

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



Most Kwai Chung Limited

毛記葵涌有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1716)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2024

FINANCIAL HIGHLIGHTS	Year ended 31 March	
	2024	2023
Revenue	HK\$55.2 million	HK\$39.6 million
Gross profit	HK\$20.0 million	HK\$9.5 million
Net loss	(HK\$9.3 million)	(HK\$20.7 million)
Basic loss per share	(HK3.41 cents)	(HK7.55 cents)

RESULTS

The board (the “Board”) of directors (the “Directors”) of Most Kwai Chung Limited (the “Company”) announces the consolidated audited results of the Company and its subsidiaries (collectively as the “Group”) for the year ended 31 March 2024 (the “Year”), together with the comparative figures for the previous financial year ended 31 March 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 March	
		2024	2023
	Note	HK\$'000	HK\$'000
Revenue	4	55,195	39,593
Cost of sales		<u>(35,223)</u>	<u>(30,083)</u>
Gross profit		19,972	9,510
Other income		1,084	242
Selling and distribution expenses		(11,503)	(8,220)
Administrative expenses		(19,756)	(17,209)
Impairment loss on investment in an associate		–	(468)
Provision for impairment losses on trade receivables, net	7	<u>(118)</u>	<u>(403)</u>
Operating loss		(10,321)	(16,548)
Finance income		1,470	226
Finance costs		<u>(105)</u>	<u>(100)</u>
Finance income, net		1,365	126
Share of loss of associates, net		(102)	(4,438)
Share of loss of a joint venture		<u>(254)</u>	<u>(22)</u>
Loss before income tax		(9,312)	(20,882)
Income tax credit	5	<u>–</u>	<u>135</u>
Loss and total comprehensive loss for the year		<u>(9,312)</u>	<u>(20,747)</u>
Attributable to:			
Owners of the Company		(9,215)	(20,387)
Non-controlling interests		<u>(97)</u>	<u>(360)</u>
		<u>(9,312)</u>	<u>(20,747)</u>
Basic loss per share for loss attributable to owners of the Company (Hong Kong cents)	6	<u>(3.41)</u>	<u>(7.55)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 March	
	2024	2023
<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
ASSETS		
Non-current assets		
Property, plant and equipment	1,395	1,216
Right-of-use assets	1,516	1,474
Deposits	456	185
Interests in associates	775	2,283
Interest in a joint venture	45	299
	4,187	5,457
Current assets		
Inventories	473	480
Trade receivables	7 8,984	5,254
Prepayments, deposits and other receivables	4,480	1,916
Amount due from non-controlling interest	–	1,600
Current income tax recoverable	12	404
Cash and cash equivalents	42,823	50,815
	56,772	60,469
Total assets	60,959	65,926
EQUITY		
Capital and reserves		
Share capital	2,700	2,700
Reserves	42,814	52,989
	45,514	55,689
Equity attributable to owners of the Company	45,514	55,689
Non-controlling interests	1,189	640
	46,703	56,329
Total equity	46,703	56,329

		As at 31 March	
		2024	2023
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
LIABILITIES			
Non-current liabilities			
Lease liabilities		409	648
Defined benefit plan obligations		176	–
		<u>585</u>	<u>648</u>
Current liabilities			
Trade payables	8	1,418	751
Lease liabilities		1,144	868
Amount due to an associate		1,489	1,489
Other payables and accruals		3,941	3,596
Contract liabilities		5,636	2,202
Current income tax liabilities		43	43
		<u>13,671</u>	<u>8,949</u>
Total liabilities		<u>14,256</u>	<u>9,597</u>
Total equity and liabilities		<u>60,959</u>	<u>65,926</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

