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**SVISION**

**SV Vision Limited**

**華美樂樂有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8429)**

**ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2022  
AND**

**APPOINTMENT OF MEMBER OF NOMINATION COMMITTEE**

**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 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.**

*This announcement, for which the directors (the “Directors”) of SV Vision Limited (the “Company”, and together with its subsidiaries, the “Group”, “we” or “our”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (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 announcement 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 announcement misleading.*

The board of Directors (the “Board”) of the Company is pleased to present the audited results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2022, together with comparative figures for the preceding financial year as follows:

## **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the year ended 31 December 2022*

	<i>Note</i>	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>Revenue</b>	4	<b>59,646</b>	51,385
Other income, gains and losses, net	5	<b>1,867</b>	2,517
Outsourced project costs		<b>(20,954)</b>	(19,086)
Materials and consumables		<b>(3,989)</b>	(5,980)
Depreciation and amortisation expenses		<b>(4,190)</b>	(6,001)
Employee benefits expenses	6	<b>(16,165)</b>	(16,259)
Rental expenses		<b>(2,202)</b>	(1,600)
Transportation fee		<b>(6,179)</b>	(6,318)
Reversal of/(Allowance for) expected credit losses on trade receivables		<b>188</b>	(59)
Other operating expenses		<b>(10,368)</b>	(11,008)
Finance costs		<b>(233)</b>	(411)
Impairment loss on property, plant and equipment		—	(2,087)
Impairment loss on right-of-use assets		—	(956)
Impairment loss on intangible assets		—	(465)
Write-down of inventories		—	(593)
<b>Loss before income tax</b>	6	<b>(2,579)</b>	(16,921)
Income tax expense	7	<b>(360)</b>	(168)
<b>Loss for the year</b>		<b><u>(2,939)</u></b>	<b><u>(17,089)</u></b>

	<b>2022</b>	2021
<i>Note</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>Other comprehensive (loss) income</b>		
<i>Item that will not be reclassified to profit or loss:</i>		
— Loss on change of fair value of financial asset designated at fair value through other comprehensive income (“Designated FVOCI”)	<u>(366)</u>	<u>—</u>
<i>Item that may be reclassified subsequently to profit or loss:</i>		
— Exchange differences arising on translation of foreign operations	<u>(113)</u>	<u>39</u>
<b>Other comprehensive (loss) income for the year</b>	<u>(479)</u>	<u>39</u>
<b>Total comprehensive loss for the year</b>	<u><u>(3,418)</u></u>	<u><u>(17,050)</u></u>
<b>(Loss)/ profit for the year attributable to:</b>		
Owners of the Company	(4,445)	(13,491)
Non-controlling interests	<u>1,506</u>	<u>(3,598)</u>
<b>Loss for the year</b>	<u><u>(2,939)</u></u>	<u><u>(17,089)</u></u>
<b>Total comprehensive (loss) income for the year attributable to:</b>		
Owners of the Company	(4,924)	(13,445)
Non-controlling interests	<u>1,506</u>	<u>(3,605)</u>
<b>Total comprehensive loss for the year</b>	<u><u>(3,418)</u></u>	<u><u>(17,050)</u></u>
<b>Loss per share attributable to owners of the Company</b>		
Basic and diluted (HK cents)	9	
	<u><u>(0.93)</u></u>	<u><u>(2.81)</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2022

	<i>Note</i>	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment	<i>10</i>	<b>37,850</b>	1,578
Right-of-use assets		<b>3,087</b>	5,652
Intangible assets		<b>212</b>	—
Goodwill		—	—
Financial asset at fair value through profit or loss (“FVTPL”)		—	955
Designated FVOCI		<b>24</b>	—
Deposit	<i>11</i>	<b>298</b>	298
		<u><b>41,471</b></u>	<u>8,483</u>
<b>Current assets</b>			
Inventories		<b>112</b>	8
Trade and other receivables, deposits and prepayments	<i>11</i>	<b>18,142</b>	17,694
Amount due from controlling shareholder		—	35
Amount due from related companies		—	231
Cash and bank balances		<b>16,988</b>	56,226
		<u><b>35,242</b></u>	<u>74,194</u>
<b>Current liabilities</b>			
Trade and other payables and accruals	<i>12</i>	<b>11,144</b>	9,570
Contract liabilities	<i>12</i>	<b>1,720</b>	2,195
Amount due to a non-controlling shareholder of a subsidiary		<b>56</b>	56
Tax payable		<b>852</b>	814
Lease liabilities		<b>2,600</b>	3,432
		<u><b>16,372</b></u>	<u>16,067</u>
<b>Net current assets</b>		<u><b>18,870</b></u>	<u>58,127</u>
<b>Total assets less current liabilities</b>		<u><b>60,341</b></u>	<u>66,610</u>
<b>Non-current liability</b>			
Lease liabilities		<u><b>681</b></u>	<u>3,532</u>
<b>Net assets</b>		<u><u><b>59,660</b></u></u>	<u><u>63,078</u></u>

