to approximately HK\$1.22 million (2021: approximately HK\$9.13 million). As at 31 March 2022, the Group's investment properties consisted of 1 car park space (2021: 2 car parks spaces and 1 leasehold premises). The fair value of the investment properties as at 31 March 2022 was approximately HK\$2.00 million (2021: approximately HK\$10.67 million). The Group intends to hold the investment properties for capital appreciation. The details of investment properties are set out in note 17 to the consolidated financial statements.

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

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 March 2022 (2021: Nil).

CHARGE OF ASSETS

The Group did not have any charges on its assets as at 31 March 2022 (2021: Nil).

FOREIGN EXCHANGE EXPOSURE

As at 31 March 2022, the Group had a portion of its bank deposits denominated in RMB. The Group does not have a foreign currency hedging policy but the management of the Group monitors the Group's exposure to foreign currency risk and would consider taking appropriate actions when necessary. The above-mentioned bank deposits denominated in RMB amounted to approximately HK\$0.05 million as at 31 March 2022 (2021: approximately HK\$2.53 million).

GEARING RATIO

As at 31 March 2022, the Group did not have any interest-bearing debt and hence gearing ratio was not applicable (2021: Nil).

DIVIDEND

The Board has resolved not to recommend a final dividend for the Year (2021: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

TREASURY POLICIES

The Group has adopted a conservative approach towards its treasury policies. The credit risk facing the Group is primarily attributable to trade receivables, rental deposits, amounts due from associates and bank balances. In order to minimise the credit risk, the management of the Group regularly reviews the recoverable amount of each individual trade debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. Through these actions, the Directors considered that the Group's credit risk on trade debts has been significantly reduced. Our concentration of credit risk by geographical locations is mainly in Hong Kong, which accounted for approximately 95% and 69% of the total trade receivables as at 31 March 2022 and 2021, respectively.

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

FINANCIAL KEY PERFORMANCE INDICATORS

For the Year, our total revenue amounted to approximately HK\$155.78 million (2021: approximately HK\$141.39 million). Loss attributable to owners of the Company amounted to approximately HK\$0.03 million (2021: HK\$16.25 million). Loss per share attributable to owners of the Company for the Year was HK0.02 cents (2021: HK9.74 cents).

During the Year, the Group recorded a decrease in loss mainly due to (i) the continuing implementation of the expense control policy, via which there was a decrease in staff costs incurred in administrative expenses; (ii) a decrease in marketing-related expenses incurred in selling expenses; and (iii) increase in the gain on disposal of a subsidiary during the Year.

As at 31 March 2022, the current ratio was approximately 1.33 (2021: approximately 1.07). The Group did not have any interest-bearing debt and hence gearing ratio was not applicable as at 31 March 2022 (2021: Nil). The Group's financial position remained solid.

MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2022, the Group employed 156 full-time employees (2021: 158). For the Year, staff costs of the Group (including Directors' emoluments) were approximately HK\$58.06 million (2021: approximately HK\$74.87 million). Remuneration is determined with reference to market terms and the performance, qualification and experience of the employees aiming at attracting and retaining eligible employees to contribute to the Group. Apart from basic remuneration, share options may be granted under the share option scheme of the Company to eligible employees by reference to the Group's performance as well as the individual's contribution.

RETIREMENT BENEFITS PLANS

Hong Kong

The Group operates a Mandatory Provident Fund ("MPF") Scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, each of the Group companies in Hong Kong contributes 5% of relevant payroll costs, capped at HK\$1,500 per month, to the MPF Scheme, in which the contribution is matched by employees. No forfeited contribution is available for use by the Company to reduce the existing level of contributions for the Year.

The PRC

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

Taiwan

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

MANAGEMENT DISCUSSION AND ANALYSIS

PRINCIPAL RISKS AND UNCERTAINTIES

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

- (i) The Group's ongoing operations and growth could be affected if it fails to attract, recruit or retain key personnel including the executive Directors, senior management and key employees;
- (ii) The Group's clients may delay in settlement of its bills, which may result in material adverse impact on the Group's business, financial conditions and results of operations;
- (iii) The Group's reputation, brand name and business could be adversely affected by instances of misconduct by third parties, including the Group's partner websites, apps, mobile sites, service providers and advertising agencies, all of whom being independent entities and hence the Group does not have direct control on these third parties in relation to the contents shown on their websites, app and mobile sites or their activities;
- (iv) The Group's business and financial performance may be adversely affected and the business sustainability may also be adversely affected if the Group is unable to secure engagements from clients through the tendering process.

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

ENVIRONMENTAL POLICIES AND PERFORMANCE

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

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

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

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

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

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

OUTLOOK AND PROSPECTS

Looking ahead to 2022, companies will continue to face challenges posed by COVID-19 and new virus variants. However, the world has learned to better cope with the virus and its impact on businesses and the daily lives of people. The stabilisation of the pandemic will also create favourable conditions for opening Hong Kong's border with Mainland China and other countries, thereby injecting greater growth impetus into the economy.

MANAGEMENT DISCUSSION AND ANALYSIS

The pandemic has severely hit the retail market in the past two years. The Group believes that as the pandemic eases, to a certain extent, the long-suppressed demand will stimulate consumer spending. The consumption vouchers issued by the Hong Kong SAR Government to the public should help stimulate local consumption. To seize available post-pandemic opportunities, companies must keep abreast of the needs of consumers. Obviously, consumers are spending more and more time on mobile devices every day, and people pay closer attention to their online devices. Branded customers of the Group have been aware of this trend and allocated budget to digital marketing projects accordingly. Therefore, the Group is well-prepared to strengthen communication with its customers and is ready to cooperate with customers in proactively launching digital marketing promotion activities at the appropriate time.

Apart from strengthening ties with existing customers, the Group has also actively expanded into new services. In respect to social media management services, the Group previously mainly focused on providing customers with services related to the world's largest social media platforms. Two years ago, it expanded its services into utilising live broadcast tools on the world's largest cross-border e-commerce platforms to support live sales activities. The social media management services have now also been extended to another major US social networking service platform to provide more options to customers and support the launch of appropriate digital marketing projects across multiple platforms.

The Group believes that the pandemic has opened a new chapter in digital marketing services. The Group for its part will further strengthen its capabilities in the digital marketing sector. In the past, it has incorporated the power of Big Data, for example, providing precise marketing solutions to customers according to the data on users' lifestyle and consumption preferences. It looks forward to further utilising technology to drive business development. Regarding digital advertisement placement services, the Group has recently adopted technologies better suited to consumers' preferences in order to improve advertising efficiency. Initial feedback from customers on these initiatives has been positive.

In addition, as many countries have gradually eased their entry and quarantine requirements, vaccinated visitors may enter without undergoing quarantine. Some countries even intend to go so far as to completely relax their entry and exit restrictions in the future, hoping to restore the number of visitors to pre-pandemic levels. The Group hopes that such measures will create favourable conditions for the resumption of cross-border tourism and present a silver lining to its customers from the tourism industry.

The Group will continue to monitor the developments of COVID-19 and constantly evaluate their potential impact on its operations. Despite the persistent uncertainties in the macroeconomic environment, the management believes that the digital marketing sector still has development potential and is confident in the prospects for the Group's long-term development. The Group plans to take full advantage of the emerging opportunities in the Internet space and respond to the market changes in a timely manner, thereby creating maximum value for shareholders and customers alike.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Yip Shek Lun (葉碩麟), aged 40, was appointed as an executive Director on 6 February 2014 and has been holding this position since then. He is also the chief executive officer and chairman of the Board. Mr. Yip is one of the founders of the Group and one of the controlling shareholders of the Company. Mr. Yip is primarily responsible for the day-to-day management of the Group, formulating overall business development strategies and overseeing the PRC operations of the Group. He is a member of the remuneration committee and nomination committee of the Board. Mr. Yip is the spouse of Ms. Wan Wai Ting, an executive Director.

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

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

Mr. Ng Chi Fung (伍致豐), aged 39, was appointed as a Director on 10 January 2014 and was re-designated as an executive Director on 6 February 2014. He has been an executive Director since then. Mr. Ng is also one of the founders of the Group and one of the controlling shareholders of the Company. Mr. Ng is primarily responsible for the overall business administration, sales and marketing and management of the Group.

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

* For identification purpose only

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

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

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

Mr. Chan Pak San (陳栢榮), aged 28, was appointed as an executive Director on 6 August 2021. Mr. Chan obtained a master's degree of Business Administration in International Business & Finance from University of the West of Scotland. He served as the chief operating officer of Cross Border E-commerce King Limited during the period from 2015 to 2017. He joined Denz Capital Limited during the period from 2017 to 2020 where he first served as the vice president of business development and was promoted to become a director in 2018. He is currently a director of Richfull Holdings (International) Limited. Mr. Chan has extensive experience in the field of E-commerce, corporate finance, management and investment.

Mr. Chan is also a director of Tanzanite Online Limited ("**Tanzanite HK**") and Tanzanite Online Holding Limited ("**Tanzanite BVI**"), respectively, all of which are wholly-owned subsidiaries of the Company.

Ms. Wan Wai Ting (尹瑋婷), aged 39, was appointed as an executive Director on 6 February 2014 and has been holding this position since then. Ms. Wan is also one of the founders of the Group and one of the controlling shareholders of the Company. Ms. Wan is the chief creative director of AdBeyond HK, a wholly-owned subsidiary of the Company. She is responsible for supervising our PRC business development and projects. Ms. Wan is the spouse of Mr. Yip Shek Lun, an executive Director, chief executive officer and chairman of the Board.

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

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

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

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

NON-EXECUTIVE DIRECTORS

Mr. Wang Zhong Lei (王忠磊) and **Ms. Cheung Laam (張嵐)** resigned as non-executive Directors both with effect from 29 October 2021, respectively.

For further details of resignation of non-executive Directors, please refer to the announcement of the Company dated 29 October 2021.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tso Ping Cheong, Brian (曹炳昌), aged 42, was appointed as an independent non-executive Director on 28 May 2014 and has been holding this position since then. He is the chairman of the audit committee and a member of the nomination committee of the Board.

Mr. Tso graduated from The Hong Kong Polytechnic University in Hong Kong, with a degree of bachelor of arts in accountancy in November 2003 and a degree of master of corporate governance in October 2013. Mr. Tso has over 15 years of accounting and financial experience. From September 2003 to July 2007 and August 2007 to November 2008, Mr. Tso worked at the Hong Kong office and Shenzhen office, respectively, of Ernst & Young, a multinational accounting firm, with the last position as manager. From December 2008 to May 2010, Mr. Tso was the financial controller of Greenheart Group Limited, a company listed on the Stock Exchange (stock code: 94). From May 2010 to August 2012, Mr. Tso was the senior vice president of Maxdo Project Management Company Limited, a project management company. Since January 2013, Mr. Tso has been the sole proprietor of Teton CPA Company, a certified public accountants firm.

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

Mr. Tso is currently an independent non-executive director of the following companies listed on the Stock Exchange: Newtree Group Holdings Limited (stock code: 1323), Shenglong Splendecor International Limited (stock code: 8481), EFT Solutions Holdings Limited (stock code: 8062) and Maxicity Holdings Limited (stock code: 2295).

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Mr. David Tsoi (蔡大維), aged 75, was appointed as our independent non-executive Director on 28 May 2014 and has been holding this position since then. He is a member of the audit committee of the Board; and a member of the remuneration committee and the chairman of the nomination committee of the Board since 4 May 2022.

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

Mr. Tsoi is currently an independent non-executive director of the following companies listed on the Stock Exchange: Universal Technologies Holdings Limited (stock code: 1026), VPower Group International Holdings Limited (stock code: 1608), Green International Holdings Limited (stock code: 2700), Everbright Grand Assets Limited (stock code: 3699), Tianli Holdings Group Limited (stock code: 117) and Investech Holdings Limited (stock code: 1087).

Mr. Hong Ming Sang (項明生), aged 52, was appointed as an independent non-executive Director on 28 May 2014 and has been holding this position since then. He is a member of the audit committee and the chairman of the remuneration committee of the Board.

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

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Lam Tung Leung (林棟樑) resigned as an independent non-executive Director on 4 May 2022, Mr. Lam will cease to be a member of the remuneration committee and the chairman of the nomination committee of the Board after his resignation. For further details of resignation of Mr. Lam Tung Leung, please refer to the Company's announcement dated 4 May 2022.

SENIOR MANAGEMENT

Mr. Wong Yuet Fu, Alfred (黃越富), aged 37, joined the Group in October 2011 as the chief accountant of AdBeyond HK and was the chief financial officer of the Group. Mr. Wong Ceased to be a senior management from March 2022. He was primarily responsible for the overall accounting and financial management of the Group.

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

REPORT OF THE DIRECTORS

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

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of the Group's subsidiaries are set out in note 36 to the consolidated financial statements.

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

CLOSURE OF REGISTER OF MEMBERS

In order to establish entitlements to attend and vote at the forthcoming annual general meeting of the Company to be held on Friday, 5 August 2022 (the "**2022 AGM**"), the register of members of the Company will be closed from Monday, 1 August 2022 to Friday, 5 August 2022 (both days inclusive), during which period no transfer of the Shares will be registered. Shareholders of the Company (the "**Shareholders**") are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 29 July 2022.

BUSINESS REVIEW

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

SEGMENT INFORMATION

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

REPORT OF THE DIRECTORS

RESULTS AND APPROPRIATIONS

The Group's results for the Year and the state of affairs of the Group as at 31 March 2022 are set out in the consolidated financial statements from pages 75 to 159 of this annual report.

The Board has resolved not to recommend the payment of a final dividend for the Year (2021: Nil).

SHARE PREMIUM AND RESERVES

Details of movements in the share premium and reserves of the Company and the Group during the Year are set out in note 35 to the consolidated financial statements and the consolidated statement of changes in equity, respectively.

PLANT AND EQUIPMENT

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

SHARE CAPITAL

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

DISTRIBUTABLE RESERVES

Distributable reserves of the Company as at 31 March 2022, including the share premium, available for distribution, calculated in accordance with the provision of Companies Laws of Cayman Islands was nil (2021: Nil).