1 GENERAL INFORMATION

Most Kwai Chung Limited (the “Company”) was incorporated in the Cayman Islands on 8 June 2017 as an exempted company with limited liability under the Companies Law (as revised from time to time) of the Cayman Islands. The address of the Company’s registered office is PO Box 309, Umland House, Grand Cayman, KY1-1104, Cayman Islands and its principal place of business is located at Unit 8, 16/F, Block B, Tung Chun Industrial Building, 11–13 Tai Yuen Street, Kwai Chung, New Territories, Hong Kong. The ordinary shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

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

The ultimate holding company of the Group is Blackpaper Limited (“Blackpaper BVI”), a company incorporated in the British Virgin Islands with limited liability. Blackpaper BVI is owned as 50% by each of Mr. Iu Kar Ho (“Mr. Iu”) and Mr. Luk Ka Chun (“Mr. Luk”).

These consolidated financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand (“HK\$’000”) except when otherwise indicated.

2 BASIS OF PREPARATION

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

3 NEW AND AMENDMENTS TO STANDARDS ADOPTED BY THE GROUP AND CHANGES IN OTHER ACCOUNTING POLICIES

The Group has applied the following new and amendments to standards for the first time for their annual reporting period commencing on 1 April 2023.

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

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

Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

The Group has applied the amendments for the first time in the current year. HKAS 1 Presentation of Financial Statements is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 Making Materiality Judgements (the “Practice Statement”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group's financial positions and performance but has affected the disclosure of the Group's accounting policies in the consolidated financial statements.

Amendments to HKAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrow the scope of the initial recognition exemption such that it does not apply to transactions that give rise to equal and offsetting temporary differences on initial recognition such as leases. For leases, the associated deferred tax assets and liabilities are required to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to accumulated losses or other components of equity at that date. For all other transactions, the amendments are applied to those transactions that occur after the beginning of the earliest period presented.

Prior to the amendments, the Group did not apply the initial recognition exemption to lease transactions and had recognised the related deferred tax, except that the Group previously determined the temporary difference arising from a right-of-use asset and the related lease liability on a net basis on the basis they arise from a single transaction. Following the amendments, the Group has determined the temporary differences in relation to right-of-use assets and lease liabilities separately. The change primarily impacts disclosures of components of deferred tax assets and liabilities, but does not impact the overall deferred tax balances presented in the consolidated statement of financial position as the related deferred tax balances qualify for offsetting under HKAS 12.

Change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund (“MPF”) — Long Service Payment (“LSP”) offsetting mechanism in Hong Kong

The Group is operating in Hong Kong which is obliged to pay LSP to employees under certain circumstances. Meanwhile, the Group makes mandatory MPF contributions to the trustee who administers the assets held in a trust solely for the retirement benefits of each individual employee. Offsetting of LSP against an employee’s accrued retirement benefits derived from employers’ MPF contributions was allowed under the Employment Ordinance (Cap. 57). In June 2022, the Government of the HKSAR gazetted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the “Amendment Ordinance”) which abolishes the use of the accrued benefits derived from employers’ mandatory MPF contributions to offset severance payment and LSP (the “Abolition”). The Abolition will officially take effect on 1 May 2025 (the “Transition Date”). In addition, under the Amendment Ordinance, the last month’s salary immediately preceding the Transition Date (instead of the date of termination of employment) is used to calculate the portion of LSP in respect of the employment period before the Transition Date.

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” which provides guidance for the accounting for the offsetting mechanism and the impact arising from abolition of the MPF-LSP offsetting mechanism in Hong Kong.

The Group has not applied any amendments to the standards or interpretations that is not yet effective for the 31 March 2024.

4 REVENUE AND SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker (“CODM”) that are used for making strategic decisions. The CODM is identified as executive directors of the Company. The executive directors reviewed the Group’s internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

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

Digital media services

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

Print media services

Print media services represent sale of books published by the Group.