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>CAPITAL AND RESERVES</b>		
Share capital	<b>4,800</b>	4,800
Reserves	<b><u>59,959</u></b>	<u>64,883</u>
<b>Total equity attributable to owners of the Company</b>	<b>64,759</b>	69,683
Non-controlling interests	<b><u>(5,099)</u></b>	<u>(6,605)</u>
<b>Total equity</b>	<b><u><u>59,660</u></u></b>	<u><u>63,078</u></u>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Translation reserve <i>HK\$'000</i>	Other reserves <i>HK\$'000</i>	Fair value reserve (non-recycling) <i>HK\$'000</i>	Retained earnings (Accumulated losses) <i>HK\$'000</i>	Total <i>HK\$'000</i>	Non- controlling interests <i>HK\$'000</i>	Total <i>HK\$'000</i>
Balance as at 1 January 2021	4,800	53,131	11,993	(694)	97	—	13,801	83,128	(3,000)	80,128
Loss for the year	—	—	—	—	—	—	(13,491)	(13,491)	(3,598)	(17,089)
Other comprehensive income/(loss):										
Exchange differences arising on translation of foreign operations	—	—	—	46	—	—	—	46	(7)	39
Total comprehensive income/(loss) for the year	—	—	—	46	—	—	(13,491)	(13,445)	(3,605)	(17,050)
Transfer to statutory reserve	—	—	—	—	85	—	(85)	—	—	—
Balance as at 31 December 2021 and 1 January 2022	4,800	53,131	11,993	(648)	182	—	225	69,683	(6,605)	63,078
(Loss)/profit for the year	—	—	—	—	—	—	(4,445)	(4,445)	1,506	(2,939)
Other comprehensive loss:										
Loss on change in fair value of Designated FVOCI	—	—	—	—	—	(366)	—	(366)	—	(366)
Exchange differences arising on translation of foreign operations	—	—	—	(113)	—	—	—	(113)	—	(113)
Other comprehensive loss for the year	—	—	—	(113)	—	(366)	—	(479)	—	(479)
Total comprehensive loss for the year	—	—	—	(113)	—	(366)	(4,445)	(4,924)	1,506	(3,418)
Transfer to statutory reserve	—	—	—	—	11	—	(11)	—	—	—
At 31 December 2022	4,800	53,131	11,993	(761)	193	(366)	(4,231)	64,759	(5,099)	(59,660)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2022*

## 1. GENERAL INFORMATION

SV Vision Limited (formerly known as Icicle Group Holdings Limited) (the “Company”, collectively with its subsidiaries, the “Group”) was incorporated as an exempted company and registered in the Cayman Islands with limited liability under the Companies Act of the Cayman Islands on 20 January 2017. The registered office of the Company is located at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The shares of the Company are listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 8 December 2017. The Company’s principal place of business is located at Unit B, 9th Floor, Safety Godown Industrial Building, 56 Ka Yip Street, Chai Wan, Hong Kong.

The Company is an investment holding company. The principal activities of the Group are provision of marketing production services, e-commerce and retail business and content media business.

## 2. BASIS OF PREPARATION AND PRESENTATION

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The consolidated financial statements also comply with the applicable disclosure requirements of the Companies Ordinance and the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”).

The consolidated financial statements have been prepared on historical cost basis, except for financial asset designated at fair value through other comprehensive income (“Designated FVOCI”) and financial asset at fair value through profit or loss (“FVTPL”) that are measured at fair value at the end of each reporting period. The consolidated financial statements are presented in HK\$, which is also the functional currency of the Company. All values are rounded to the nearest thousand except when otherwise indicated.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and 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 valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are accounted for in accordance with HKFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 Inventories or value in use in HKAS 36 Impairment of Assets.

It should be noted that accounting estimates and assumptions have been used in preparation of the consolidated financial statements. Although these estimates are based on management’s best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates.

### 3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

The HKICPA has issued a number of amendments to HKFRSs and had become effective during the year. In preparing the consolidated financial statements, the Group has applied all applicable amendments to HKFRSs issued by the HKICPA, which are effective for the Group's consolidated financial statements for the accounting period beginning on 1 January 2022.

Amendments to HKFRS 16	Covid-19-related Rent Concessions Beyond 30 June 2021
Amendments to HKAS 16	Proceeds before Intended Use
Amendments to HKAS 37	Cost of Fulfilling a Contract
Amendments to HKFRS 3	Reference to the Conceptual Framework
Annual Improvements to HKFRSs	2018–2020 Cycle

None of these amendments have had a material effect on the Group's financial performance and financial position for the current or prior years and/or on the disclosures set out in these consolidated financial statements.

At the date when these consolidated financial statements are authorised for issue, certain new and amended HKFRSs have been issued but are not yet effective, and have not been applied early by the Group.

Amendments to HKAS 1	Disclosure of Accounting Policies <sup>1</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>
HKFRS 17	Insurance Contracts <sup>1</sup>
Amendment to HKFRS 17	Initial Application of HKFRS 17 and HKFRS 9 — Comparative Information <sup>1</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current <sup>2</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>2</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024

<sup>3</sup> The effective date to be determined

The Group has already commenced an assessment of the related impact of adopting the above new and amendments to HKFRSs. So far, it is concluded that the above new and amendments to HKFRSs will be adopted at the respective effective dates and the adoption of them is unlikely to have a significant impact on the consolidated financial statements of the Group.



#### 4. REVENUE AND SEGMENT INFORMATION

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is defined on the basis of the internal management reporting information that is provided to and regularly reviewed by the executive director of the Company, who is the chief operating decision maker, in order to allocate resources and assess performance of the segment. During the year, the executive director of the Company regularly reviewed the consolidated financial position, revenue from provision of marketing production services, content media business, e-commerce and retail business and results of the Group as a whole for the purposes of allocating resources and assessing performance of the Group as a whole.

Therefore, the executive director of the Company considers the Group as one single operating segment during the year that comprises of three service categories, which are (a) marketing production; (b) content media; and (c) e-commerce and retail. The following table sets forth the breakdown of the Group's revenue by service category during the year.

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>Revenue recognised at a point in time:</b>		
Marketing production	37,494	48,372
Income from content media business	22,143	1,239
E-commerce and retail	9	506
Income from operation of a café	—	1,268
	<u>59,646</u>	<u>51,385</u>

All of the Group's unsatisfied performance obligations for contracts with customers are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

#### Geographical information

The principal place of the Group's operations is mainly in Hong Kong and the People's Republic of China ("PRC"). For the purpose of segment information disclosures under HKFRS 8, the Group regarded Hong Kong as its country of domicile.

As at 31 December 2022 and 2021, non-current assets are mainly located in Hong Kong and the United States of America (the "USA").

The Group's non-current assets are divided into the following geographical areas:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>Non-current assets:</b>		
Hong Kong	4,125	7,235
The USA	36,902	—
Others	420	293
	<u>41,447</u>	<u>7,528</u>

*Note:* Non-current assets excluded goodwill, financial asset at FVTPL and designated FVOCI.