CHARITABLE DONATIONS

Charitable and other donations made by the Group during the Year was nil (2021: Nil).

PRE-EMPTIVE RIGHTS

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

REPORT OF THE DIRECTORS

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 160 of this annual report.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

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

SHARE OPTION SCHEME

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

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

(a) Purpose of the Share Option Scheme

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

(b) Participants of the Share Option Scheme

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

- (i) any employee (whether full-time or part-time, including a director) of the Company, any of its subsidiaries or any entity ("**Invested Entity**") in which any member of the Group holds an equity interest;
- (ii) any directors (including non-executive Directors and independent non-executive Directors) of the Company, any of its subsidiaries or any Invested Entity;
- (iii) any supplier of goods or services to any member of the Group or any Invested Entity;

REPORT OF THE DIRECTORS

- (iv) any customer of any member of the Group or any Invested Entity;
- (v) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity;
- (vi) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
- (vii) any adviser (professional or otherwise), consultant, individual or entity who in the opinion of the Directors has contributed or will contribute to the growth and development of the Group; and
- (viii) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group, and, for the purposes of the Share Option Scheme, an offer for the grant of options may be made to any company wholly owned by one or more persons belonging to any of the above classes of participants.

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

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

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

REPORT OF THE DIRECTORS

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

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

(e) Timing for exercising option

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

(f) Acceptance and payment on acceptance of option offer

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

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

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

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

- (i) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Shares on the date of the offer of grant, which must be a business day;
- (ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations sheet for the five trading days immediately preceding the date of the offer of grant; and
- (iii) the nominal value of the Shares.

REPORT OF THE DIRECTORS

(h) Duration of the Share Option Scheme

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

During the Year, no share option has been granted, exercised, expired, cancelled or lapsed under the Share Option Scheme. As at 31 March 2022, the outstanding number of share options available for grant under the Share Option Scheme is 166,720,000 share options to subscribe for Shares, which, if granted and exercised in full, represent approximately 10% of the Shares in issue as at the date of this annual report.

EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme, the Company did not enter into any equity-linked agreement during the year or subsisted at the end of the Year.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

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

DIRECTORS

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

Executive Directors

Mr. Yip Shek Lun (*Chairman*)
Mr. Ng Chi Fung
Ms. Wan Wai Ting
Mr. Chan Pak San (appointed with effect from 6 August 2021)

Non-executive Directors

Mr. Wang Zhong Lei (resigned with effect from 29 October 2021)
Ms. Cheung Laam (resigned with effect from 29 October 2021)

Independent non-executive Directors

Mr. Tso Ping Cheong, Brian
Mr. David Tsoi
Mr. Hong Ming Sang
Mr. Lam Tung Leung (resigned with effect from 4 May 2022)

REPORT OF THE DIRECTORS

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

In accordance with article 108 of the Articles, Mr. Tso Ping Cheong, Brian, Mr. David Tsoi and Mr. Chan Pak San will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming 2022 AGM.

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

CHANGES IN INFORMATION OF DIRECTORS

Mr. Chan Pak San has been appointed as an executive Director with effect from 6 August 2021. Mr. Wang Zhong Lei and Ms. Cheung Laam resigned as non-executive Directors both with effect from 29 October 2021, respectively, and Mr. Lam Tung Leung resigned as an independent non-executive Director on 4 May 2022.

DIRECTORS' SERVICE CONTRACTS

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

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

None of the Directors proposed for re-election at the 2022 AGM has or is proposed to have a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

REPORT OF THE DIRECTORS

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No transactions, arrangements or contracts of significance in relation to the business of the Group to which the Company or any of its subsidiaries was a party, and in which a Director or an entity connected with the Director had a material interest, whether directly or indirectly, subsisted as at 31 March 2022 or at any time during the Year.

EMOLUMENT POLICY

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

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

No Director has waived or has agreed to waive any emoluments during the Year, including director's fee, salaries, allowances, benefits in kind and employer's contribution to pension scheme.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Biographical information of Directors and senior management of the Group are set out from pages 20 to 24 of this annual report.

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

As at 31 March 2022, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

REPORT OF THE DIRECTORS

Long position in the Shares

Name	Nature of interest	Total number of Shares held	Percentage of shareholding
Mr. Yip Shek Lun ("Mr. Alan Yip") (Chief executive officer and chairman of the Board)	Interests held jointly with another person (Note 1)	8,000	0.005%
	Interest in controlled corporation (Note 2)/Interest of spouse (Note 3)	2,000	0.001%
Ms. Wan Wai Ting ("Ms. Karin Wan")	Interests held jointly with another person (Note 1)	8,000	0.005%
	Interest in controlled corporation (Note 2)/Interest of spouse (Note 3)	2,000	0.001%
Mr. Ng Chi Fung ("Mr. Jeff Ng")	Interests held jointly with another person (Note 1)	2,000	0.001%
	Beneficial owner	8,000	0.005%

Notes:

- Mr. Alan Yip, Ms. Karin Wan, Mr. Jeff Ng and Ms. Wang Lai Man, Liza ("Ms. Liza Wang") are persons acting in concert and accordingly each of them is deemed to be interested in the Shares held by the others. By a deed of confirmation and undertaking entered into among Mr. Alan Yip, Mr. Jeff Ng, Ms. Karin Wan and Ms. Liza Wang dated 2 January 2014 (the "Acting in Concert Confirmation and Undertaking"), each of Mr. Alan Yip, Ms. Karin Wan, Mr. Jeff Ng and Ms. Liza Wang confirmed that, inter alia, they had exercised their voting rights at the meetings of the shareholders and/or directors of members of the Group in unanimity since 1 April 2011 and had undertaken to continue to do so upon the execution of the Acting in Concert Confirmation and Undertaking and during the period they (by themselves or together with their associates) remain in control of the Group until the Acting in Concert Confirmation and Undertaking is terminated by them in writing.
- These Shares are held by Cooper Global Capital Limited ("Cooper Global"), which is owned as to 50.00% by Mr. Alan Yip and 50.00% by Ms. Karin Wan. By virtue of the SFO, Mr. Alan Yip and Ms. Karin Wan are deemed to be interested in the Shares held by Cooper Global.
- Mr. Alan Yip is the spouse of Ms. Karin Wan. Under the SFO, Mr. Alan Yip is deemed to be interested in all the Shares in which Ms. Karin Wan is interested. Ms. Karin Wan is the spouse of Mr. Alan Yip. Under the SFO, Ms. Karin Wan is deemed to be interested in all the Shares in which Mr. Alan Yip is interested.

REPORT OF THE DIRECTORS

Save as disclosed above, as at 31 March 2022, none of the Directors nor chief executive of the Company has registered any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association of the Company, every Director or other officers of the Company shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their executors or administrators, shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts, except such (if any) as they shall incur or sustain through their own fraud or dishonesty.

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

So far as the Directors are aware, as at 31 March 2022, no persons (other than the Directors or chief executive of the Company) had or deemed or taken to have an interest and/or short position in the Shares, underlying Shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

MANAGEMENT CONTRACTS

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

MAJOR SUPPLIERS

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

	2022	2021
– the largest supplier	43.50%	25.61%
– five largest suppliers combined	68.52%	61.11%

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

REPORT OF THE DIRECTORS

MAJOR CUSTOMERS

The percentage of revenue for the Year attributable to the Group's five largest customers accounted for approximately 27.55% (2021: 23.30%) of the Group's total revenue for the Year. The largest customer accounted for approximately 8.74% (2021: approximately 7.48%) of the Group's total revenue for the Year.

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

RELATIONSHIP WITH CUSTOMERS, SUPPLIERS AND EMPLOYEES

Please refer to the paragraph headed "Management Discussion and Analysis – Key Relationships with Employees, Customers and Suppliers" in this annual report for details.

RELATED PARTY TRANSACTIONS

Details of the related party transactions entered into by the Group are set out in note 34 to the consolidated financial statements. The related party transactions as set out therein which are in respect of the remuneration of the Directors constitute connected transactions exempt from reporting, announcement and independent shareholders' approval requirements pursuant to the GEM Listing Rules.

Save as disclosed above, the related party transactions set out in note 34 to the consolidated financial statements do not fall under the definition of "connected transaction" or "continuing connected transaction" under Chapter 20 of the GEM Listing Rules.

CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION

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

SUFFICIENCY OF PUBLIC FLOAT

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

DIRECTORS' INTERESTS IN COMPETING BUSINESS

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

REPORT OF THE DIRECTORS

DEED OF NON-COMPETITION

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

CONTROLLING SHAREHOLDERS' INTEREST

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

EVENTS AFTER THE REPORTING PERIOD

No significant events occurring subsequent to 31 March 2022 and up to the date of this annual report.

CORPORATE GOVERNANCE

Details of the corporate governance practices adopted by the Company are set out from pages 38 to 51 of this annual report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group's environmental, social and governance report is set from pages on 52 to 69 of this annual report.

REVIEW BY AUDIT COMMITTEE

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

REPORT OF THE DIRECTORS

AUDITOR

The consolidated financial statements for the Year have been audited by SHINEWING (HK) CPA Limited who will retire and, being eligible, offer themselves for re-appointment at the 2022 AGM. A resolution for the re-appointment of SHINEWING (HK) CPA Limited as the auditor of the Company is to be proposed at the 2022 AGM. There has been no change in the auditor of the Company in the preceding three years.

By order of the Board

Yip Shek Lun

Chief Executive Officer, Chairman of the Board and Executive Director

Hong Kong, 16 June 2022

CORPORATE GOVERNANCE REPORT

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

For the Year, the Company has complied with the code provisions, other than Provisions C.2.1 and C.1.6 of the CG Code.

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

For non-compliance with Provisions C.1.6 of the CG Code, please refer to the paragraph headed “Directors’ Attendance at Board Meeting and General Meeting” in this Corporate Governance Report.

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

CORPORATE GOVERNANCE REPORT

CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS

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

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

BOARD OF DIRECTORS

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

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

CORPORATE GOVERNANCE REPORT

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

Executive Directors:

Mr. Yip Shek Lun (*Chairman and Chief Executive Officer*)
Mr. Ng Chi Fung
Ms. Wan Wai Ting
Mr. Chan Pak San (appointed with effect from 6 August 2021)

Non-executive Directors:

Mr. Wang Zhong Lei (resigned with effect from 29 October 2021)
Ms. Cheung Laam (resigned with effect from 29 October 2021)

Independent non-executive Directors:

Mr. Tso Ping Cheong, Brian
Mr. David Tsoi
Mr. Hong Ming Sang
Mr. Lam Tung Leung (resigned with effect from 4 May 2022)

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

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

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

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance duties as set out in Provision A.2.1 of the CG Code, which include (a) to develop and review the Company's policies and practices on corporate governance; (b) to review and monitor the training and continuous professional development of the Directors and senior management of the Company; (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to the employees of the Group and the Directors; and (e) to review the Company's compliance with the CG Code and relevant disclosures in the corporate governance report as set out in the annual reports of the Company.

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

BOARD DIVERSITY POLICY

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

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

DIRECTORS' ATTENDANCE AT BOARD MEETING AND GENERAL MEETING

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

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

CORPORATE GOVERNANCE REPORT

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

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

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

Directors	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	Annual General Meeting	Extraordinary General Meeting
Executive Directors:						
Yip Shek Lun	13/13	0/0	3/3	2/2	1/1	1/1
Ng Chi Fung	13/13	0/0	0/0	0/0	1/1	1/1
Wan Wai Ting	13/13	0/0	0/0	0/0	1/1	1/1
Chan Pak San (<i>appointed with effect from 6 August 2021</i>)	8/8	0/0	0/0	0/0	0/0	0/0
Non-executive Directors:						
Cheung Laam (<i>resigned with effect from 29 October 2021</i>)	0/8	0/0	0/0	0/0	0/1	0/1
Wang Zhong Lei (<i>resigned with effect from 29 October 2021</i>)	0/8	0/0	0/0	0/0	0/1	0/1
Independent Non-executive Directors:						
Tso Ping Cheong, Brian	9/13	3/4	0/0	0/0	1/1	1/1
David Tsoi	12/13	4/4	0/0	0/0	1/1	1/1
Hong Ming Sang	10/13	4/4	3/3	0/0	1/1	1/1
Lam Tung Leung (<i>resigned with effect from 4 May 2022</i>)	13/13	0/0	3/3	2/2	1/1	1/1

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

Provision C.1.6 of the CG Code requires that independent non-executive directors and other non-executive directors shall attend general meetings and develop a balanced understanding of the views of shareholders. Ms. Cheung Laam and Mr. Wang Zhong Lei, being the non-executive Directors at the relevant time, did not attend the Company's annual general meeting held on 6 August 2021 and the Company's extraordinary general meeting held on 14 July 2021 due to their other unexpected business engagements.

CORPORATE GOVERNANCE REPORT

APPOINTMENT AND RE-ELECTION OF THE DIRECTORS

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

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

According to Provision B.2.2 of the CG Code, every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. By virtue of article 112 of the Articles, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders in general meeting. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of the Company after his/her appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Any Director so appointed shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

According to Provision B.2.2 of the CG Code, every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. Furthermore, pursuant to article 108 of the Articles, at each annual general meeting of the Company, one-third of the Directors for the time being will retire from office by rotation. However, if the number of Directors is not three or a multiple of three, then the number nearest to but not less than one-third shall be the number of retiring Directors provided that every Director shall be subject to retirement by rotation at least once every three years. The Directors who shall retire in each year include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election, and any Director who has not been subject to retirement by rotation in the three years preceding the annual general meeting, and any further Directors who have been longest in the office since their last re-election or appointment and so that as between persons who become or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for reelection.

CORPORATE GOVERNANCE REPORT

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

In accordance with the Articles, Mr. Chan Pak San, Mr. Tso Ping Cheong, Brian and Mr. David Tsoi will retire at the 2022 AGM and being eligible, will offer themselves for re-election.