Other media services

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

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

	2024			
	Digital media services <i>HK\$'000</i>	Print media services <i>HK\$'000</i>	Other media services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue	52,758	525	6,485	59,768
Inter-segment transactions	(4,361)	–	(212)	(4,573)
Revenue from external customers	<u>48,397</u>	<u>525</u>	<u>6,273</u>	<u>55,195</u>
Segment (loss)/profit before income tax	(9,032)	(1,325)	489	(9,868)
Unallocated expenses				(453)
Finance income, net				1,365
Share of loss of associates, net				(102)
Share of loss of a joint venture				(254)
Loss for the year				<u>(9,312)</u>
Other information:				
Depreciation of property, plant and equipment	85	501	60	646
Depreciation of right-of-use assets	1,022	–	72	1,094
Finance costs related to leases liabilities	97	–	8	105
Write-back of other payables	–	–	522	522

	2023			
	Digital media services <i>HK\$'000</i>	Print media services <i>HK\$'000</i>	Other media services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue	38,309	1,179	2,801	42,289
Inter-segment transactions	(2,349)	–	(347)	(2,696)
Revenue from external customers	<u>35,960</u>	<u>1,179</u>	<u>2,454</u>	<u>39,593</u>
Segment loss before income tax	(13,020)	(1,491)	(1,352)	(15,863)
Unallocated expenses				(217)
Impairment loss on investment in an associate				(468)
Finance income, net				126
Share of loss of associates, net				(4,438)
Share of loss of a joint venture				(22)
Income tax credit				<u>135</u>
Loss for the year				<u>(20,747)</u>
Other information:				
Depreciation of property, plant and equipment	162	600	–	762
Depreciation of right-of-use assets	1,169	–	–	1,169
Finance costs related to leases liabilities	100	–	–	100
Write-off of inventories	–	88	809	897
Write-off of property, plant and equipment	<u>–</u>	<u>106</u>	<u>–</u>	<u>106</u>

Inter-segment transactions are charged at prices agreed between group entities, which are determined by reference to the prices offered to third party customers.

All of the Group's activities are carried out in Hong Kong and all its assets and liabilities are located in Hong Kong. No analysis of segment assets and segment liabilities is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Information about major customers:

Revenue from major customer arising from digital media services which accounted for 10% or more of the total revenue is set out below:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Customer A	<u>8,268</u>	<u>N/A[#]</u>

[#] The corresponding revenue did not contribute 10% or more of the total revenue.

Disaggregation of revenue by the timing of revenue recognition is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
At a point of time:		
Media services income	45,170	32,463
Sales of books and merchandise	525	1,219
Performance income	<u>6,121</u>	<u>2,414</u>
	<u>51,816</u>	<u>36,096</u>
Over time:		
Media services income	3,227	3,497
Consultancy service income	<u>152</u>	<u>–</u>
	<u>3,379</u>	<u>3,497</u>
	<u>55,195</u>	<u>39,593</u>

(a) Changes in contract liabilities

Contract liabilities for receipts in advance from customers have increased by HK\$3,434,000 (2023: decreased by HK\$751,000) from prior year. The increase in 2024 was mainly due to new customers commitment from digital media services and other media services. The decrease in 2023 was mainly due to the fulfilment of the performance obligation of digital media services during that year.

(b) Revenue recognised in relation to contract liabilities

The following table shows the amount of revenue recognised during the year that was included in the contract liabilities balance at the beginning of the year.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Media services and performance income contracts	<u>2,202</u>	<u>2,649</u>

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

5 INCOME TAX CREDIT

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Over provision for prior years	<u>–</u>	<u>(135)</u>
Income tax credit	<u>–</u>	<u>(135)</u>

6 LOSS PER SHARE

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

	2024	2023
Loss attributable to owners of the Company during the year (<i>HK\$'000</i>)	<u>(9,215)</u>	<u>(20,387)</u>
Weighted average number of ordinary shares in issue	<u>270,000,000</u>	<u>270,000,000</u>
Basic loss per share (Hong Kong cents)	<u>(3.41)</u>	<u>(7.55)</u>

The Company did not have any potential dilutive shares throughout the years, accordingly, no diluted loss per share is presented.