Revenue by geographical location of customers, which is based on the principal place of the customers' operation, is set out below:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>Revenue recognised at a point in time:</b>		
Hong Kong	36,365	48,147
The PRC	22,505	2,382
Others	<u>776</u>	<u>856</u>
	<u><b>59,646</b></u>	<u><b>51,385</b></u>

#### Information about major customers

The Group had transactions with the following customers, which contributed more than 10% of the Group's revenue for the year:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>Revenue recognised at a point in time:</b>		
Customer A	12,512	14,085
Customer B	N/A ( <i>Note</i> )	7,665
Customer C	12,666	8,150
Customer D	<u>11,676</u>	<u>—</u>

*Note:* Revenue from customer B for the year ended 31 December 2022 contributed less than 10% of the total revenue of the Group for the respective year.

## 5. OTHER INCOME, GAINS AND LOSSES, NET

An analysis of the Group's other income, gains and losses, net for the years is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Consignment income	—	656
Exchange gain, net	—	554
Fair value change in financial asset at FVTPL	—	(62)
Gain on termination of lease	829	—
Gain/(Loss) on disposal of property, plant and equipment	2	(33)
Government subsidies ( <i>Note (i)</i> )	608	100
Interest income	185	639
Loss on write-off of property, plant and equipment	—	(8)
Rent concession in relation to COVID-19 ( <i>Note (ii)</i> )	45	—
Sundry income	<u>198</u>	<u>671</u>
	<u><b>1,867</b></u>	<u><b>2,517</b></u>

Notes:

- (i) The government subsidies recognised for the year ended 31 December 2022 were the approved subsidies from the COVID-19 Anti-epidemic Fund under Employment Support Scheme (2021: the Catering Business Subsidy Scheme ) as promulgated by the Government of the Hong Kong Special Administrative Region of the PRC. There are no unfulfilled conditions or other contingencies attached to these subsidies.
- (ii) The Group was granted a rent concession in relation to COVID-19 for an office premise during the year ended 31 December 2022. The Group applied the practical expedient in paragraph 46A of HKFRS 16 for its rent concession in relation to COVID-19, such that the Group elects not to assess whether the rent concession that meets the conditions in paragraph 46B of HKFRS 16 is a lease modification.

## 6. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging/(crediting):

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Amortisation of intangible assets	111	142
Auditor's remuneration		
— Audit services	625	425
Cost of inventories sold <sup>#</sup>	31	699
Depreciation of property, plant and equipment	1,193	1,551
Depreciation of right-of-use assets	2,886	4,308
(Reversal of)/Allowance for expected credit losses ("ECLs") on trade receivables	(188)	59
Short-term lease expenses — properties	2,178	1,534
Variable lease payments not included in the measurement of lease liabilities	<u>24</u>	<u>66</u>
Employee benefits expenses (including directors' remuneration)		
— Salaries, allowances and benefits in kind	14,747	14,516
— Discretionary bonus	—	751
— Reversal of long service payment	(45)	—
— Retirement benefit scheme contributions	<u>1,463</u>	<u>992</u>
	<u><u>16,165</u></u>	<u><u>16,259</u></u>

<sup>#</sup> Included in materials and consumables in the consolidated statement of profit or loss and other comprehensive income.

## 7. INCOME TAX EXPENSE

	2022 HK\$'000	2021 HK\$'000
Income tax expense comprise:		
Hong Kong Profits Tax		
— current tax for the year	206	143
— under/(over)-provision in prior years	<u>85</u>	<u>(255)</u>
	291	(112)
The PRC Enterprise Income Tax (the “EIT”)		
— current tax for the year	<u>69</u>	<u>280</u>
Income tax expense	<u><u>360</u></u>	<u><u>168</u></u>

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated.

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax under these jurisdictions during the year (2021: Nil).

Under the two-tiered profits tax rates regime of the Hong Kong Profits Tax, the first HK\$2,000,000 of profits of the qualifying group entity will be taxed at 8.25% (2021: 8.25%) during the year, and profits above HK\$2,000,000 will be taxed at 16.5% (2021: 16.5%). The profits of group entities not qualifying for the two-tiered profit tax rates regime will continue to be taxed at a flat rate of 16.5% (2021: 16.5%) during the year.

Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% (2021: 8.25%) of the first HK\$2,000,000 of the estimated assessable profits and at 16.5% (2021: 16.5%) on the estimated profits above HK\$2,000,000, taking into account the tax concession granted by the Hong Kong Special Administrative Region Government during the year.

Under the EIT Law and the Implementation Regulation of the EIT Law, the subsidiary in the PRC is subject to the tax rate of 25% (2021: 25%) on the estimated assessable profits during the year.

Pursuant to 《關於實施小微企業普惠性稅收減免政策的通知》(Caishui [2019] No. 13) issued in 2019, a subsidiary in the PRC qualifying as Small and Micro Enterprises whose annual taxable income is less than RMB1.00 million, 25% of the amount will be reduced, and the PRC Enterprise Income Tax will be at the tax rate of 20%; for the portion of annual taxable income exceeding RMB1.00 million but not exceeding RMB3.00 million, 50% of the amount will be reduced, and the PRC Enterprise Income Tax will be at the tax rate of 20%. In addition, pursuant to 《關於實施小微企業和個體工商戶所得稅優惠政策的公告》(Caishui [2021] No. 12) issued in 2021 and 《關於進一步實施小微企業所得稅優惠政策的公告》(Caishui [2022] No. 13), for the portion of annual taxable income less than RMB1.00 million and for the portion of annual taxable income exceeding RMB1.00 million but not exceeding RMB3.00 million for Small and Micro Enterprises, on the basis of the preferential policies stipulated in Article 2 of 《關於實施小微企業普惠性稅收減免政策的通知》(Caishui [2019] No. 13) issued in 2019, the PRC Enterprise Income Tax will be reduced by half respectively.

As at 31 December 2022, no deferred tax (2021: Nil) has been recognised in these consolidated financial statements as the effect of temporary differences was considered insignificant.