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

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

CORPORATE GOVERNANCE REPORT

DIRECTORS' PARTICIPATION IN CONTINUOUS PROFESSIONAL DEVELOPMENT

During the Year, in compliance with Provision C.1.4 of the CG Code, the Directors received from the Company from time to time the updates on laws, rules and regulations which might be relevant to their roles, duties and functions as a director of a listed company. All Directors have been updated with the latest developments regarding the GEM Listing Rules and other applicable legal and regulatory requirements to ensure compliance and enhance their awareness of good corporate governance practices. In addition, continuing briefings and professional development to the Directors will be arranged whenever necessary.

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

Name of Director	Attending training course(s)/reading materials
Executive Directors:	
Yip Shek Lun	√
Ng Chi Fung	√
Wan Wai Ting	√
Chan Pak San (<i>appointed with effect from 6 August 2021</i>)	√
Non-executive Directors:	
Cheung Laam (<i>resigned with effect from 29 October 2021</i>)	√
Wang Zhong Lei (<i>resigned with effect from 29 October 2021</i>)	√
Independent Non-executive Directors:	
Tso Ping Cheong, Brian	√
David Tsoi	√
Hong Ming Sang	√
Lam Tung Leung (<i>resigned with effect from 4 May 2022</i>)	√

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE

The Board has established an audit committee (the “**Audit Committee**”) pursuant to a resolution of the Directors passed on 20 May 2015 with written terms of reference as revised on 31 December 2018 in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules. The written terms of reference of the Audit Committee was adopted in compliance with Provisions D.3.3 and D.3.7 of the CG Code. The primary duties of the Audit Committee are, among other things, to make recommendations to the Board on the appointment, re-appointment and removal of external auditor, review the financial information, oversee our financial reporting process, internal control, risk management systems and audit process and perform other duties and responsibilities assigned by the Board.

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

The Audit Committee held four meetings during the Year and has reviewed the Company’s annual results for the year ended 31 March 2021 and the unaudited quarterly results and interim results during the Year as well as the Company’s internal control procedures and risk management. Pursuant to the meeting of the Audit Committee held in June 2022, the Audit Committee has, together with the management of the Company and external independent auditor, reviewed the audited annual results of the Group for the Year and recommended approval by the Board.

REMUNERATION COMMITTEE

The Board has established a remuneration committee (the “**Remuneration Committee**”) with written terms of reference in compliance with Rules 5.34 and 5.35 of the GEM Listing Rules. The written terms of reference of the Remuneration Committee were adopted in compliance with Provision E.1.2 of the CG Code. The primary duties of the Remuneration Committee are to review and approve the management’s remuneration proposals, make recommendations to the Board on the remuneration packages of the Directors and senior management and ensure none of the Directors determine their own remuneration.

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

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

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

CORPORATE GOVERNANCE REPORT

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

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

NOMINATION COMMITTEE

The Board has established a nomination committee (the “**Nomination Committee**”) with written terms of reference in compliance with Provision B.3.1 of the CG Code. The primary duties of the Nomination Committee are to review the structure, size and composition of the Board, and select or make recommendations on the selection of individuals nominated for directorships.

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

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

FINANCIAL REPORTING

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

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

CORPORATE GOVERNANCE REPORT

AUDITOR'S REMUNERATION

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

Fees paid/payable	HK\$
Annual audit services	420,000
Non-audit services	–
Total:	420,000

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

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

INTERNAL CONTROL AND RISK MANAGEMENT

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

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

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

CORPORATE GOVERNANCE REPORT

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

The Board has conducted a review of the effectiveness of the risk management and internal control systems of the Group of the Year and considers them effective and adequate.

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

COMPANY SECRETARY

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

COMPLIANCE OFFICER

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

CORPORATE GOVERNANCE REPORT

SHAREHOLDERS' RIGHTS

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

Right to Convene EGMs and Procedures

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

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

Right to Put Enquiries to the Board

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

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

Right to Put Forward Proposals at General Meetings

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

CORPORATE GOVERNANCE REPORT

DIVIDEND POLICY

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

CONSTITUTIONAL DOCUMENTS

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

INVESTOR RELATIONS

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

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

OVERVIEW

The Board hereby presents this Environmental, Social and Governance (“**ESG**”) Report (the “**Report**”) of Guru Online (Holdings) Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”), which aims to disclose the overall policies, commitments and strategies on the sustainable development of the Group.

This report is prepared based on the ESG Reporting Guide (the “**Guide**”) as set out in Appendix 20 of the GEM Listing Rules issued by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). This ESG report complies with the “comply or explain” provisions set out in the ESG Reporting Guide for the Year through general disclosures of environmental and social information and key environmental performance indicators (“**KPIs**”) which are considered to be relevant and material to the Group’s businesses and operations.

A complete index in compliance with the ESG Reporting Guide is also available at the end of this report for reference. Except for “comply or explain” provisions that the Group believes are not applicable to its operations, for which explanations have been provided in the said index, the Group has complied with all the “comply or explain” provisions as set out in the ESG Reporting Guide during the Year.

REPORTING PERIOD

Unless otherwise specified, this Report covers the Group’s progress and performance on sustainability during the Year from 1 April 2021 to 31 March 2022.

REPORTING BOUNDARY

The Group is principally engaged in the provision of a wide range of integrated digital marketing services. The scope of this Report focuses on the environmental and social performance practices within the operational parameters of the Group in Hong Kong and Mainland China during the Year and it covers the data and information from the offices located in Hong Kong, Guangzhou, Beijing and Nanjing, respectively. The Group continues strengthening information collection procedures in order to enhance our performance in the environmental realm and to disclose information relevant to sustainable development.

REPORTING PRINCIPLES

In line with the Guide, the Report has applied the following principles:

Materiality: In order to identify and assess major issues that have an impact on stakeholders, we have performed materiality assessment by interviewing and conducting surveys with stakeholders to determine factors that have a significant impact on the sustainable development of the Group.

Quantitative: The Group has disclosed its environmental and social KPI calculation and numeric representation where appropriate.

Consistency: The Group adopts consistent methodologies when preparing the Report and the environmental and social KPIs to allow for meaningful comparison over time.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

FEEDBACK

The Group welcomes stakeholders' feedback on our ESG approach and performance. Please share your views with us via the following contact methods.

Address: 4/F, KOHO, 73-75 Hung To Road, Kwun Tong, Kowloon, Hong Kong

Tel: +852 3952 1100

Email: ad@guruonline.com.hk

BOARD STATEMENT

The Group believes that sound ESG performance is critically important to bolster the sustainable development of its business and community, and it is committed to promoting environmental protection, social responsibility and effective corporate governance for its long-term growth. We also integrate different environmental and social considerations into our daily operations to ensure full compliance to regulatory requirements and to reduce our environmental and social impacts.

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

The Group values its stakeholders and their feedback regarding the business and ESG aspects. We conducted interviews with and surveys of the management, and internal and external stakeholders of the Group so as to understand their views on sustainable development.

STAKEHOLDER ENGAGEMENT

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

Stakeholders Engaged by the Group		Concerned Topics	Engagement Channels
Internal Stakeholders	Management	<ul style="list-style-type: none"> – Employment and labour conditions – Health and safety – Professional development and training 	<ul style="list-style-type: none"> – Regular meetings – Emails
	Employees	<ul style="list-style-type: none"> – Employment and labour conditions – Health and safety – Professional development and training 	<ul style="list-style-type: none"> – Regular meetings – Appraisal meetings – Emails
External Stakeholders	Investors and Shareholders	<ul style="list-style-type: none"> – Financial performance – Compliance of operations 	<ul style="list-style-type: none"> – Regular meetings – Annual general meeting – Annual, interim and quarterly reports – Press releases and announcements
	Customers and Business Partners	<ul style="list-style-type: none"> – Product responsibility – Development and training 	<ul style="list-style-type: none"> – Customer satisfaction survey – Company website – Visits and meetings
	Suppliers	<ul style="list-style-type: none"> – Supply chain management 	<ul style="list-style-type: none"> – Supplier review and evaluation – Company website – Visits and meetings
	Public and Communities	<ul style="list-style-type: none"> – Involvement in social development 	<ul style="list-style-type: none"> – Website information disclosed on HKEX and the Company – Liaison with the relevant bodies

The Group aims to collaborate with its stakeholders to improve its ESG performance and create greater value for the wider community on a continuous basis.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

MATERIALITY ASSESSMENT

The Group conducted in the past a materiality assessment comprised of interviews and surveys of stakeholders, including its senior management, employees and other parties to assign a score to each sustainability issue according to its materiality to business operations in order to understand the order of priorities of different ESG issues in the Group's business. The major material ESG issues raised by stakeholders mainly focused on the social aspects. On the other hand, the environmental aspect was considered less relevant to the Group. Based on the stakeholders' feedback, the issues with social dimensions were identified as follows:

- Employment
- Health and Safety
- Development and training
- Labour Standards
- Supply Chain Management
- Product Responsibility
- Anti-Corruption
- Community Investment

ENVIRONMENTAL POLICIES AND PERFORMANCE

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

EMISSIONS

The Group primarily provides integrated digital marketing services; hence, its operations do not produce significant hazardous wastes or air emissions including NO_x, SO_x, PM and other pollutants. However, greenhouse gas emissions are indirectly generated from electricity consumed at the Group's workplace with minimal emissions. Therefore, during the Year, the Group has promoted energy conservation as part of its holistic approach towards environmental protection, which also correlates with the Group's efforts to develop sustainable operations. Other measures have been implemented by the Group aimed at reducing its carbon footprint and conserving water resources. The Group has also introduced several waste management campaigns, including a paper recycling program. The Group's major source of non-hazardous waste in the office is paper waste with the volume about 0.05 tonnes (2021: 0.08 tonnes). The Group has promoted a paperless work environment to reduce paper waste. The Group has not found any evidence of significant waste from its operations being disposed at landfills during the year. Despite the hazardous waste generated during the Group's operations is minimal, it targets to further reduce its hazardous waste production by encouraging reuse of paper which has only been printed on one side. Paper recycling bins are also deployed at different locations in the office.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The major source of CO2 emissions of the Group was mainly generated from electricity used for maintaining the offices of the Group. During the Year, the indirect emission of CO2 from purchased electricity was about 36.16 tonnes (2021: 147.43 tonnes). The Group has set environmental policies with the target of reducing its impact on the environmental and natural resources by using its resources more efficiently, and by monitoring and minimising its energy consumption and thereby lowering emissions as practicable as possible.

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

USE OF RESOURCES

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

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

Based on the business nature, the Group has not identified any issue in sourcing water. The water consumption is limited to the water usage in the office which is supplied by the landlord of the properties and not by the Group, thus water usage is considered to have minimal effect to the Group's business operation. The Group will continue to enforce prevention control by encouraging all staff to follow the water saving practice as set by the Group.

The use of packaging materials for finished products is not applicable to the Group due to the nature of its business.

The Group has implemented the following measures with the target of reducing overall energy consumption:

1. Remind employees to switch off unnecessary electrical appliances when not in use.
2. Daily check to ensure lights are switch off after working hour.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

(1) Energy Consumption

Indicators	For the year ended 31 March		Change
	2022	2021	
Total energy consumption (kWh)	61,120	275,436	-77.8%
Total energy consumption per employee (kWh/employee)	359.53	1,582.97	-77.3%

(2) Water Consumption

Indicators	For the year ended 31 March		Change
	2022	2021	
Total water consumption (m ³)	145.5	160.50	-9.3%
Total water consumption per employee (m ³ /employee)	0.86	0.92	-6.5%

(3) Paper Consumption

Indicators	For the year ended 31 March		Change
	2022	2021	
Total paper consumption (reams)	143.0	207.50	-31.1%
Total paper consumption per employee (reams/employee)	0.84	1.19	-29.4%

THE ENVIRONMENT AND NATURAL RESOURCES

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

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

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

CLIMATE CHANGE

The changing climate crisis will present many challenges for both society and business. Almost all industries are threatened by the effects of climate change. The Group strives to promote environmental conservation and raise environmental awareness among our employees. In an effort to reduce its carbon footprint and emissions, the Group actively monitors the energy consumption levels across its operations periodically to identify opportunities for increasing efficiency and reducing greenhouse gas emissions. Due to the nature of the Group's business, its primary concern is human resources. We have assessed the risks of climate change and adopted appropriate measures to ensure the safety of our employees and to react to extreme weather events. The Employee Handbook sets out the inclement weather arrangements to all employees on responding to typhoon and rainstorm warnings.

EMPLOYMENT

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

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

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

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

As of 31 March 2022, our total number of staffs was 170 (2021: 174). The following is the employee structure:

	For the year ended 31 March	
	2022	2021
Number of employees		
By gender		
Male	56	60
Female	114	114
By age group		
20-30	117	129
31-40	45	43
Over 40	8	2
By employment type		
Permanent	156	158
Part-time	14	16
By region		
Hong Kong	102	117
Mainland China	68	57
Employee turnover rate		
By gender		
Male	55.4%	70.0%
Female	93.9%	92.1%
By age group		
20-30	94.9%	88.4%
31-40	60.0%	74.4%
Over 40	–	50.0%
By region		
Hong Kong	79.4%	87.2%
Mainland China	83.8%	78.9%

Note: Employee turnover rate = number of employees who leave employment in the reporting year/number of employees at the end of the reporting year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

HEALTH AND SAFETY

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

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

In the wake of the Pandemic, the Group has implemented stringent infection preventive measures to protect its employees, such as daily body temperature measurement, providing sufficient surgical masks and alcohol-based hand rub solution at the offices; opening office windows where possible to maintain adequate ventilation. Employees were required to wear masks in the office area at all times and meetings were held via an online video meeting software to avoid face-to-face contact and overseas business trips. Since February 2020, employees have been allowed to work from home but they were asked to submit daily progress reports to the human resources department.