7 TRADE RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	9,961	6,118
Less: provision for impairment of trade receivables	<u>(977)</u>	<u>(864)</u>
	<u>8,984</u>	<u>5,254</u>

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 2 months	4,535	3,960
2 to 4 months	770	1,120
4 to 6 months	1,474	477
Over 6 months	<u>3,182</u>	<u>561</u>
	<u>9,961</u>	<u>6,118</u>

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade receivables. To measure the expected credit losses, these receivables have been grouped based on shared credit risk characteristics and the ageing derived based on days past due.

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

	<i>HK\$'000</i>
As at 1 April 2022	860
Provision of impairment recognised during the year, net	403
Written off	<u>(399)</u>
As at 31 March 2023 and 1 April 2023	864
Provision of impairment recognised during the year, net	118
Written off	<u>(5)</u>
As at 31 March 2024	<u><u>977</u></u>

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

8 TRADE PAYABLES

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 1 month	1,186	708
1 to 2 months	136	43
2 to 3 months	–	–
Over 3 months	96	–
	<u>1,418</u>	<u>751</u>

9 DIVIDEND

The directors do not recommend the payment of any dividend in respect of the year ended 31 March 2024 (2023: HK\$nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group provides integrated advertising and media services to customers which can be categorised into (i) digital media services under which the Group provides a one-stop advertising solution package to the customers, with different types of advertisements including video, online banner, newsfeed and advertorial, through various distribution channels including digital media platforms (which include (a) the respective fan pages of “100 Most” (100毛), “TVMost” (毛記電視) and the Group’s contracted artistes on third party social media platforms and (b) TVMost’s website and mobile application operated by the Group) (the “Digital Media Platforms”), third parties’ TV channels, the Internet, and physical advertising spaces; (ii) print media services which include sale of book publications; and (iii) other media services which include events organisation and artistes management. Under the current circumstances, the Group expects the prospects of the advertising and media industry to be steady recovering for the coming year. The Group aims to further promote the brand awareness and strengthen the variety and content of the events organised by the Group in the future.

Digital Media Services

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

Revenue from the digital media services increased from approximately HK\$36.0 million for the year ended 31 March 2023 to approximately HK\$48.4 million for the Year, representing an increase of 34%. Segment loss before income tax was approximately HK\$13.0 million and HK\$9.0 million for the years ended 31 March 2023 and 2024 respectively, representing a decrease of 31%. During the Year, the increase in revenue from the digital media services and the decrease in segment loss before income tax were mainly due to increased number of clients and the increased marketing spending from the clients of digital media services segment. The Group will continue its efforts in capturing more business opportunities in the digital media services segment brought by the digitalisation in the market.

Print Media Services

Print media services segment comprises sales of books published by the Group.

Revenue from the print media services was approximately HK\$1.2 million and HK\$0.5 million for the years ended 31 March 2023 and 2024 respectively. Segment loss before income tax was approximately HK\$1.5 million and HK\$1.3 million for the years ended 31 March 2023 and 2024 respectively.

Other Media Services

Other media services represent events organisation, artistes management and consultancy income.

Revenue from the other media services was approximately HK\$2.5 million and HK\$6.3 million for the years ended 31 March 2023 and 2024 respectively. Segment loss before income tax was approximately HK\$1.4 million for the year ended 31 March 2023 and segment profit before income tax was approximately HK\$0.5 million for the Year. The turn from segment loss before income tax into segment profit before income tax was mainly attributable to the increase in revenue derived from artistes management during the Year.

Outlook

We anticipate a solid growth in the demand for digital marketing services due to the rising internet penetration rate and growing mobile commerce market. Our Group will continue to use its strength to assist our customers, especially in the digital media services, to meet their marketing needs.

In the future, our Group will continue to develop its core business as well as to seek suitable business opportunities; and to keep up with evolving technologies and consumer behaviour to maintain a competitive edge in the dynamic business landscape.