Pursuant to the EIT Law, 5% withholding tax is levied on the foreign investor in respect of dividend distributions arising from a foreign investment enterprise's profits earned after 1 January 2008. As at 31 December 2022, temporary withholding tax differences relating to the undistributed profits of the PRC subsidiary amounted to approximately HK\$3,372,000 (2021: HK\$3,274,000). Deferred tax liabilities amounted to approximately HK\$169,000 (2021: HK\$164,000) have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Company is in a position to controls the dividend policy of the PRC subsidiary and it has been determined that it is probable that undistributed profits of the PRC subsidiary will not be distributed in the foreseeable future.

## **8. DIVIDENDS**

### **(a) Dividends payable to the owners of the Company attributable to the year**

The Board does not recommend the payment of any dividend for the year (2021: Nil).

### **(b) Dividends payable to the owners of the Company attributable to previous financial year, approved and paid during the year**

The Directors have resolved not to recommend the declaration of any final dividend for the year ended 31 December 2022 and 2021.

## **9. LOSS PER SHARE**

The calculations of basic loss per share are based on the loss of approximately HK\$4,445,000 (2021: HK\$13,491,000) for the year attributable to owners of the Company and the weighted average of 480,000,000 (2021: 480,000,000) shares in issue during the year.

Diluted loss per share were same as the basic loss per share as there were no dilutive potential ordinary shares in existence during the years.

## **10. PROPERTY, PLANT AND EQUIPMENT**

During the year ended 31 December 2022, the Group acquired a freehold land and building which is located in the USA at a consideration of approximately HK\$35,963,000 and held for own use.

## 11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade receivables	16,002	15,854
Less: Allowances of ECLs	<u>(124)</u>	<u>(312)</u>
Trade receivables, net ( <i>Note (i)</i> )	15,878	15,542
Rental and other deposits ( <i>Note (ii)</i> )	685	895
Prepayments	1,770	1,273
Other receivables	<u>107</u>	<u>282</u>
Total trade and other receivables, deposits and prepayments	<u>18,440</u>	<u>17,992</u>
Less:		
Non-current deposits	<u>(298)</u>	<u>(298)</u>
Total current trade and other receivables, deposits and prepayments	<u>18,142</u>	<u>17,694</u>

*Notes:*

(i) Trade receivables

Movements in allowance for ECLs on trade receivables were as follow:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
As at 1 January	312	253
(Reversal of)/Allowance for ECLs made during the year	<u>(188)</u>	<u>59</u>
As at 31 December	<u>124</u>	<u>312</u>

The credit period for trade receivables granted to its customers is generally ranging from 30 to 60 days (2021: 30 to 60 days) from the date of billing for the year. The ageing analysis of the trade receivables, net of allowance for ECLs, based on due date is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Current (not past due)	6,895	4,454
Less than 1 month past due	4,522	1,366
Over 1 month but less than 3 months past due	3,560	7,433
Over 3 months but less than 1 year past due	661	2,349
Over 1 year past due	364	252
Less: allowance for ECLs	<u>(124)</u>	<u>(312)</u>
	<u>15,878</u>	<u>15,542</u>

The ageing analysis of the trade receivables, net of allowance for ECLs, based on invoice date is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 1 month	8,791	4,762
Over 1 month but less than 3 months	6,083	7,910
Over 3 months but less than 1 year	750	2,910
Over 1 year	378	272
Less: allowance for ECLs	<u>(124)</u>	<u>(312)</u>
	<b><u>15,878</u></b>	<b><u>15,542</u></b>

(ii) Rental and other deposits

Included in rental and other deposits, rental deposits of HK\$94,000 (2021: HK\$268,000) were paid to one (2021: two) related company, in which Ms. Woo Chan Tak Chi Bonnie (“Ms. Bonnie Chan Woo”), an executive director of the Company, and/or her spouse have beneficiary interest. The rental deposit is repayable upon the termination of that lease.

## 12. TRADE AND OTHER PAYABLES AND ACCRUALS AND CONTRACT LIABILITIES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade payables ( <i>Note (i)</i> )	7,019	5,693
Accruals ( <i>Note (ii)</i> )	3,036	3,271
Other payables	<u>1,089</u>	<u>606</u>
Total trade and other payables and accruals	11,144	9,570
Contract liabilities ( <i>Note (iii)</i> )	<u>1,720</u>	<u>2,195</u>
	<b><u>12,864</u></b>	<b><u>11,765</u></b>

*Notes:*

- (i) The credit period granted by suppliers of the Group is generally ranging from 30 to 90 days (2021: 30 to 90 days). The ageing analysis of the trade payables based on invoice date is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 1 month	5,431	3,152
Over 1 month but less than 3 months	1,232	2,277
Over 3 months but less than 1 year	330	264
Over 1 year	<u>26</u>	<u>—</u>
	<b><u>7,019</u></b>	<b><u>5,693</u></b>

- (ii) As at 31 December 2022, consulting expense amounting to approximately HK\$511,000 (2021: HK\$484,000) and accrued employee benefits expenses amounting to approximately HK\$1,017,000 (2021: HK\$1,256,000) were included in accruals.
- (iii) Contract liabilities, representing receipt in advance from customers, are separately presented. The movement of contract liabilities (excluding those arising from increases and decreases both occurred within the same year) is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Balance at 1 January	2,195	2,878
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(1,100)	(2,780)
Increased in contract liabilities as a result of receiving forward sales deposits and installments during the year	1,123	2,097
Refunded during the year	(404)	—
Recognised as other income	(94)	—
	<u>1,720</u>	<u>2,195</u>
Balance at 31 December	<u>1,720</u>	<u>2,195</u>

At 31 December 2022 and 2021, the advances from customers are expected to be recognised as revenue within 1 year.

### 13. RELATED PARTY TRANSACTIONS

Other than disclosed elsewhere in the consolidated financial statements, the Group has the following transactions with its related parties in the normal course of its business and with terms mutually agreed between both parties:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue from provision of marketing production services to MCL Financial Group Limited ( <i>Note (a)</i> )	5	5
Revenue from sales of accessories and lifestyle products to Ms. Bonnie Chan Woo ( <i>Note (b)</i> )	—	12
Short-term lease expense to 4L 108 Leonard LLC ( <i>Note (c)</i> )	1,127	1,121
Repayment of lease liabilities (including capital and interest elements) to Gateway Engineering Limited ( <i>Note (d)</i> )	58	638
Treasury management service expense to Gain Smart Asia Limited ( <i>Note (c)</i> )	240	60
	<u>240</u>	<u>60</u>

*Notes:*

- (a) Mr. Chow Sai Yiu Evan, a non-executive director of the Company, is the controlling shareholder and the beneficial owner of this related company.
- (b) Ms. Bonnie Chan Woo is an executive director and the ultimate controlling shareholder of the Company.