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

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

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Health and Safety Indicators

	For the year ended 31 March		
	2022	2021	2020
Number of work injuries due to work	Nil	Nil	Nil
Number of lost days due to work injury	Nil	Nil	Nil
Number of work-related fatalities due to work	N/A	N/A	N/A

DEVELOPMENT AND TRAINING

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

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

Development and Training Indicators in Hong Kong

	For the year ended 31 March 2022
Total number of hours of internal training received by employees	80
Average number of hours of training per employee	50

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

	For the year ended 31 March	
	2022	2021
Percentage of employees trained by gender and by employee category		
By gender		
Male	72%	68%
Female	83%	73%
By employee category		
Senior management	86%	80%
Medium-level management	84%	75%
General staff	63%	60%
Average training hours per employee by gender and by employee category		
By gender		
Male	12.60	8.00
Female	8.10	9.30
By employee category		
Senior management	6.50	12.30
Medium-level management	25.70	20.20
General staff	12.90	8.70

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

LABOUR STANDARDS

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

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

When an instance of forced labour comes to light, immediate action as stipulated by the relevant legislation is taken. The employee in question is immediately removed from the workplace. The human resources department is asked to verify all relevant information and confirm whether the employee is in fact an instance of forced labour.

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

SUPPLY CHAIN MANAGEMENT

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

Supply Chain Indicators

Total number of suppliers

By Region	For the year ended 31 March 2022
Hong Kong	230
Mainland China	50
Others	35

The Group will conduct audit and risk rating for all suppliers on a yearly basis. If any of the suppliers are found to seriously violate their agreed responsibilities and operating procedures, the Group will terminate cooperation with them to ensure that the performance in terms of quality, environment and safety along the supply chain is in line with the Group's policy.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

PRODUCT RESPONSIBILITY

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

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

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

There were no recalls concerning the provision and use of the Group's products and services that have a material impact on our operations and recall procedures are not material to the Group's operations.

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

Product Responsibility Indicators

	For the year ended 31 March 2022
Total number of orders	1,150
Total number of complaints received	–
Total number of legal dispute cases	–

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ANTI-CORRUPTION

The Group understands that to maintain its considerable standing in the global digital marketing field, maintaining the utmost professionalism in respect of business conduct is paramount. Correspondingly, all employees must enter into a declaration of confidentiality and maintain high standards of honesty and fairness when conducting work for the Group. The Group expects employees not only to abide by the content provisions of the Staff Handbook, but also by the spirit of the document, as well as the rules and regulations of regulatory authorities and the law.

Furthermore, all staff should take reference to the Group’s code of conduct with regard to guarding against corruption. The code sets out ethical standards relating to conduct in the course of obtaining business, personal benefits, use of information, and outside employment, among other important issues.

The Group has also established policies and procedures for countering money laundering. Updated training on anti-money laundering, anti-bribery and anti-corruption is periodically provided to Directors and employees. The Group prohibits employees from soliciting, accepting or offering any bribes in conducting business or affairs. A whistle blowing mechanism is provided by the Group and every possible step is taken to protect the confidentiality of the whistle-blower. Review of the effectiveness of internal control systems and procedures is also conducted on a regular basis for the prevention of corruption.

During the Year, there were no complaints of corruption concerning the Group or any of its staff and the Group was not aware of any material non-compliance with applicable standards, rules and regulations relating to bribery, extortion, fraud and money laundering.

Anti-corruption Indicators

**For the year ended
31 March 2022**

Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees

–

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

COMMUNITY INVESTMENT

The Group fully understands the importance of giving back to the community, which includes ensuring that the young generation has a strong start in life. Consistent with this view during the Year, the Group contributed its time in exploring collaboration opportunities with reputable organisations to support community programmes, in particular with educational or medical institutions when appropriate, so as to meet the needs and expectations of the community. The Group takes the initiative to continuously contribute to building a caring and cohesive society in order to achieve corporate social responsibility goals. Awareness of these goals and activities is cultivated among employees and further encouraged at all levels of the Group.

The Group will continue to regularly review the goals and direction of community investment, and monitor community investment, sponsorship and donation activities and approval policies. In addition, the Group will annually review whether its social performance meets the goals of community investment policies and community activities, supervise and enhance team capabilities, and ensure that community investment policies are implemented in all departments.

LOOKING AHEAD

The Group considers that the currently implemented environmental protection and social responsibility measures are sufficient for complying with relevant laws and regulations. However, the Group will continue to keep abreast of the updated relevant requirements and conduct periodic reviews, striving to strengthen environmental protection and social responsibility practices.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

INDEX

A	Environment	Remarks
Aspect A1	Emissions	p. 55
	General Disclosure	p. 55
KPI A1.1	The types of emissions and respective emissions data	Considered to be immaterial in an office-based operation
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity	p. 56
KPI A1.3	Total hazardous waste produced (in tonnes) and where appropriate, intensity	Considered to be immaterial in an office-based operation
KPI A1.4	Total non-hazardous waste produced (in tonnes) and where appropriate, intensity	p. 55
KPI A1.5	Description of emission targets set and steps taken to achieve them	p. 56
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction targets set and steps taken to achieve them	p. 55
Aspect A2	Use of Resources	p. 56
	General Disclosure	p. 56
KPI A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity	p. 57
KPI A2.2	Water consumption in total and intensity	p. 57
KPI A2.3	Description of energy use efficiency and a description of targets set and steps taken to achieve them	p. 56
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency and a description of targets set and steps taken to achieve them	p. 56
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Not applicable in view of the Company's business nature
Aspect A3	The Environment and Natural Resources	p. 57
	General Disclosure	p. 57
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	p. 58
Aspect A4	Climate Change	p. 58
	General Disclosure	p. 58

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact the issuer, and the actions taken to manage them	p. 58
B	Social	
Employment and Labor Practices		
Aspect B1	Employment	p. 58
	General Disclosure	p. 58
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	p. 59
KPI B1.2	Employee turnover rate by gender, age group and geographical region	p. 59
Aspect B2	Health and Safety	p. 60
	General Disclosure	p. 60
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years	p. 61
KPI B2.2	Lost days due to work injury	p. 61
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	p. 60
Aspect B3	Development and Training	p. 61
	General Disclosure	p. 61
KPI B3.1	The percentage of employee trained by gender and employee category	p. 62
KPI B3.2	The average training hours completed per employee by gender and employee category	p. 62
Aspect B4	Labor Standards	p. 62
	General Disclosure	p. 62
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor	p. 63
KPI B4.2	Description of steps taken to eliminate such practices when discovered	p. 63
Operating Practices		
Aspect B5	Supply Chain Management	p. 63
	General Disclosure	p. 63
KPI B5.1	Number of suppliers by geographical region	p. 63
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored	p. 63
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	p. 63

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	p. 63
Aspect B6	Product Responsibility General Disclosure	p. 64 p. 64
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	There were no recalls concerning the provision of the Group's services that have a significant impact on our operations
KPI B6.2	Number of products and service related complaints received and how they are dealt with	p. 64
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	p. 64
KPI B6.4	Description of quality assurance process and recall procedures	Recall procedures are not material to the Group's operation
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	p. 64
Aspect B7	Anti-corruption General Disclosure	p. 65 p. 65
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	p. 65
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	p. 65
KPI B7.3	Description of anti-corruption training provided to directors and staff	p. 65
Community Aspect B8	Community Investment General Disclosure	p. 66 p. 66
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport)	p. 66
KPI B8.2	Resources contributed (e.g. money or time) to the focus area	p. 66

INDEPENDENT AUDITOR'S REPORT



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

信永中和(香港)會計師事務所有限公司
香港銅鑼灣希慎道33號
利園一期43樓

TO THE SHAREHOLDERS OF GURU ONLINE (HOLDINGS) LIMITED

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Guru Online (Holdings) Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred as the “**Group**”) set out on pages 75 to 159, which comprise the consolidated statement of financial position as at 31 March 2022, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

INDEPENDENT AUDITOR'S REPORT

RECOVERABILITY OF TRADE RECEIVABLES

Refer to note 21 to the consolidated financial statements and the accounting policies on pages 101 to 105.

The key audit matter

As at 31 March 2022, the Group had significant trade receivables of approximately HK\$29,643,000. In view of the significant balance which accounted for approximately 54% of total current assets, the recoverability of trade receivables posed significant risk on the Group's liquidity.

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

How the matter was addressed in our audit

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

- evaluating techniques and methodology in the expected credit loss model against the requirement of HKFRS 9;
- assessing, on a sample basis, the ageing profile of the trade receivables as at 31 March 2022 to the underlying financial records and post year end settlements to bank receipts;
- inquiring of management for the status of the material trade receivables past due as at year end and corroborating explanations from management with supporting evidence, such as performing public search of selected customers, understanding on-going business relationship with the customers based on their trade records; and
- assessing the reasonableness of management's loss allowance estimates by examining the information used by management to form such judgements, including testing the accuracy of the historical default data, evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information and examining the actual losses recorded and assessing whether there was an indication of management bias when recognising loss allowances.

INDEPENDENT AUDITOR'S REPORT

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

The directors of the Company are responsible for the other information. The other information comprises 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 OF THE COMPANY AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

INDEPENDENT AUDITOR'S REPORT

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion, solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs 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 HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.
- Conclude on the appropriateness of the Company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Pang Wai Hang.

SHINEWING (HK) CPA Limited
Certified Public Accountants
Pang Wai Hang
Practising Certificate Number: P05044

Hong Kong
16 June 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2022

	NOTES	2022 HK\$'000	2021 HK\$'000
Revenue	7	155,777	141,391
Cost of services		(122,060)	(98,042)
Gross profit		33,717	43,349
Other income or gains	9	2,194	10,997
Selling expenses		(12,873)	(17,851)
Administrative expenses		(36,186)	(51,031)
Finance cost		(250)	(352)
Impairment loss on amounts due from associates		(22)	(23)
Provision of impairment loss on trade receivables, net of reversal		(25)	(982)
Change in fair value of financial assets at fair value through profit or loss	24	575	(19)
Gain on disposal of a subsidiary	31	12,872	–
Profit (loss) before tax		2	(15,912)
Income tax expense	10	(33)	(334)
Loss for the year attributable to owners of the Company	11	(31)	(16,246)
Other comprehensive expense			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Change in fair value of financial asset at fair value through other comprehensive income		–	(1,250)
<i>Item that will be reclassified subsequently to profit or loss:</i>			
Translation reserve realised upon disposal of a subsidiary		(682)	–
Exchange differences arising on translating foreign operations		(831)	(433)
Other comprehensive expense for the year		(1,513)	(1,683)
Total comprehensive expense for the year attributable to owners of the Company		(1,544)	(17,929)
Loss per share			
Basic and diluted (HK cent)	15	(0.02)	(9.74)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

	NOTES	2022 HK\$'000	2021 HK\$'000
Non-current assets			
Plant and equipment	16	1,771	3,540
Right-of-use assets	18	5,425	8,744
Investment properties	17	1,217	9,128
Interests in associates	19	–	–
Financial asset at fair value through other comprehensive income	20	–	1,250
Deposits	22	1,646	1,706
		10,059	24,368
Current assets			
Trade receivables	21	29,643	21,357
Deposits, prepayments and other receivables	22	6,629	5,225
Amounts due from associates	23	200	200
Tax recoverable		78	179
Financial assets at fair value through profit or loss	24	–	5,363
Bank balances and cash	25	12,239	33,496
		48,789	65,820
Asset classified as held for sale	37	5,627	3,630
		54,416	69,450
Current liabilities			
Trade and other payables	26	21,294	31,264
Accrued expenses	27(a)	8,887	16,963
Tax payable		123	967
Lease liabilities	18	5,117	4,329
Contract liability	27(b)	5,492	11,168
		40,913	64,691
Net current assets		13,503	4,759
Total assets less current liabilities		23,562	29,127
Non-current liabilities			
Deferred tax liability	28	–	–
Lease liabilities	18	269	4,290
		269	4,290
		23,293	24,837

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

	NOTES	2022 HK\$'000	2021 HK\$'000
Capital and reserves			
Share capital	29	16,672	16,672
Reserves		6,621	8,165
Total equity		23,293	24,837

The consolidated financial statements on pages 75 to 159 were approved and authorised for issue by the board of directors on 16 June 2022 and are signed on its behalf by:

Yip Shek Lun
Director

Ng Chi Fung
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2022

	Share capital HK\$'000	Share premium HK\$'000	Financial asset revaluation reserve HK\$'000	Exchange reserve HK\$'000	Other reserve (Note) HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2020	16,672	78,559	-	759	46,657	(99,881)	42,766
Loss for the year	-	-	-	-	-	(16,246)	(16,246)
Other comprehensive expense							
- Change in fair value of financial asset at fair value through other comprehensive income	-	-	(1,250)	-	-	-	(1,250)
- Exchange differences arising on translating foreign operations	-	-	-	(433)	-	-	(433)
Other comprehensive expense for the year	-	-	(1,250)	(433)	-	-	(1,683)
Total comprehensive expense for the year	-	-	(1,250)	(433)	-	(16,246)	(17,929)
At 31 March 2021 and 1 April 2021	16,672	78,559	(1,250)	326	46,657	(116,127)	24,837
Loss for the year	-	-	-	-	-	(31)	(31)
Other comprehensive expense							
- Reclassification adjustment of translation reserve upon disposal of a subsidiary (note 31)	-	-	-	(682)	-	-	(682)
- Exchange differences arising on translating foreign operations	-	-	-	(831)	-	-	(831)
Other comprehensive expense for the year	-	-	-	(1,513)	-	(31)	(1,544)
Total comprehensive expense for the year	-	-	-	(1,513)	-	(31)	(1,544)
Disposal of financial asset at fair value through other comprehensive income	-	-	1,250	-	-	(1,250)	-
At 31 March 2022	16,672	78,559	-	(1,187)	46,657	(117,408)	23,293

Note:

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2022

	NOTES	2022 HK\$'000	2021 HK\$'000
OPERATING ACTIVITIES			
Profit/(loss) before tax		2	(15,912)
Adjustments for:			
Finance cost		250	352
Bank interest income		(34)	(40)
Dividends income		(49)	(76)
Government subsidies		–	(8,508)
Depreciation of plant and equipment		2,282	2,682
Depreciation of investment properties		214	415
Depreciation of right-of-use assets		5,170	5,314
Net impairment loss recognised in respect of trade receivables		25	982
Impairment loss on amounts due from associates		22	23
Gain on disposal of a subsidiary		(12,872)	–
Gain on disposal of investment properties		(441)	(532)
Gain on assets held for sales		(93)	–
(Gain) loss on fair value changes of financial assets at fair value through profit or loss		(575)	19
Operating cash flows before movements in working capital		(6,099)	(15,281)
(Increase) decrease in trade receivables		(9,918)	8,820
Increase in deposits, prepayments and other receivables		(4,914)	(300)
Increase in financial assets at fair value through profit or loss		–	(4,314)
Increase in trade and other payables		5,672	3,426
Decrease in contract liabilities		(1,488)	(39)
(Decrease) increase in accrued expenses		(7,927)	4,814
CASH USED IN OPERATIONS		(24,674)	(2,874)
Income taxes paid		(52)	(287)
NET CASH USED IN OPERATING ACTIVITIES		(24,726)	(3,161)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2022

	NOTES	2022 HK\$'000	2021 HK\$'000
INVESTING ACTIVITIES			
Bank interest received		34	40
Dividends received from financial asset at fair value through other comprehensive income		49	76
Proceeds from disposal of investment property		2,511	8,720
Proceeds from disposal of asset classified as held for sale		3,723	–
Proceeds from financial assets at fair value through other comprehensive income		1,250	–
Proceeds from financial asset at fair value through profit or loss		5,938	–
Cash outflow on disposals of a subsidiary	31	(4,209)	–
Purchase of plant and equipment		(637)	(343)
Additions to investment properties		–	(21)
Advance to associates		(22)	(23)
NET CASH FROM INVESTING ACTIVITIES		8,637	8,449
FINANCING ACTIVITIES			
Government subsidies received		–	8,508
Repayment of lease liabilities		(5,364)	(5,649)
NET CASH (USED IN) FROM FINANCING ACTIVITIES		(5,364)	2,859
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(21,453)	8,147
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		33,496	24,571
Effect of foreign exchange rate changes		196	778
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash		12,239	33,496

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

1. GENERAL

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

The Company is principally engaged in investment holding. The principal activities of its subsidiaries are set out in note 36.