Financial Review

Revenue

Revenue of the Group increased by approximately HK\$15.6 million or 39% from approximately HK\$39.6 million for the year ended 31 March 2023 to approximately HK\$55.2 million for the Year. The increase was mainly attributable to the increase in revenue from digital media services segment.

Cost of Sales

The Group's cost of sales comprises direct cost incurred for the digital media services (mainly include staff costs and costs of production), print media services (mainly include staff costs, cost of inventories, inventories written off, royalties and other production costs) and other media services (mainly include staff costs and other costs incurred during organisation of events). The cost of sales increased to approximately HK\$35.2 million for the Year from approximately HK\$30.1 million for the year ended 31 March 2023, representing an increase of approximately HK\$5.1 million or 17% during the Year which was resulted from the increment in revenue.

Gross Profit and Gross Profit Margin

The gross profit of the Group increased by approximately HK\$10.5 million or 111% from approximately HK\$9.5 million for the year ended 31 March 2023 to approximately HK\$20.0 million for the Year. The large increase was mainly attributable to the increase from digital media services segment.

The overall gross profit margin of the Group was approximately 24% and 36% for the years ended 31 March 2023 and 2024, respectively. The increase in gross profit margin was mainly attributable to the improvement of production cost controlling during the Year.

Selling and Distribution Expenses

Selling and distribution expenses mainly consist of staff costs, advertising and promotion expenses and others. Selling and distribution expenses of the Group was approximately HK\$8.2 million and approximately HK\$11.5 million for the years ended 31 March 2023 and 2024 respectively, representing an increase by approximately HK\$3.3 million or 40% which was mainly attributable to the additional selling and distribution expenses increased in line with the increased revenue in the Year.

Administrative Expenses

Administrative expenses of the Group increased from approximately HK\$17.2 million for the year ended 31 March 2023 to approximately HK\$19.8 million for the Year, representing an increase by approximately HK\$2.6 million or 15%. The increase was mainly due to there being approximately HK\$1.8 million subsidy granted to the Group for the year ended 31 March 2023 under the HKSAR Government's Employment Support Scheme ("ESS"); however, the Group did not obtain any such subsidy for the Year as ESS was not available for the Year.

Loss before Income Tax

During the years ended 31 March 2023 and 2024, the loss before income tax were approximately HK\$20.9 million and HK\$9.3 million, respectively. During the Year, the decrease in loss before income tax was mainly due to the combined effects of (i) the increased gross profit of approximately HK\$10.5 million; (ii) the increased selling and distribution expenses of approximately HK\$3.3 million; (iii) the decrease in ESS being approximately HK\$1.8 million during the Year; and (iv) the decrease in share of loss of associate being approximately HK\$4.3 million.

Income Tax Credit

The income tax credit was approximately HK\$0.1 million and nil for the year ended 31 March 2023 and 2024, respectively.

Liquidity and Financial Resources

During the Year, the Group's operation and capital requirements were financed principally through the operating activities. As at 31 March 2023 and 2024, the Group had net current assets of approximately HK\$51.5 million and HK\$43.1 million, respectively, including cash and cash equivalents of approximately HK\$50.8 million and HK\$42.8 million respectively. The Group's current ratio (current assets divided by current liabilities) decreased from approximately 6.8 as at 31 March 2023 to approximately 4.2 as at 31 March 2024. Such decrease was mainly due to the decrease in cash and cash equivalents for the Year. The Group's gearing ratio was calculated based on the total debt divided by the total equity as at the respective dates and multiplied by 100%. As at 31 March 2024, the Group's gearing ratio was nil (2023: nil).

Treasury Policies

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

Capital Structure

As at 31 March 2024, the Company had 270,000,000 Shares in issue. There has been no change in the capital structure of the Group since the listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing”). The share capital of the Company only comprises ordinary shares.

Material Acquisitions or Disposal of Subsidiaries, Associates or Joint Ventures

The Group did not make any material acquisitions or disposal of subsidiaries, associates, or joint ventures during the Year.