- (c) Spouse of Ms. Bonnie Chan Woo, an executive director of the Company, and Ms. Bonnie Chan Woo, are the beneficial owners of these related companies.
- (d) Spouse of Ms. Bonnie Chan Woo, is the director and one of the beneficial owner of this related company. As at 31 December 2022, no leased property is recognised as right-of-use assets and lease liabilities (2021: right-of-use asset with carrying amount of HK\$ nil, with respective lease liabilities of HK\$1,057,000).

#### Compensation of key management personnel

Key management personnel are those persons holding positions with authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including the directors of the Company. Key management personnel's remuneration is as follows:

	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
Directors' fee	<b>360</b>	360
Salaries, allowances and benefits in kind	<b>6,873</b>	4,429
Discretionary bonus	—	107
Retirement benefit scheme contributions	<b>229</b>	145
	<b><u>7,462</u></b>	<b><u>5,041</u></b>

#### 14. OTHER COMMITMENTS

According to the term sheet entered between the Group and the marketing media producer stationed in the USA ("Media Producer"), the Group is committed to invest in the co-operative project with the Media Producer with mutually approved budget of US\$1,800,000 (equivalent to HK\$13,953,000). On 28 April 2021, Shanghai Qixian Culture Communication Co., Ltd was incorporated in the PRC to commence the operation of such project. For the year ended 31 December 2022, the project costs of HK\$8,143,000 (equivalent to US\$1,037,000) (2021: HK\$1,236,000 (equivalent to US\$167,000)) was incurred by the Group for the project. As at 31 December 2022, the remaining balance of the commitment in relation to the mutually approved budget is US\$596,000 (equivalent to HK\$4,574,000) (2021: US\$1,633,000 (equivalent to HK\$12,717,000)). Also, according to the term sheet between the Group and the Media Producer, subject to further negotiation and to enter into an agreement, the Group is committed to invest in the co-operative project with the Media Producer with mutually approved budget of US\$1,200,000 (equivalent to approximately HK\$9,302,000).

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review and Outlook

Despite tourist sector showed sign of slow recovery from COVID in 2022 with the significant increase in number of visitors from 2021 especially in last quarter of 2022. Our key clients of marketing production business from business sectors such as retail, luxury brands, hospitality and insurance that are more reliant on tourists are not recovered in the same pace of the increase in number of visitors. Also, the change in ways to achieve marketing promotion purpose to focusing on brand collaboration and integration has caused prolonged impact on our traditional marketing production business. Revenue from marketing production services for the year ended 31 December 2022 decreased by approximately 22% as compared with last year. Despite the decreased revenue, this business unit could still generate a modest profit resulting from very stringent cost control.

The Group's expanded media business in the youth market segment, via a licensing deal with a US-based company that is well known in the space with the purpose of bridging Chinese and US brands via the production and distribution of brand-integrated content and entertainment, has achieved a meaningful development in 2022 since the launch in mid-2021. The business has grown rapidly with amassing over 160,000,000 cumulative plays across various social media channels and streaming platforms in Mainland China and secured sponsorship deals with several well-known brands. The revenue from this media business for the year ended 31 December 2022 was HK\$22.1 million which is 17.9 times of 2021's HK\$1.2 million. We see the strong potential and great opportunity from this media business and is investing in building a highly specialised team to scale up the business.

The Group's e-commerce and physical retail start-up in Hong Kong remains suspended due to high operating costs and continued COVID related challenges. However, we see a significant opportunity to leverage e-commerce using the content media in Mainland China, and we intend to re-start our e-commerce initiatives in 2023.

The Group's revenue for the year ended 31 December 2022 increased by approximately 16% as compared with last year. The decrease in marketing production services revenue was offset by the significant increase in revenue generated by the content media business. The Group's loss for the year ended 31 December 2022 decreased significantly by approximately 83% as compared with last year.

Looking ahead, the return of economic activities from full reopening of the border with the Mainland China is expected to benefit our key clients of marketing production business from the retail, luxury brands, hospitality and insurance sectors. However, we have concerns about the long term growth prospects of Mainland China. The successful track record built from media business could continue to bring to the Group greater opportunities for sizable deals with more well-known brands. We remain well capitalized and well positioned to take advantage of emerging opportunities in a uncertain macro environment.

## FINANCIAL REVIEW

### Revenue

The Group's revenue is principally generated from the business of marketing production, content media, e-commerce and retail, and operation of a café. During the year, the Group's revenue increased by approximately 16.1% to approximately HK\$59.6 million (2021: HK\$51.4 million).

The following table sets forth the breakdown of the revenue by service category during the year:

	2022		2021	
	HK\$'000	%	HK\$'000	%
Marketing production	37,494	62.8	48,372	94.1
Content media	22,143	37.1	1,239	2.4
E-commerce and retail	9	0.1	506	1.0
Operation of a café	—	—	1,268	2.5
Total	<u>59,646</u>	<u>100.0</u>	<u>51,385</u>	<u>100.0</u>

During the year, the revenue from marketing production decreased by approximately 22.5% to approximately HK\$37.5 million (2021: HK\$48.4 million). The decrease in revenue from marketing production was mainly due to decrease in number of projects during the year.

During the year, the revenue from content media increased by approximately 17.9 times to approximately HK\$22.1 million (2021: HK\$1.2 million) which mainly represented brand income on our original content. The significant increase in revenue of this business was because the business was developed gradually and in full operation in 2022.

During the year, the revenue from e-commerce and retail was approximately HK\$9,000 and no revenue from operation of a café was generated. The significant decrease in revenue was due to the suspension of this business during the year.