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

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

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

In the current year, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") which are effective for the Group's financial year beginning 1 April 2021:

Amendment to HKFRS 16	COVID-19-Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2
Amendment to HKFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(s)”) (Continued)

Application of the Amendment to HKFRS 16, “Covid-19-Related Rent Concessions” and the Amendment to HKFRS 16 “Covid-19-Related Rent Concessions beyond 30 June 2021”

The amendment to HKFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 as if the changes were not lease modifications. Forgiveness or waiver of lease payments is accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

In 2021, the Amendment to HKFRS 16, Covid-19-Related Rent Concessions beyond 30 June 2021 has been issued by the HKICPA to extend the availability of the practical expedient described above so that it applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met.

The Group has adopted these amendments for the first time. The amendment did not have material impact on the financial position and performance of the Group in the current and prior years.

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, Interest rate benchmark reform — phase 2

The amendments provide targeted reliefs from (i) accounting for changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities as modifications, and (ii) discontinuing hedge accounting when an interest rate benchmark is replaced by an alternative benchmark rate as a result of the reform of interbank offered rates (“IBOR reform”).

The amendments did not have significant impact on the financial position and performance of the Group, as the Group does not have contracts that are indexed to benchmark interest rates which are subject to the IBOR reform.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(s)”) (Continued)

New and amendments to HKFRSs issued but not yet effective

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

HKFRS 17	Insurance Contracts and related Amendments ²
Amendments to HKFRS 3	Reference to Conceptual Framework ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ²
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ²
Amendments to HKAS 8	Definition of Accounting Estimates ²
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ²
Amendments to HKAS 16	Property, plant and Equipment: Proceeds before Intended Use ¹
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ¹
Amendment to HKFRSs	Annual Improvements to HKFRSs 2018 – 2020 cycle ¹

1 Effective for annual periods beginning on or after 1 January 2022.

2 Effective for annual periods beginning on or after 1 January 2023.

3 Effective for annual periods beginning on or after a date to be determined.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

The principal accounting policies are set out below.

Basis of consolidation

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

Control is achieved where the Group has: (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Basis of consolidation *(Continued)*

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

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

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

Profit or loss and each component of other comprehensive income of subsidiaries are attributed to the owners of the Company. Total comprehensive income of subsidiaries is attributed to the owners of the Company.

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

Investments in associates

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Investments in associates *(Continued)*

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

The requirements of HKAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment is tested for impairment as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

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

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

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Such classification requires the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue recognition

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

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

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

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

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

- The customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- The Group’s performance creates and enhances an asset that the customer controls as the asset is created and enhanced; or
- The Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

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

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

Contract assets and contract liabilities

A contract asset represents the Group’s right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group’s unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue recognition *(Continued)*

Contract assets and contract liabilities *(Continued)*

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

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

The Group recognised revenue from the following major sources:

- digital advertisement placement services
- social media management services
- creative and technology services

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

Revenue from creative and technology services are recognised over time or at a point in time with reference to the detailed terms of the transactions as stipulated in the contract entered into with its customers and counterparties. Certain revenue from provision of services involving design and copywriting of digital advertisements, production of corporate profile pages, website and apps is recognised at a point in time at the end of contract period upon the acknowledgement by the customer. For remaining revenue, the progress towards complete satisfaction of a performance obligation is measured based on output method.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation (Output method)

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue recognition *(Continued)*

Variable consideration

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Contract costs

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. The Group recognises such costs (i.e. sales commissions) as an asset if it expects to recover these costs.

The asset so recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate.

The Group applies the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Leasing

Definition of a lease

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

The Group as lessee

For contracts entered into or modified on or after the date of initial application or arising from business combinations, the Group assesses whether a contract is or contains a lease, at inception of the contract or modification date or acquisition date, as appropriate. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less from the commencement date do not contain a purchase option) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Leasing *(Continued)*

Lease liabilities *(Continued)*

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Leasing *(Continued)*

Right-of-use assets

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

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

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

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

The Group as lessor

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Plant and equipment

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

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

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

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Company's net investment in a foreign operation, in which case, such exchange differences are recognised in other comprehensive income and accumulated in equity and will be reclassified from equity to profit or loss on disposal of the foreign operation. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

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

Employee benefits

Retirement benefit costs

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Employee benefits *(Continued)*

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

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

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

Taxation

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation *(Continued)*

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle current tax liabilities and assets on a net basis.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Cash and cash equivalents

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

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

Investments in subsidiaries

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

Financial instruments

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

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

Financial assets

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

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

Financial assets at amortised cost (debt instruments)

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

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

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

(i) Amortised cost and effective interest method

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

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

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

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

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

(ii) Equity instrument designated as at FVTOCI

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

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

(iii) Financial assets at FVTPL

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

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instrument as at FVTPL.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets

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

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

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

Significant increase in credit risk

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

Significant increase in credit risk (Continued)

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

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

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

Definition of default

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

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

The Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

Write-off policy

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

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

Derecognition of financial assets

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

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments *(Continued)*

Financial liabilities subsequently measured at amortised cost

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

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

Derecognition of financial liabilities

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

Impairment losses on plant and equipment and right-of-use assets

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Impairment losses on plant and equipment and right-of-use assets *(Continued)*

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

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Government grants

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Critical judgments in applying accounting policies

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

Significant influence over an associate

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

Principal versus agent considerations

When another party is involved in providing services to customers of the Group, the Group determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customers. The Group is a principal and records revenue on a gross basis if it controls the promised services before transferring them to the customer. However, if the Group's role is only to arrange for another entity to provide the services, then the Group is an agent and will need to record revenue at the net amount that it retains for its agency services. The Group controls the services when it has the ability to direct the use of, and obtain substantially all the remaining benefits from, the services. This includes the ability to prevent others from directing the use or obtaining the benefits of the services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

Critical judgments in applying accounting policies *(Continued)*

Judgments in determining the timing of satisfaction of performance obligations

The recognition of each of the Group's revenue stream requires judgment by the directors of the Company in determining the timing of satisfaction of performance obligations.

In making their judgment, the directors of the Company considered the detailed criteria for recognition of revenue set out in HKFRS 15 and in particular, whether the Group has satisfied all the performance obligations over time or at a point in time with reference to the details terms of transaction as stipulated in the contracts entered into with its customers.

For digital advertisement placement services, social media management services and certain contracts from integrated market solution services, the directors of the Company have determined that the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. Therefore, the directors of the Company have satisfied that the performance obligation is satisfied over time and recognised the revenue over the service period.

Key sources of estimation uncertainty

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

Key sources of estimation uncertainty *(Continued)*

Depreciation of plant and equipment, right-of-use assets and investment properties

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

Fair value of unlisted financial assets measured at FVTPL and FVTOCI

As described in note 6, the directors of the Company use their judgment in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. Financial instruments are also valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates. The estimation of fair value of unlisted equity instruments includes some assumptions not supported by observable market prices or rates. As at 31 March 2021, the carrying amount of the unlisted investments classified as FVTOCI was approximately HK\$1,250,000. As at 31 March 2021, the carrying amount of the unlisted investments classified as financial asset at FVTPL was approximately HK\$1,013,000. These investments were disposed during the year ended 31 March 2022. Details of the assumptions used are disclosed in note 6. The directors of the Company believe that the chosen valuation techniques and assumptions are appropriate in determining the fair value of financial instruments.

Estimated impairment loss on plant and equipment and right-of-use assets

The impairment loss on plant and equipment and right-of-use assets are recognised for the amounts by which the carrying amounts exceed their recoverable amounts, in accordance with the Group's accounting policy. The recoverable amounts of plant and equipment, right-of-use assets have been determined based on value-in-use calculations or fair value less cost of disposal. The directors of Company select an appropriate technique to determine the recoverable amounts of plant and equipment and right-of-use assets. These calculations require the use of estimates such as the future revenue and discount rates. As at 31 March 2022, the carrying values of plant and equipment, and right-of-use assets were approximately HK\$1,771,000 and HK\$5,425,000 respectively (2021: HK\$3,540,000 and HK\$8,744,000 respectively). Based on an assessment of the recoverable amount, no impairment loss was recognised during the years ended 31 March 2022 and 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

Key sources of estimation uncertainty *(Continued)*

Estimated impairment of trade receivables

Loss allowances for trade receivables are based on management's estimate of the lifetime expected credit losses to be incurred, which is estimated by taking into account the credit loss experience, ageing of overdue trade receivables, customers' repayment history and customers' financial position and an assessment of both the current and forecast general economic conditions, all of which involve a significant degree of management judgement. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to the consolidated statement of profit or loss and other comprehensive income. As at 31 March 2022, the aggregate carrying amount of trade receivables was approximately HK\$29,643,000 (2021: HK\$21,357,000), net of accumulated impairment loss of approximately HK\$10,891,000 (2021: HK\$12,503,000).

5. CAPITAL RISK MANAGEMENT

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2022 HK\$'000	2021 HK\$'000
Financial assets		
Financial assets at amortised cost	47,573	55,567
Financial asset at FVTOCI	–	1,250
Financial assets at FVTPL	–	5,363
	47,573	62,180
Financial liabilities		
Financial liabilities at amortised cost	30,181	48,227

(b) Financial risk management objectives and policies

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

Market risk

(i) Currency risk

Several subsidiaries of the Group have sales and cost of services acquired denominated in currencies other than the respective functional currency, which expose the Group to foreign currency risk. Approximately 30% (2021: 6%) of the Group's sales and 25% (2021: 7%) of the Group's cost of services acquired are denominated in currencies other than the functional currency of the group entity making the sales and acquiring the services for the years ended 31 March 2022 and 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

6. FINANCIAL INSTRUMENTS (Continued)

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

Market risk (Continued)

(i) Currency risk (Continued)

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

	Assets		Liabilities	
	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
USD	8,403	12,657	3,422	5,833
EUR	–	2,208	–	–
RMB	10,182	2,655	1,969	2,033
NTD	1,416	–	198	–

The Group currently does not have a foreign currency hedging policy. However, the management of the Group will monitor foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Sensitivity analysis

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

The following table details the Group's sensitivity to a 5% (2021: 5%) decrease and increase in HK\$ against EUR, RMB and NTD. 5% (2021: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 5% (2021: 5%) change in foreign currency rate.

A positive number below indicates a decrease in post-tax loss where HK\$ weakening 5% (2021: 5%) against the relevant currency. For a 5% (2021: 5%) strengthening of HK\$ against the relevant currency, there would be an equal and opposite impact on the loss, and the balances below would be negative.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

6. FINANCIAL INSTRUMENTS *(Continued)*

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

Market risk *(Continued)*

(i) Currency risk *(Continued)*

Sensitivity analysis *(Continued)*

	EUR	
	2022	2021
	HK\$'000	HK\$'000
Profit or loss	–	92

	RMB	
	2022	2021
	HK\$'000	HK\$'000
Profit or loss	343	31

	NTD	
	2022	2021
	HK\$'000	HK\$'000
Profit or loss	51	–

(ii) Interest rate risk

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

6. FINANCIAL INSTRUMENTS *(Continued)*

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

Market risk *(Continued)*

(iii) Other price risk

At 31 March 2021, the Group was exposed to equity price risk through its investments in listed and unlisted equity securities and fund investments. The management managed this exposure by maintaining a portfolio of investments with different risks. The Group's equity price risk was mainly concentrated on equity instruments operating in various industry sectors quoted in the Stock Exchange of Hong Kong Limited. Regarding the financial asset at FVTOCI, the impact was deemed to be on the financial asset revaluation reserve. In addition, the Group had appointed a special team to monitor the price risk and considered hedging the risk exposure should the need arise.

Sensitivity analysis

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

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

- post-tax loss for the year ended 31 March 2021 would decrease/increase by HK\$268,000 as a result of the changes in fair value of financial assets at FVTPL.
- Financial asset revaluation reserve would increase/decrease by HK\$62,500 for the Group as a result of the changes in fair value of financial asset at FVTOCI.

Credit risk

As at 31 March 2022 and 2021, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

6. FINANCIAL INSTRUMENTS *(Continued)*

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

Credit risk *(Continued)*

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

6. FINANCIAL INSTRUMENTS *(Continued)*

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

Credit risk *(Continued)*

The Group's concentration of credit risk by geographical locations is mainly in Hong Kong, which accounted for 95% (2021: 69%) of the total trade receivables as at 31 March 2022.

The Group has concentration of credit risk as 10% (2021: 11%) and 24% (2021: 29%) of the trade receivables was due from the Group's largest trade debtor and the five largest trade debtors respectively.

The Group's exposure to credit risk

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

6. FINANCIAL INSTRUMENTS (Continued)

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

Credit risk (Continued)

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

For the year ended 31 March 2022

	Internal credit rating	12-month or lifetime ECL	Gross carrying amount HK\$'000	Loss allowance	Net carrying amount HK\$'000
Trade receivables	Note 1	Lifetime ECL (simplified approach)	40,534	(10,891)	29,643
Deposits and other receivables	Performing	12-month ECL	5,491	–	5,491
Amounts due from associates	Default (Note 2)	Lifetime ECL – credit impaired	490	(290)	200

For the year ended 31 March 2021

	Internal credit rating	12-month or lifetime ECL	Gross carrying amount HK\$'000	Loss allowance	Net carrying amount HK\$'000
Trade receivables	Note 1	Lifetime ECL (simplified approach)	33,860	(12,503)	21,357
Deposits and other receivables	Performing	12-month ECL	5,105	–	5,105
Amounts due from associates	Default (Note 2)	Lifetime ECL – credit impaired	468	(268)	200

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

6. FINANCIAL INSTRUMENTS *(Continued)*

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

Credit risk *(Continued)*

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

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

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

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

Liquidity risk

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

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

6. FINANCIAL INSTRUMENTS (Continued)

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

Liquidity risk (Continued)

	Repayable on demand or within 1 year HK\$'000	More than 1 year but less than 2 years HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amount HK\$'000
At 31 March 2022				
Non-derivative financial liabilities				
Trade and other payables	21,294	–	21,294	21,294
Accrued expenses	8,887	–	8,887	8,887
Lease liabilities	5,205	298	5,503	5,386
	35,386	298	35,684	35,567

	Repayable on demand or within 1 year HK\$'000	More than 1 year but less than 2 years HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amount HK\$'000
At 31 March 2021				
Non-derivative financial liabilities				
Trade and other payables	31,264	–	31,264	31,264
Accrued expenses	16,963	–	16,963	16,963
Lease liabilities	4,605	4,369	8,974	8,619
	52,832	4,369	57,201	56,846

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

6. FINANCIAL INSTRUMENTS (Continued)

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

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

Financial Instruments	Fair value hierarchy	Fair value as at		Valuation technique and key inputs	Significant unobservable inputs	Relationship of key inputs and significant unobservable inputs to fair value
		31/3/2022	31/3/2021			
		HK\$'000	HK\$'000			
Financial assets at FVTPL						
– Listed equity securities	Level 1	-	67	Quoted bid prices in an active market	N/A	N/A
– Listed fund investments	Level 1	-	4,283	Quoted bid prices in an active market	N/A	N/A
– Unlisted fund investments	Level 2	-	1,013	Based on the net asset values of the investments, determined with reference to observable (quoted) prices of portfolio	N/A	N/A
Financial asset at FVTOCI						
– Unlisted investments	Level 2	-	1,250	Based on latest transaction price	N/A (Note)	N/A

There were no transfers between levels of fair value hierarchy in the prior year.

Note: There was a change in valuation technique as a result of the subsequent disposal of the unlisted investments (note 20).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

6. FINANCIAL INSTRUMENTS (Continued)

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

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

	Unlisted investments HK\$'000
At at 1 April 2020	2,500
Fair value loss recognised in other comprehensive income	(1,250)
Transfer out of level 3 (Change in valuation methodology)	(1,250)
As at 31 March 2021, 1 April 2021 and 31 March 2022	–

For the year ended 31 March 2021, included in the above fair value loss is an amount of HK\$1,250,000 relating to unlisted equity investment designated at FVTOCI held at the end of the year.

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

7. REVENUE

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

	2022 HK\$'000	2021 HK\$'000
Revenue from contract with customers within the scope of HKFRS 15		
Digital advertisement placement services	9,175	11,760
Social media management services	39,221	62,332
Creative and technology services	107,381	67,299
	155,777	141,391

Most revenue arising from the contracts with customers of the Group are recognised overtime for both years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

7. REVENUE *(Continued)*

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

8. SEGMENT INFORMATION

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

1. Digital Advertisement Placement Services – Provision of advertisement placement services through digital media;
2. Social Media Management Services – Provision of set-up, maintenance and monitor services on corporate profile pages through the social media platforms; and
3. Creative and Technology Services – Provision of integrated marketing solutions services and other creative services involving design and copywriting of digital advertisements, production of corporate profile pages, website and apps, and related consultation.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

8. SEGMENT INFORMATION (Continued)

Segment revenue and results

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

For the year ended 31 March 2022

	Digital Advertisement Placement Services HK\$'000	Social Media Management Services HK\$'000	Creative and Technology Services HK\$'000	Total HK\$'000
REVENUE				
External sales and segment revenue	9,175	39,221	107,381	155,777
Segment results	2,629	11,170	17,549	31,348
Unallocated other income or gains				2,194
Unallocated selling expenses				(12,873)
Unallocated administrative expenses				(33,842)
Unallocated finance cost				(250)
Impairment loss on amounts due from associates				(22)
Change in fair value of financial assets at FVTPL				575
Gain on disposal of a subsidiary				12,872
Profit before tax				2

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

8. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

For the year ended 31 March 2021

	Digital Advertisement Placement Services HK\$'000	Social Media Management Services HK\$'000	Creative and Technology Services HK\$'000	Total HK\$'000
REVENUE				
External sales and segment revenue	11,760	62,332	67,299	141,391
Segment results	3,618	17,054	19,013	39,685
Unallocated other income or gains				10,997
Unallocated selling expenses				(17,851)
Unallocated administrative expenses				(48,349)
Unallocated finance cost				(352)
Impairment loss on amounts due from associates				(23)
Change in fair value of financial assets at FVTPL				(19)
Loss before tax				(15,912)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

8. SEGMENT INFORMATION (Continued)

Other segment information

For the year ended 31 March 2022

	Digital Advertisement Placement Services HK\$'000	Social Media Management Services HK\$'000	Creative and Technology Services HK\$'000	Unallocated HK\$'000	Total HK\$'000
--	---	--	--	-------------------------	-------------------

Amounts included in the measure of segment results:

Depreciation of plant and equipment	134	575	1,573	-	2,282
Provision of impairment loss in respect of trade receivables, net of reversal	(31)	326	(320)	-	(25)

Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:

Depreciation of investment properties	-	-	-	214	214
Depreciation of right-of-use assets	-	-	-	5,170	5,170
Impairment loss on amounts due from associates	-	-	-	22	22
Bank interest income	-	-	-	(34)	(34)
Dividends from financial asset at FVTPL	-	-	-	(49)	(49)
Income tax expense	-	-	-	33	33
Finance cost	-	-	-	250	250
Gain on disposal of investment properties	-	-	-	(441)	(441)
Gain on disposal of asset held for sales	-	-	-	(93)	(93)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

8. SEGMENT INFORMATION (Continued)

Other segment information (Continued)

For the year ended 31 March 2021

	Digital Advertisement Placement Services HK\$'000	Social Media Management Services HK\$'000	Creative and Technology Services HK\$'000	Unallocated HK\$'000	Total HK\$'000
Amounts included in the measure of segment results:					
Depreciation of plant and equipment	223	1,183	1,276	–	2,682
Provision of impairment loss in respect of trade receivables, net	451	514	17	–	982
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:					
Depreciation of investment properties	–	–	–	415	415
Depreciation of right-of-use assets	–	–	–	5,314	5,314
Impairment loss on amounts due from associates	–	–	–	23	23
Bank interest income	–	–	–	(40)	(40)
Dividends from financial asset at FVTPL	–	–	–	(76)	(76)
Income tax expense	–	–	–	334	334
Finance cost	–	–	–	352	352
Gain on disposal of investment properties	–	–	–	(532)	(532)

Geographic information

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

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

	Revenue from external customers		Non-current assets (excluding financial instruments)	
	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
The PRC	28,133	25,689	1,346	805
Taiwan	2,347	2,767	34	–
Hong Kong (place of domicile)	125,297	112,935	7,033	20,607
	155,777	141,391	8,413	21,412

Information about major customers

The largest customer constitutes less than 10% of the Group's total revenue for both years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

9. OTHER INCOME OR GAINS

	2022 HK\$'000	2021 HK\$'000
Dividends from financial assets at FVTPL	49	76
Rental income from investment properties	–	64
Bank interest income	34	40
Gain on disposal of investment properties	441	532
Gain on disposal of asset held for sales	93	–
Government subsidies (note a)	–	8,508
Net exchange gains	1,109	1,457
Sundry income	468	320
	2,194	10,997

Note:

- (a) Government subsidies are cash subsidies granted by The Government of the Hong Kong Special Administrative Region under Anti-Epidemic Fund amounting to approximately HK\$8,508,000 from the Employment Support Scheme which subsidised 50% of the wages paid to each staff, subject to maximum of HK\$9,000 for each staff respectively. The Group has complied with all attached conditions during the year ended 31 March 2021 and recognised the amounts in profit or loss in "other income or gains".

10. INCOME TAX EXPENSE

	2022 HK\$'000	2021 HK\$'000
Current tax:		
PRC Enterprise Income Tax	33	886
Taiwan Corporate Income Tax	–	39
	33	925
Over-provision in prior year:		
PRC Enterprise Income Tax	–	(591)
	33	334

No provision for Hong Kong Profits Tax has been made for the years ended 31 March 2022 and 2021 as there was no assessable profit for both years.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

10. INCOME TAX EXPENSE (Continued)

Corporate Income Tax in Taiwan is charged at 20% for the Year.

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

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

	2022 HK\$'000	2021 HK\$'000
Profit (loss) before tax	2	(15,912)
Tax at the applicable statutory income tax rate of 16.5% (Note)	–	(2,625)
Tax effect of expenses not deductible for tax purpose	326	1,486
Tax effect of income not taxable for tax purpose	(2,516)	(2,471)
Utilisation of tax losses previously not recognised	–	(1,464)
Tax effect of tax losses not recognised	3,164	5,496
Tax effect of other temporary differences not recognised	7	–
Over-provision in prior year	–	(591)
Effect of different tax rates of subsidiaries operating in other jurisdictions	(948)	503
Income tax expense for the year	33	334

Note:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

11. LOSS FOR THE YEAR

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

	2022 HK\$'000	2021 HK\$'000
Directors' and chief executive's emoluments (note 12)	11,368	22,783
Other staff costs (excluding directors' and chief executive's emoluments)	44,068	49,607
Retirement benefits scheme contributions (excluding directors' and chief executive's emoluments)	2,619	2,477
Total staff costs	58,055	74,867
Gross rental income from investment properties	–	(64)
Less:		
Direct operating expenses incurred for investment properties that generated rental income during the year	–	13
Direct operating expenses incurred for investment properties that did not generate rental income during the year	57	72
	57	21
Auditor's remuneration	497	408
Depreciation of right-of-use assets	5,170	5,314
Depreciation of plant and equipment	2,282	2,682
Depreciation of investment properties	214	415
Provision of impairment loss on trade receivables, net	25	982
Impairment loss on amounts due from associates	22	23
Gain on disposal of subsidiary	(12,872)	–
Net foreign exchange gains	(1,109)	(1,457)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to each of the ten (2021: nine) directors and chief executive were as follows:

For the year ended 31 March 2022

	Fees HK\$'000	Salaries and other benefits HK\$'000	Discretionary bonus (note) HK\$'000	Retirement benefits scheme contributions HK\$'000	Share-based payment HK\$'000	Total HK\$'000
Emoluments paid or receivable in respect of a director's other services in connection with the management of the affairs of the Company and its subsidiary undertakings						
Executive directors:						
Yip Shek Lun	-	4,642	-	18	-	4,660
Wan Wai Ting	-	2,914	-	18	-	2,932
Ng Chi Fung	-	2,719	-	18	-	2,737
Chan Pak San (Appointed on 6 August 2021)	-	204	-	10	-	214
Emoluments paid or receivable in respect of a person's services as a director, whether of the Company and its subsidiary undertakings						
Non-executive directors:						
Cheung Laam (Resigned on 29 October 2021)	105	-	-	-	-	105
Wang Zhong Lei (Resigned on 29 October 2021)	-	-	-	-	-	-
Independent non-executive directors:						
David Tsoi	180	-	-	-	-	180
Hong Ming Sang	180	-	-	-	-	180
Lam Tung Leung (Resigned on 4 May 2022)	180	-	-	-	-	180
Tso Ping Cheong, Brian	180	-	-	-	-	180
Total	825	10,479	-	64	-	11,368

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

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

For the year ended 31 March 2021

	Fees HK\$'000	Salaries and other benefits HK\$'000	Discretionary bonus (note) HK\$'000	Retirement benefits scheme contributions HK\$'000	Share-based payment HK\$'000	Total HK\$'000
Emoluments paid or receivable in respect of a director's other services in connection with the management of the affairs of the Company and its subsidiary undertakings						
Executive directors:						
Yip Shek Lun	-	4,428	4,902	18	-	9,348
Wan Wai Ting	-	2,630	4,445	18	-	7,093
Ng Chi Fung	-	2,674	2,750	18	-	5,442
Emoluments paid or receivable in respect of a person's services as a director, whether of the Company and its subsidiary undertakings						
Non-executive directors:						
Cheung Laam (Resigned on 29 October 2021)	180	-	-	-	-	180
Wang Zhong Lei (Resigned on 29 October 2021)	-	-	-	-	-	-
Independent non-executive directors:						
David Tsoi	180	-	-	-	-	180
Hong Ming Sang	180	-	-	-	-	180
Lam Tung Leung (Resigned on 4 May 2022)	180	-	-	-	-	180
Tso Ping Cheong, Brian	180	-	-	-	-	180
Total	900	9,732	12,097	54	-	22,783

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

None of the directors and chief executive waived or agreed to waive any emoluments paid by the Group during the years ended 31 March 2022 and 2021. No emoluments were paid or payable by the Group to any directors and chief executive as an inducement to join or upon joining the Group, or as compensation for loss of the office during the years ended 31 March 2022 and 2021.