### Other income, gains and losses, net

Other income, gains and losses, net principally comprised (i) interest income; (ii) net exchange gain; (iii) government subsidies; (iv) rent concession in relation to COVID-19; and (v) consignment income. During the year, the Group's other income, gains and losses, net decreased by approximately 25.8% to approximately HK\$1.9 million (2021: HK\$2.5 million) was mainly attributable to decrease in interest income from banks, consignment income, net exchange gain and sundry income offsetting by the addition of gain on termination of lease and the increase in government subsidies.

The following table sets forth the breakdown of the other income, gains and losses, net during the year:

	<b>2022</b>	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Consignment income	—	656
Exchange gain, net	—	554
Fair value change in financial asset at FVTPL	—	(62)
Gain on termination of lease	<b>829</b>	—
Gain/(Loss) on disposal of property, plant and equipment	<b>2</b>	(33)
Government subsidies	<b>608</b>	100
Interest income	<b>185</b>	639
Loss on write-off of property, plant and equipment	—	(8)
Rent concession in relation to COVID-19	<b>45</b>	—
Sundry income	<b>198</b>	671
	<u><b>1,867</b></u>	<u>2,517</u>
Total	<u><b>1,867</b></u>	<u>2,517</u>

### **Outsourced project costs**

Outsourced project costs consist of printing costs and other outsourced project costs and costs for content media. During the year, the Group's outsourced project costs increased by approximately 9.8% to approximately HK\$21.0 million (2021: HK\$19.1 million).

The following table sets forth the breakdown of the outsourced project costs during the year:

	<b>2022</b>	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Printing costs	<b>8,847</b>	14,373
Others	<b>12,107</b>	4,713
	<u><b>20,954</b></u>	<u>19,086</u>
Total	<u><b>20,954</b></u>	<u>19,086</u>

The increase was directly attributable to the expansion of content media business and offsetting by the decrease effect from marketing production business.

### **Materials and consumables**

Materials and consumables are costs on papers and other materials sourced by the Group for the marketing production and material used for operation of a café and the cost of goods for retail sales. During the year, the Group's materials and consumables decreased by approximately 33.3% to approximately HK\$4.0 million (2021: HK\$6.0 million). The significant decrease was directly attributable to the suspension of the e-commerce, retail and café business during the year.

The following table sets forth the breakdown of the materials and consumables during the year:

	<b>2022</b>	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Paper supply	<b>2,617</b>	3,870
Others	<b><u>1,372</u></b>	<u>2,110</u>
Total	<b><u><u>3,989</u></u></b>	<u><u>5,980</u></u>

### **Depreciation and amortisation expenses**

Depreciation and amortisation expenses relate mainly to depreciation of the property, leasehold improvements, furniture, fixture and office equipment and right-of-use assets and amortisation of intangible assets which mainly include software and platforms developed for business operation. During the year, the Group's depreciation and amortisation expenses decreased by approximately 30.2% to approximately HK\$4.2 million (2021: HK\$6.0 million). Such decrease was mainly due to the suspension of the e-commerce, retail and café business during the year.

### **Employee benefits expenses**

Employee benefits expenses primarily consist of salaries, allowances and benefits in kind, discretionary bonus and retirement benefit scheme contributions. During the year, the Group's employee benefits expenses decreased by approximately 0.6% to approximately HK\$16.2 million (2021: HK\$16.3 million). The decrease was directly attributable to the suspension of the e-commerce, retail and café business and offsetting by the increase effect from expansion of content media business.

The following table sets forth the breakdown of the employee benefits expenses during the year:

	<b>2022</b>	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Salaries, allowances and benefits in kind	<b>14,747</b>	14,516
Discretionary bonus	—	751
Reversal of long service payment	<b>(45)</b>	—
Retirement benefit scheme contributions	<b>1,463</b>	992
	<u><b>16,165</b></u>	<u>16,259</u>
Total	<u><b>16,165</b></u>	<u>16,259</u>

### **Rental expenses**

Rental expenses primarily represent the rental expenses for short-term leases for office premises and staff quarter and the variable lease payment for the printing machines for confidential data printing services. During the year, the Group's rental expenses increased by approximately 37.6%, to approximately HK\$2.2 million (2021: HK\$1.6 million). The increase was primarily attributable to the new short term lease for office premise in the PRC for the content media business during the year.

### **Transportation fee**

Transportation fee consists of fees paid to logistic service providers for (i) delivery of products to clients; and (ii) postage incurred in respect of the direct mailing services. During the year, the Group's transportation fee decreased by approximately 2.2% to approximately HK\$6.2 million (2021: HK\$6.3 million). The decrease was in line with the decrease in revenue from marketing production services.

### **Other operating expenses**

Other operating expenses primarily consist of auditor's remuneration, consultancy fee, legal and professional fee, rates and building management fee, utilities and office expenses. During the year, the Group's other operating expenses decreased by approximately 5.8% to approximately HK\$10.4 million (2021: HK\$11.0 million). The decrease was primarily attributable to the removal and reinstatement costs for the office premise relocation incurred during the year ended 31 December 2021 while there was no such expenses recognised during the year, and offsetting by the increase effect from expansion of content media business.

### **Finance cost**

Finance cost primarily represents the interest on lease liabilities. During the year, the Group's finance cost decreased by approximately HK\$178,000, representing 43.3%, to approximately HK\$0.2 million (2021: HK\$0.4 million). The decrease was mainly due to the early termination of the lease for the shop in Sham Shui Po.

## Income tax expense

Income tax expense of the Group for the year was approximately HK\$0.4 million (2021: HK\$0.2 million). The provision was mainly made for the marketing production and content media services and has been taken into account the estimated tax concession or preferential tax treatments granted by the local tax authorities for the year.

## Loss for the year

During the year, the Group recorded loss of approximately HK\$2.9 million (2021: HK\$17.1 million). The decrease in loss was mainly benefited from cost control on operating costs and suspension of the e-commerce, retail and operation of café business during the year, while offsetting by the costs incurred from expansion of content media business.

## USE OF PROCEEDS

The following table sets forth the status of the use of proceeds from the Share Offer up to 31 December 2022:

	Planned use of net proceeds from Share Offer	Actual use of net proceeds from the Listing date to 6 May 2020	Unutilised net proceeds as at 6 May 2020	Revised allocation of net proceeds as at 6 May 2020 <i>(Note 1)</i>	Actual use of net proceeds from 7 May 2020 to 5 May 2021	Unutilised net proceeds as at 5 May 2021	Further revised allocation of net proceeds as at 5 May 2021 <i>(Note 2)</i>	Actual use of net proceeds from 6 May 2021 to 31 December 2021	Unutilised net proceeds as at 1 January 2022 <i>(Note 3)</i>	Actual use of net proceeds during the year ended 31 December 2022	Unutilised net proceeds as at 31 December 2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Enlarge the social media marketing production capability and offering	8,000	2,057	5,943	5,943	1,294	4,649	649	492	157	157	—
Enhance the overall service offerings and expand the team across three categories	9,142	1,581	7,561	7,561	734	6,827	327	327	—	—	—
Set up a studio and expand the work premises	11,458	9,648	1,810	1,810	1,810	—	—	—	—	—	—
Business development	8,280	4,210	4,070	2,070	2,070	—	8,000	4,695	3,305	3,305	—
Staff development	3,120	623	2,497	697	112	585	85	7	78	78	—
General working capital	3,800	3,800	—	3,800	2,160	1,640	4,640	3,800	840	840	—
<b>Total:</b>	<b>43,800</b>	<b>21,919</b>	<b>21,881</b>	<b>21,881</b>	<b>8,180</b>	<b>13,701</b>	<b>13,701</b>	<b>9,321</b>	<b>4,380</b>	<b>4,380</b>	<b>—</b>

### Notes:

- In accordance with the Company's announcement of change in use of proceeds dated 6 May 2020 (the "2020 Announcement"), due to the reasons and benefits mentioned in the 2020 Announcement, the unutilised net proceeds was re-allocated with effect from 6 May 2020. For more details, please refer to the 2020 Announcement.
- In accordance with the Company's announcement of further change in use of proceeds dated 5 May 2021 (the "2021 Announcement"), due to the reasons and benefits mentioned in the 2021 Announcement, the unutilised net proceeds was further re-allocated with effect from 5 May 2021. For more details, please refer to the 2021 Announcement.
- The unutilised net proceeds as at 1 January 2022 were placed as bank balances with licensed banks in Hong Kong.

## **PRINCIPAL RISKS AND UNCERTAINTIES AND RISK MANAGEMENT**

The Group is subject to a number of risks in the Group's business and the Group believes that risk management is important to the Group's success. Key business risks include, among others, changes in general market conditions and ability to continue to attract, recruit or retain our project managers, creative designers and key management personnel. Our business depends on our ability to maintain our existing relationship with brand owners and our ability to attract new brand owners to engage our marketing production services. Our ability to retain existing clients or attract new clients would be crucial to the Group. To cope with the expansion, we will conduct continuous development in talent acquisition and training.

## **LIQUIDITY, FINANCIAL RESOURCES, GEARING RATIO AND CAPITAL STRUCTURE**

During the year, the Group financed its operations by its internal resources. As at 31 December 2022, the Group had net current assets of approximately HK\$18.9 million (2021: HK\$58.1 million), including cash and bank balances of approximately HK\$17.0 million (2021: HK\$56.2 million) mainly denominated in Hong Kong dollars, with approximately HK\$5.3 million (2021: HK\$5.0 million) denominated in renminbi which is not freely convertible into other currencies and the remittance of funds out of the PRC is subject to exchange restrictions imposed by the PRC government.

The gearing ratio of the Group as at 31 December 2022 was 5.5% (2021: 11.0%). The gearing ratio is calculated as total debt divided by total equity as at the respective year end.

There has been no change in the capital structure of the Company since the listing. The equity attributable to owners of the Company amounted to approximately HK\$64.8 million as at 31 December 2022 (2021: HK\$69.7 million).

## **PLEDGE OF ASSETS**

As at 31 December 2022, the Group did not have any pledged assets (2021: Nil).

## **FOREIGN EXCHANGE EXPOSURE AND TREASURY POLICY**

The Group has substantial operations in the PRC with transactions originally denominated and settled in RMB. The Group is exposed to foreign exchange risk from various currencies primarily with respect to Hong Kong dollars. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and may enter into certain forward foreign exchange contracts, when necessary, to manage its exposure against HK\$ and to mitigate the impact on exchange rate fluctuations. The Group did not engage in any derivatives agreement and did not commit to any financial instruments to hedge its foreign exchange exposure during the year. The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the year. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To



manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

## **CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES**

The Group had no significant capital commitments as at 31 December 2022 (2021: Nil).

As at 31 December 2022, the Group did not have any material contingent liability (2021: Nil).

## **SEGMENTAL INFORMATION**

Segmental information for the Group is presented as disclosed in Note 4 to the consolidated financial statements in this announcement.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 December 2022, the Group had 42 (2021: 40) full-time employees (including executive Director). The Group offers a comprehensive and competitive remuneration and benefits package to all its employees. The Group has adopted a share option scheme and approved by the then Shareholders on 16 November 2017 (the "Share Option Scheme") for the purpose of providing incentives and rewards to eligible persons who contribute to the success of the Group's operations. The Group has also adopted other employee benefits including a mandatory provident fund retirement benefit scheme for its employees in Hong Kong, as required under the Mandatory Provident Fund Schemes Ordinance, and has participated in central pension scheme organised and governed by the relevant local governments for its employees in the PRC and also participated to contribute social security and medical as required by the local government for employees in the United States. In addition, discretionary bonus is offered to eligible employees by reference to the Group's results and individual performance. To ensure that the Group is able to attract and retain staff capable of attaining the best performance levels, remuneration packages are reviewed on a regular basis.