The Company did not appoint a chief executive during the years ended 31 March 2022 and 2021. Mr. Yip Shek Lun performed the duties of chief executive. His emolument disclosed above included those services rendered by him as the chief executive.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

13. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, three (2021: three) were directors and chief executive of the Company whose emoluments are included in the disclosures in note 12 above. The emoluments of the remaining two (2021: two) individuals were as follows:

	2022	2021
	HK\$'000	HK\$'000
Salaries and other benefits	1,568	2,179
Retirement benefits scheme contributions	36	36
	1,604	2,215

Their emoluments were within the following bands:

	Number of employees	
	2022	2021
HK\$0 to HK\$1,000,000	2	1
HK\$1,000,001 to HK\$1,500,000	–	1

No emoluments were paid or payable by the Group to any five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office during the years ended 31 March 2022 and 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

14. DIVIDEND

No dividend was paid or proposed during the years ended 31 March 2022 and 2021, nor has any dividend been proposed since the end of the reporting period.

15. LOSS PER SHARE

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

Loss	2022 HK\$'000	2021 HK\$'000
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	(31)	(16,246)

Number of shares	2022 '000	2021 '000
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	166,720	166,720

Weighted average number of ordinary shares in issue and basic earnings per share were stated after taking into account the effect of the share consolidation in 14 July 2021, every 10 ordinary shares of par value HK\$0.01 each being consolidated into 1 share of par value HK\$0.10. Comparative figures have been retrospectively adjusted in the consolidated financial statements for the year ended 31 March 2021 on the assumption that the above share consolidation has been effective in prior year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

16. PLANT AND EQUIPMENT

	Furniture, fixtures and equipment HK\$'000	Leasehold improvement HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
COST				
At 1 April 2020	13,877	5,163	2,182	21,222
Exchange realignment	61	26	–	87
Additions	280	63	–	343
At 31 March 2021	14,218	5,252	2,182	21,652
Exchange realignment	81	33	–	114
Additions	637	–	–	637
Disposal of a subsidiary (Note 31)	(986)	(263)	–	(1,249)
At 31 March 2022	13,950	5,022	2,182	21,154
ACCUMULATED DEPRECIATION				
At 1 April 2020	11,135	2,974	1,230	15,339
Exchange realignment	71	20	–	91
Provided for the year	1,248	998	436	2,682
At 31 March 2021	12,454	3,992	1,666	18,112
Exchange realignment	38	21	–	59
Provided for the year	934	965	383	2,282
Eliminated on disposal of a subsidiary (Note 31)	(872)	(198)	–	(1,070)
At 31 March 2022	12,554	4,780	2,049	19,383
CARRYING VALUES				
At 31 March 2022	1,396	242	133	1,771
At 31 March 2021	1,764	1,260	516	3,540

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

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

During the year, the plant and equipment in the PRC were derecognised upon disposal of 北京超帆文化传播发展有限公司 (“北京超帆”). Details of the disposal are disclosed in Note 31.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

17. INVESTMENT PROPERTIES

	HK'000
COST	
At 1 April 2020	22,656
Additions	21
Disposal	(8,876)
Transferred to asset classified as held for sale	(3,898)
At 31 March 2021	9,903
Disposal	(2,305)
Transferred to asset classified as held for sale	(6,207)
At 31 March 2022	1,391
ACCUMULATED DEPRECIATION	
At 1 April 2020	1,316
Provided for the year	415
Eliminated on disposal	(688)
Transferred to asset classified as held for sale	(268)
At 31 March 2021	775
Provided for the year	214
Eliminated on disposal	(235)
Transferred to asset classified as held for sale	(580)
At 31 March 2022	174
CARRYING VALUES	
At 31 March 2022	1,217
At 31 March 2021	9,128

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

The fair value of the Group's investment properties as at 31 March 2022 was approximately HK\$2,000,000 (2021: HK\$10,674,000), which was determined by the Directors. The valuation performed by the directors of the Company was made by reference to recent market prices for properties in the similar locations and conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

17. INVESTMENT PROPERTIES (Continued)

The following table gives information about how the fair values of the investment properties as at 31 March 2022 are determined.

	Fair value hierarchy	Fair value	Fair value at	Valuation technique and key inputs
		at 31 March 2022 HK\$'000	31 March 2021 HK\$'000	
Investment properties	Level 2	2,000	10,674	Market comparison approach – By reference to recent sales price of comparable properties on a price per square foot basis using market data which is publicly available.

18. LEASE

(i) Right-of-use assets

	2022 HK\$'000	2021 HK\$'000
Offices	5,425	8,744

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

Additions to the right-of-use assets for the year ended 31 March 2022 amounted to approximately HK\$1,865,000 (2021: HK\$12,696,000), due to renewed leases of offices.

During the Year, the right-of-use assets in the PRC with carrying amount of approximately HK\$44,000 were derecognised upon disposal of 北京超帆. Details of the disposal are disclosed in Note 31.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

18. LEASE (Continued)

(ii) Lease liabilities

	2022 HK\$'000	2021 HK\$'000
Non-current	269	4,290
Current	5,117	4,329
	5,386	8,619

	2022 HK\$'000	2021 HK\$'000
Amounts payable under lease liabilities		
Within one year	5,117	4,329
After one year but within two years	269	4,290
	5,386	8,619

During the year ended 31 March 2022, the Group renewed a number of lease agreements in respect of renting properties for offices and recognised lease liabilities of approximately HK\$1,865,000 (2021: HK\$12,696,000).

(iii) Amounts recognised in profit or loss

	2022 HK\$'000	2021 HK\$'000
Depreciation expenses on right-of-use assets	5,170	5,314
Interest expenses on lease liabilities	250	352

(iv) Others

During the year ended 31 March 2022, the total cash outflow for leases amounted to approximately HK\$5,364,000 (2021: HK\$5,649,000).

Restrictions or covenants on leases

As at 31 March 2022, lease liabilities of HK\$5,386,000 are recognised with related right-of-use assets of HK\$5,425,000 (2021: lease liabilities of HK\$8,619,000 and related right-of-use assets of HK\$8,744,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

19. INTERESTS IN ASSOCIATES

	2022 HK\$'000	2021 HK\$'000
Cost of investment in associates		
Unlisted equity interest in Hong Kong	1,054	1,054
Share of post-acquisition losses and other comprehensive expenses and impairment loss recognised	(1,054)	(1,054)
	—	—

As at 31 March 2022 and 2021, the Group had interests in the following associates:

Name of entity	Form of entity	Place of incorporation/operation/registration	Class of shares held	Proportion of nominal value of issued capital held by the Group		Proportion of voting power held by the Group		Principal activities
				2022	2021	2022	2021	
Travellife Limited	Incorporated	Hong Kong	Ordinary	20%	20%	20%	20%	Provision of internet advertising services
Qooza Interactive Limited	Incorporated	Hong Kong	Ordinary	13%	13%	13% (note a)	13% (note a)	Provision of internet advertising services
Jobdoh Limited ("Jobdoh")	Incorporated	Hong Kong	Ordinary	20%	20%	20%	20%	Provision of digital portal and services on part time and temporary jobs for job seekers and employers

Notes:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

19. INTERESTS IN ASSOCIATES (Continued)

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

	2022	2021
	HK\$'000	HK\$'000
The Group's share of loss and total comprehensive expense for the year	–	–
Aggregate carrying amount of the Groups' interests in immaterial associates	–	–

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

	2022	2021
	HK\$'000	HK\$'000
Unrecognised share of losses of associates for the year	4	161
Accumulated unrecognised share of losses of associates	484	480

During the year ended 31 March 2022, no impairment loss for interests in associates was recognised (2021: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

20. FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments comprise:

	2022 HK\$'000	2021 HK\$'000
Unlisted investments	–	1,250

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

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

During the year ended 31 March 2022, the Group has disposed of the equity investment designated at FVTOCI with initial investment cost of approximately HK\$2,500,000 at consideration of HK\$1,250,000. At the date of disposal, the fair value of such investment was HK\$1,250,000 and the gain on disposal was nil. The management considered the investee would be unlikely to be profitable in the future and therefore disposed of the investment.

21. TRADE RECEIVABLES

The Group allows an average credit period of 30 to 60 days (2021: 30 to 60 days) to its trade customers.

	2022 HK\$'000	2021 HK\$'000
Trade receivables	39,739	29,269
Less: allowance for impairment of trade receivables	(10,891)	(12,503)
	28,848	16,766
Unbilled receivables	795	4,591
	29,643	21,357

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

21. TRADE RECEIVABLES (Continued)

The Group does not hold any collateral over these receivables.

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

	2022 HK\$'000	2021 HK\$'000
– 0 to 60 days	22,037	20,183
– 61 to 90 days	1,817	310
– Over 90 days	5,789	864
	29,643	21,357

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

As at 31 March 2022, the director of the Company considered the ECL rate is insignificant for not credit-impaired debtors (including unbilled receivables) with gross carrying amount of approximately HK\$29,643,000 (2021: HK\$21,357,000) and thus do not recognise the ECL allowance as the amount involved is not significant.

As at 31 March 2022, the director of the Company considered the ECL rate is 100% (2021: 100%) for trade receivables from credit-impaired customers with gross carrying amount of approximately HK\$10,891,000 (2021: HK\$12,503,000) and ECL allowance amount of HK\$10,891,000 (2021: HK\$12,503,000).

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

	2022 HK\$'000	2021 HK\$'000
At the beginning of the financial year	12,503	11,302
Provision of impairment loss	599	1,163
Impairment losses reversed	(574)	(181)
Amount written off as uncollectible	(62)	(109)
Eliminated on disposal through a subsidiary	(1,795)	–
Exchange realignment	220	328
At the end of the financial year	10,891	12,503

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

21. TRADE RECEIVABLES (Continued)

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

	2022 HK\$'000	2021 HK\$'000
USD	3,430	3,232
EUR	–	1,355
RMB	10,099	–
NTD	402	–

22. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2022 HK\$'000	2021 HK\$'000
Deposits	2,094	2,517
Prepayments	2,784	1,826
Other receivables	3,397	2,588
	8,275	6,931
Analysed for reporting purposes:		
Non-current assets		
– Deposits	1,646	1,706
Current assets	6,629	5,225
	8,275	6,931

The directors of the Company recognise 12-month ECL for deposits and other receivables and the impairment is assessed individually. The Directors considered that the deposits and other receivables to be low credit risk and thus no impairment provision is recognised during the years ended 31 March 2022 and 2021.

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

	2022 HK\$'000	2021 HK\$'000
USD	3,274	751
EUR	–	128
RMB	33	124

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

23. AMOUNTS DUE FROM ASSOCIATES

	2022 HK\$'000	2021 HK\$'000
Trade receivables	490	468
Less: allowance for impairment of trade receivables	(290)	(268)
	200	200

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

The directors of the Company considered that the amounts due from associates were continuously monitored by assessing the credit quality of the counterparty, taking into account their financial position, past experiences and other factors.

As at 31 March 2022, an analysis of the gross amount of amounts due from associates is as follows:

	12-month ECL HK\$'000	Lifetime ECL – not credit impaired HK\$'000	Lifetime ECL – credit impaired HK\$'000	Total HK\$'000
Default	–	–	490	490

As at 31 March 2021, an analysis of the gross amount of amounts due from associates is as follows:

	12-month ECL HK\$'000	Lifetime ECL – not credit impaired HK\$'000	Lifetime ECL – credit impaired HK\$'000	Total HK\$'000
Default	–	–	468	468

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

	12-month ECL HK\$'000	Lifetime ECL – not credit impaired HK\$'000	Lifetime ECL – credit impaired HK\$'000	Total HK\$'000
At 1 April 2020	–	–	245	245
Impairment loss recognised	–	–	23	23
At 31 March 2021	–	–	268	268
Impairment loss recognised	–	–	22	22
At 31 March 2022	–	–	290	290

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2022 HK\$'000	2021 HK\$'000
Listed securities held for trading, at fair value:		
Equity securities listed in Hong Kong (Note (a))	–	67
Fund investmentst, at fair value		
Listed fund (Note (b))	–	4,283
Unlisted fund (Note (c))	–	1,013
	–	5,296
Total	–	5,363

Notes:

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

During the year ended 31 March 2022, the net fair value gain in respect of the investments in quoted equity securities recognised in profit or loss amounted approximately to HK\$20,000 (2021: a net fair value loss of HK\$31,000) was recognised upon disposal of listed securities.

- (b) During the year ended 31 March 2022, the net fair value gain in respect of the investment fund domiciled in Hong Kong recognised in profit or loss amounted approximately to HK\$526,000 (2021: a net fair value loss of HK\$233,000) was recognised upon disposal of listed fund investments.

- (c) During the year ended 31 March 2022, the net fair value gain in respect of the investment fund domiciled in Hong Kong recognised in profit or loss amounted approximately to HK\$29,000 (2021: a net fair value gain of HK\$245,000) was recognised upon disposal of unlisted fund investments. The investments are measured at fair value derived from observable market values of underlying assets at the end of the reporting period.

Included in financial asset at FVTPL are the following amounts denominated in currencies other than the functional currency of the respective reporting entities of the Group:

	2022 HK\$'000	2021 HK\$'000
USD	–	5,296

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

25. BANK BALANCES AND CASH

At 31 March 2022, bank balances carry interest at market rates which range from 0.01% to 0.3% (2021: 0.01% to 0.3%) per annum.