## **SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES**

During the year ended 31 December 2022, 8306 Skyline LLC, an indirect wholly-owned subsidiary of the Company, has entered into a transfer deed (the "Transfer Deed") for the acquisition (the "Acquisition") of the property (the "Property") located at the USA at the consideration of US\$4,502,240 with Mr. Jong Lee (the "Vendor"), an independent third party of the Company. As disclosed in the Company's announcement dated 10 June 2022, as the Group intends to expand and develop its brand-integrated content production media business, many of the Group's content licensors, content producers and potential customers are based in Los Angeles, the USA. The Group intends to use the Property as staff accommodation for employees of the Group travelling to Los Angeles for business, office, client and business associate entertainment or other business event venue after the

completion of the Acquisition in accordance with the terms and conditions of the Transfer Deed. For more details, please refer to the announcement of the Company dated 10 June 2022 and the circular of the Company dated 4 July 2022.

During the year ended 31 December 2022, an indirectly-owned subsidiary incorporated in the USA was dissolved.

Save as disclosed, the Group did not have other significant investments, material acquisitions and disposal of subsidiaries and affiliated companies during the year.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

The Group did not have other plans for material investments and capital assets.

## **FINAL DIVIDEND**

The Board does not recommend the payment of any final dividend for the year ended 31 December 2022 (2021: Nil).

## **CLOSURE OF THE REGISTER OF MEMBERS**

The annual general meeting of the Company (the "AGM") will be held on Thursday, 15 June 2023. The register of members of the Company will be closed from Monday, 12 June 2023 to Thursday, 15 June 2023, both dates inclusive, during which period no transfer of Shares could be registered for determination of entitlement of the Shareholders to attend and vote at the AGM. In order to qualify for attending and voting in the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with our Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Friday, 9 June 2023.

## **CORPORATE GOVERNANCE PRACTICES**

The Company is committed to maintaining a high standard of corporate governance in emphasising a quality board of directors, sound internal control, transparency and accountability with a view to safeguard the interests of all the Shareholders. The Board has adopted the principles and the code provisions of Corporate Governance Code (the "CG Code") contained in Appendix 15 to the GEM Listing Rules. In accordance with the requirements of the GEM Listing Rules, the Company has established an Audit Committee, a Nomination Committee and a Remuneration Committee with specific written terms of reference. The Company has complied with all the code provisions of the CG Code as set out in Appendix 15 to the GEM Listing Rules throughout the year ended 31 December 2022 except for the deviation from code provision C.2.1 as detailed below.

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. Under the current structure of the Company, Ms. Bonnie Chan Woo is the Chairperson and the CEO. In view that Ms. Bonnie Chan Woo

has been managing the Group's business and overall strategic planning since August 2002. The Board believes that the vesting of the roles of the Chairperson of the Board and CEO in Ms. Bonnie Chan Woo is beneficial to the business operations and management of the Group as it provides a strong and consistent leadership to the Group, and the current management has been effective in the development of the Group and implementation of business strategies under the leadership of Ms. Bonnie Chan Woo. In allowing the two roles to be vested in the same person, the Board believes both positions require in-depth knowledge and considerable experience in the Group's business, and Ms. Bonnie Chan Woo is the most suitable person to take up both positions for effective management of the Group.

Therefore, the Board considers that the deviation from code provision C.2.1 of the CG Code is appropriate in such circumstances. Notwithstanding the above, the Board believes that the balance of power and authority is adequately ensured by the operation of the Board which comprises experienced and high-caliber individuals, with three of them being independent non-executive directors.

### **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted a code of conduct regarding securities transactions (the "Model Code") by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has confirmed that, having made specific enquiry of all the Directors, all Directors have complied with the Model Code for the year ended 31 December 2022.

Pursuant to Rule 5.66 of the GEM Listing Rules, the Directors have also requested any employee of the Company or director or employee of a subsidiary of the Company who, because of his/her 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/she would be prohibited from dealing by the Model Code as if he/she was a Director.

### **AUDIT COMMITTEE**

The Audit Committee was established on 16 November 2017 with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and paragraph D.3 of the CG Code as set out in Appendix 15 to the GEM Listing Rules. The Audit Committee comprises of three independent non-executive Directors, namely Mr. Ip Arnold Tin Chee, Mr. Hung Alan Hing Lun and Mr. Man Ka Ho Donald, Mr. Ip Arnold Tin Chee is the chairman of the Audit Committee.

The primary duties of the Audit Committee include reviewing and supervising the Group's financial reporting system, monitoring the internal control procedures and risk management, reviewing the Group's financial information and the relationship with the external auditors of the Company, ensuring compliance with the relevant laws and regulations.

The Audit Committee has reviewed the audited annual results of the Group for the year ended 31 December 2022 and was satisfied that such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

## **EVENT AFTER THE REPORTING PERIOD**

Saved as disclosed elsewhere in the consolidated financial statements, the Group has no significant events after the reporting period.

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

During the year and up to the date of this announcement, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities.

## **SCOPE OF WORK OF MAZARS CPA LIMITED**

The figures in respect of the Group's consolidated statement of financial position as at 31 December 2022 and consolidated statement of profit or loss and comprehensive income, consolidated statement of changes in equity and the related notes thereto for the year ended 31 December 2022 as set out in the preliminary announcement of the Group have been agreed by the Group's auditor, Mazars CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Mazars CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Mazars CPA Limited on the preliminary announcement.

## **APPOINTMENT OF MEMBER OF NOMINATION COMMITTEE**

The Board is pleased to announce that Mr. Chow Sai Yiu Evan, a non-executive Director, has been appointed as a member of the Nomination Committee effective from 22 March 2023.

By order of the Board  
**SV Vision Limited**  
**Woo Chan Tak Chi Bonnie**  
*Chairperson and Chief Executive Officer*

Hong Kong, 22 March 2023

*As at the date of this announcement, the Board comprises Ms. Woo Chan Tak Chi Bonnie as executive Director, Mr. Chow Sai Yiu Evan as non-executive Director and Mr. Ip Arnold Tin Chee, Mr. Hung Alan Hing Lun and Mr. Man Ka Ho Donald as independent non-executive Directors.*

*This announcement will remain on the "Latest Company Announcements" page on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) for at least 7 days from the date of its posting. This announcement will also be published on the Company's website at [www.svision.io](http://www.svision.io).*