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

	2022	2021
	HK\$'000	HK\$'000
USD	1,699	3,378
EUR	–	725
RMB	50	2,531
NTD	1,014	–

At 31 March 2022, the bank balances and cash of approximately HK\$4,978,000 (2021: HK\$10,905,000) denominated in RMB were placed with the banks in the PRC. RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. Cash at banks earns interest at floating rates based on daily bank deposit rates.

26. TRADE AND OTHER PAYABLES

	2022	2021
	HK\$'000	HK\$'000
Trade payables	18,869	28,298
Other payables	2,425	2,966
	21,294	31,264

As at 31 March 2021, included in trade payables is an amount of approximately HK\$9,572,000 due to a company partially-owned by a substantial shareholder of the Company who is no longer a substantial shareholder as at 31 March 2022. The amount is of trade nature and unsecured.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

26. TRADE AND OTHER PAYABLES (Continued)

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

	2022 HK\$'000	2021 HK\$'000
Within 30 days	3,847	5,363
31 to 60 days	3,135	7,179
Over 60 days	11,887	15,756
	18,869	28,298

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

As at 31 March 2022 included in the balances of the trade payables were aggregate balances of approximately HK\$16,000 (2021: HK\$16,000) which were payables to the associates of the Group, arising from acquisition of services in general trade credit term.

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

	2022 HK\$'000	2021 HK\$'000
USD	3,422	5,833
RMB	1,969	2,033
NTD	198	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

27. ACCRUED EXPENSES AND CONTRACT LIABILITY

(a) Accrued expenses

	2022 HK\$'000	2021 HK\$'000
Accrued directors' emoluments	5,940	12,800
Accrued staff costs	1,150	2,160
Other accruals	1,797	2,003
	8,887	16,963

(b) Contract liability

	2022 HK\$'000	2021 HK\$'000
Advances received to deliver goods and services	5,492	11,168

As at 1 April 2020, contract liability amounted to HK\$11,046,000.

In general, the Group charges service fees derived from standard service plans in advance upon signing of the service contracts.

The change in contract liability was mainly due to the disposal of 北京超帆 during the year amounted to approximately HK\$4,314,000. Details of the disposal are disclosed in Note 31.

Revenue recognised during the year ended 31 March 2022 that was included in the contract liabilities at the beginning of the year is approximately HK\$9,230,000 (2021: HK\$8,815,000). There was no revenue recognised in the current year that related to performance obligations that were satisfied in a prior year.

Most of the contracts with customers of the Group are less than one year. The Group elected to apply the practical expedient by recognising revenue in the amount to which the Group has right to invoice. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

28. DEFERRED TAXATION

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

	Tax losses	Accelerated tax depreciation	Total
	HK\$'000	HK\$'000	HK\$'000
At 1 April 2020	(217)	217	–
Charge (credit) to profit or loss	217	(217)	–
At 31 March 2021 and 2022	–	–	–

At 31 March 2022 the Group has unused tax losses of approximately HK\$107,046,000 (2021: HK\$97,211,000) available to offset against future profits. No deferred tax asset has been recognised in respect of such losses HK\$107,046,000 at 31 March 2022 (2021: HK\$97,211,000) due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately HK\$19,266,000 (2021: HK\$12,918,000) that will be expired after five years from the year of assessment to which they related to. Other losses may be carried forward indefinitely.

At the end of the reporting period, the Group has deductible temporary differences of HK\$1,176,000 (2021: HK\$1,137,000). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised was approximately Nil (2021: HK\$6,128,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

29. SHARE CAPITAL

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

	Number of shares	Amount HK\$
Authorised		
Ordinary shares		
At 1 April 2020, 31 March 2021 and 1 April 2021, of HK\$0.01 each	10,000,000,000	100,000,000
Share consolidation (note)	(9,000,000,000)	–
At 31 March 2022, of HK\$0.1 each	1,000,000,000	100,000,000
Issued and fully paid		
Ordinary shares, issued and fully paid:		
At 1 April 2020, 31 March 2021 and 1 April 2021, of HK\$0.01 each	1,667,200,000	16,672,000
Shares consolidation (note)	(1,500,480,000)	–
At 31 March 2022, of HK\$0.1 each	166,720,000	16,672,000

Note:

Pursuant to the ordinary resolution passed in the extraordinary general meeting of the Company held on 14 July 2021, the share consolidation implemented whereby every ten issued and unissued existing ordinary shares of HK\$0.01 each was consolidated into one consolidated share of HK\$0.10 each. The authorised ordinary shares remained at HK\$100,000,000 but consolidated into 1,000,000,000 shares.

30. OPERATING LEASES

The Group as lessor

During the year ended 31 March 2021, property rental income earned was approximately HK\$64,000 (2022: Nil). The properties were expected to generate rental yields of 2.97% (2022: Nil) on an ongoing basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

31. DISPOSAL OF A SUBSIDIARY

On 9 November 2021, the Group disposed of its indirectly owned subsidiary, 北京超帆, which engaged in the provision of marketing services, to an independent third party for a cash consideration of HK\$1,500,000. The transaction was completed on 26 January 2022.

Consideration

	HK\$'000
Cash consideration	1,500

Analysis of assets and liabilities over which control was lost:

	HK\$'000
Plant and equipment (Note 16)	179
Right-of-use assets (Note 18)	44
Bank balances and cash	5,709
Trade and other receivables	5,419
Amounts due from fellow subsidiaries	12,768
Trade and other payables	(16,828)
Accrued expenses	(158)
Contract liability	(4,314)
Income tax payable	(741)
	2,078

Gain on disposal of a subsidiary:

	HK\$'000
Consideration	1,500
Release of exchange reserve	682
Waiver of amounts due from fellow subsidiaries (note a)	12,768
Less: net assets disposed of	(2,078)
	12,872

Net cash outflow arising on disposal of a subsidiary:

	HK\$'000
Cash consideration received	1,500
Less: bank balances and cash disposed of	(5,709)
	(4,209)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

31. DISPOSAL OF A SUBSIDIARY *(Continued)*

- (a) Under the undertakings of Borderless Group Limited (“buyer”), buyer agreed to waive the amount due to this subsidiary amounted to approximately HK\$12,768,000.

32. SHARE-BASED PAYMENT TRANSACTIONS

Equity-settled share option scheme of the Company:

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

No shares options had been granted during the years ended 31 March 2022 and 2021, and there is no outstanding share option as at 31 March 2022 and 2021.

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company’s shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company’s shareholders. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company’s share capital or with a value in excess of HK\$5 million must be approved in advance by the Company’s shareholders.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

33. RETIREMENT BENEFITS PLAN

Hong Kong

The Group operates a MPF Scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, each of the Group companies in Hong Kong contributes 5% of relevant payroll costs, capped at HK\$1,500 per month, to the MPF Scheme, in which the contribution is matched by employees. No forfeited contribution is available for use by the Company to reduce the existing level of contributions for the years ended 31 March 2022 and 2021.

The PRC

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

Taiwan

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

During the year ended 31 March 2022, the total amount contributed by the Group to these schemes and charged to the consolidated statement of profit or loss and other comprehensive income was approximately HK\$2,683,000 (2021: HK\$2,531,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

34. RELATED PARTY TRANSACTIONS

(a) Transactions

Saved as disclosed elsewhere in the consolidated financial statements, during the years ended 31 March 2022 and 2021, the Group had the following transactions with related parties:

Name of the related party	Relationship	Nature of transactions	2022 HK\$'000	2021 HK\$'000
Qooza Interactive Limited	Associate	Cost of services	–	–*

* The amount is less than HK\$500.

(b) Balances

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

(c) Compensation of key management personnel

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

	2022 HK\$'000	2021 HK\$'000
Short-term benefits	11,934	23,972
Post-employment benefits	82	72
	12,016	24,044

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	NOTE	2022 HK\$'000	2021 HK\$'000
Non-current asset			
Investments in subsidiaries		–	–
Current assets			
Prepayments		122	237
Amount due from subsidiaries		17,784	18,527
		17,906	18,764
Current liability			
Accruals		800	759
Net current assets		17,106	18,005
Total assets less current liabilities		17,106	18,005
Capital and reserves			
Share capital		16,672	16,672
Reserves	(a)	434	1,333
		17,106	18,005

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

(a) Movement in reserves

	Share premium	Other reserve (Note)	Accumulated losses	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2020	78,559	44,608	(113,659)	9,508
Loss and total comprehensive expense for the year	–	–	(8,175)	(8,175)
At 31 March 2021	78,559	44,608	(121,834)	1,333
Loss and total comprehensive expense for the year	–	–	(899)	(899)
At 31 March 2022	78,559	44,608	(122,733)	434

Note:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

36. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Details of the Company's subsidiaries as at 31 March 2022 and 2021 are as follows:

Name of subsidiary	Place of incorporation/ operation	Class of shares held	Issued and fully paid share capital/registered capital	Proportion ownership interest held by the Company				Principal activities
				2022		2021		
				Directly	Indirectly	Directly	Indirectly	
AdBeyond Holdings Limited	The BVI	Ordinary	HK\$32,249	100%	-	100%	-	Investment holding
iMinds Interactive Holdings Limited	The BVI	Ordinary	US\$1	100%	-	100%	-	Investment holding
COMO Group Holding Limited	The BVI	Ordinary	US\$1	100%	-	100%	-	Investment holding
Guru Online (Group) Limited	The BVI	Ordinary	US\$1	100%	-	100%	-	Investment holding
Guru Online Hong Kong Limited	Hong Kong	Ordinary	HK\$500,000	-	100%	-	100%	Provision of marketing services
AdBeyond (Group) Limited	Hong Kong	Ordinary	HK\$34,427,774	-	100%	-	100%	Provision of marketing services
iMinds Interactive Limited	Hong Kong	Ordinary	HK\$1	-	100%	-	100%	Provision of digital media services
Glo Media Limited (formerly known as COMO Group Limited)	Hong Kong	Ordinary	HK\$500,000	-	100%	-	100%	Engagement in internet marketing platform for the travel industry
廣州超帆信息科技有限公司 [#]	The PRC	Registered capital	HK\$7,000,000	-	100%	-	100%	Provision of marketing services
北京超帆 [#]	The PRC	Registered capital	RMB2,000,000/ RMB5,000,000	N/A	N/A	-	100%	Provision of marketing services
南京高訊文化傳媒有限公司 [#]	The PRC	Registered capital	HK\$1,000,000/ HK\$10,000,000	-	100%	-	100%	Provision of marketing services; provision of marketing services for the travel industry
香港商超凡有限公司台灣分公司	Taiwan	Registered capital	NTD1,000,000	-	100%	-	100%	Provision of marketing services
Tanzanite Online Holding Limited	The BVI	Ordinary	US\$1	100%	-	N/A	N/A	Investment holding
Tanzanite Online Limited	Hong Kong	Ordinary	HK\$1	-	100%	N/A	N/A	Provision of marketing services

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

[#] These subsidiaries were companies with limited liability incorporated in PRC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

37. ASSET CLASSIFIED AS HELD FOR SALE

	2022 HK\$'000	2021 HK\$'000
Carrying amount at the beginning of the year	3,630	–
Additions	5,627	3,630
Disposals	(3,630)	–
Carrying amount at the end of the year	5,627	3,630

In March 2022, the Group resolved to dispose of an investment property and entered into an estate agency agreement for sale of that investment property. The management of the Group has performed assessments on the availability of the investment property for immediate sale in its present condition and the probability of completing the transaction in accordance with the requirements of Hong Kong Financial Reporting Standard No.5 entitled "Non-current Assets Held for Sale and Discontinued Operations" ("HKFRS 5") and concluded that the sale of investment property meets the definition of asset classified as held for sale.

On 24 May 2022, the Group entered into a provisional sales and purchase agreement for disposal of an investment property at consideration of approximately HK\$5,650,000.

The disposal is expected to be completed in August 2022. The fair value less cost to sell approximated the net carrying amount of the asset and, accordingly, no impairment loss has been recognised on the asset as held for sale as at 31 March 2022.

On 25 February 2021, the Group entered into a provisional sales and purchase agreement for disposal of an investment property at consideration of approximately HK\$3,750,000. The investment property is classified as asset classified as held for sale and expected to be sold within twelve months.

The disposal was completed in April 2021 and resulted in a gain on disposal of asset classified as held for sale of approximately HK\$93,000, net of direct costs to sell amounted approximately HK\$27,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

38. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the consolidated statement of cash flows as cash flows from financing activities.

	1/4/2021 HK\$'000	Financing cash flows HK\$'000	Non-cash changes			31/3/2022 HK\$'000
			Finance costs incurred HK\$'000	Renewed leases arrangement HK\$'000	Foreign exchange movements HK\$'000	
Lease liabilities (Note 18)	8,619	(5,364)	250	1,865	16	5,386

	1/4/2020 HK\$'000	Financing cash flows HK\$'000	Non-cash changes			31/3/2021 HK\$'000
			Finance costs incurred HK\$'000	New and renewed leases arrangement HK\$'000	Foreign exchange movements HK\$'000	
Lease liabilities (Note 18)	1,218	(5,649)	352	12,696	2	8,619

39. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 March 2022, the Group renewed existing lease agreements in respect of office premises. Right-of-use assets and lease liabilities of approximately HK\$1,865,000 (2021: HK\$12,969,000) were recognised at the modification dates of the leases.

FINANCIAL SUMMARY

RESULTS

	For the year ended 31 March					
	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000	2019 HK\$'000	2018 HK\$'000	2017 HK\$'000
Revenue	155,777	141,391	153,404	207,130	176,764	175,771
Profit (loss) before taxation	2	(15,912)	(25,885)	(27,579)	(28,306)	(15,782)
Income tax expense	(33)	(334)	(321)	–	(583)	(238)
Loss for the year attributable to owners of the Company	(31)	(16,246)	(26,206)	(27,579)	(28,889)	(16,020)

ASSETS AND LIABILITIES

	As at 31 March					
	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000	2019 HK\$'000	2018 HK\$'000	2017 HK\$'000
Total assets	64,475	93,818	94,651	105,067	132,498	150,604
Total liabilities	(41,182)	(68,981)	(51,885)	(36,850)	(36,068)	(27,466)
Total equity	23,293	24,837	42,766	68,217	96,430	123,138