Significant Investments Held

The Group did not hold any significant investment during the Year.

Future Plans for Material Investments and Capital Assets

Save as those disclosed under the section headed “Business — Business Strategies” in the prospectus of the Company dated 16 March 2018 (the “Prospectus”) and the section headed “Comparison of Business Strategies with Actual Business Progress” in this announcement, the Group currently has no other plan for material investments and capital assets.

Contingent Liabilities

The Group did not have material contingent liabilities as at 31 March 2024.

Foreign Exchange Exposure

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

Pledge of Assets

As at 31 March 2024, none of the Group’s assets were pledged.

Employees and Remuneration Policies

The total number of full-time employees were 73 and 81 as at 31 March 2023 and 2024, respectively. The Group’s employee benefit expenses mainly include salaries, discretionary bonuses, commissions, medical insurance coverage, other staff benefits and contributions to retirement schemes. For the years ended 31 March 2023 and 2024, the Group’s total employee benefit expenses (including Directors’ emoluments) amounted to approximately HK\$26.5 million and HK\$31.3 million, respectively.

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

Comparison of Business Strategies with Actual Business Progress

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

Business strategies as stated in the Prospectus	Actual business progress up to the date of this announcement
Pursue growth through mergers and acquisitions and/or strategic alliance	Identifying potential acquisition targets which are engaged in, among others, video productions, event marketing, digital advertising and media related services and/or technology development.
Expand the customer base and business operations through sales and marketing efforts	<p>Hired additional sales executives to support the business growth in digital media services segment.</p> <p>Recruited marketing staff to assist in conducting pitching activities to build up and strengthen relationship with a broader customer base.</p> <p>Although new sales executives were hired during the Year, it is expected that more sales executives will be hired to boost the growth of our digital media services.</p>
Upgrade IT infrastructure and procure equipment with advanced technologies to facilitate production efficiency	Upgraded the internal IT system of the Group and procured new production equipment with advanced technologies. The upgrade of TVMost's website and mobile application will be fine-tuned from time to time due to rapid change of social media trends. As a result, services provider for upgrading the website and mobile application is under selection.
Strengthen the efforts in events organisation to further extend the Group's marketing channels	Held seven events in total in the form of live performance since the Listing.

USE OF PROCEEDS

The Shares have been successfully listed on the Main Board of the Stock Exchange on 28 March 2018 (“the Listing Date”). The actual net proceeds from the Listing, after deducting commission and expenses in connection with the Listing, were approximately HK\$53.5 million (the “Actual Net Proceeds”). On 17 March 2021, the Board resolved to change the use and allocation of the unutilised Actual Net Proceeds (“Change in Allocation of Proceeds”). For further details of the Change in Allocation of Proceeds and the reasons and benefits of such change, please refer to the announcement of the Company dated 17 March 2021. As disclosed in the annual report of the Company for the year ended 31 March 2023, the Board extended the expected timeline for the application of the unutilised proceeds to a date falling on or before 31 March 2025 in view of the dynamic changes in the global and local economic environment since the onset of COVID-19 in 2020 and the associated demand uncertainty. Save for the update in expected timeline for application of the unutilised proceeds, there was no other change for the plan for use of the unutilised proceeds. The table below sets out the actual use of the Actual Net Proceeds up to 31 March 2024.

Use of Actual Net Proceeds	Original allocation of Actual Net Proceeds <i>HK\$ million</i>	Revised allocation of Actual Net Proceeds after Change in Allocation of Proceeds <i>HK\$ million</i>	Actual use of the Actual Net Proceeds from Listing Date to 31 March 2024 <i>HK\$ million</i>	Unutilised proceeds as at 31 March 2024 <i>HK\$ million</i>	Expected timeline for the application of the unutilised proceeds
Pursue growth through mergers and acquisitions and/or strategic alliance	15.19	5.35	1.97	3.38	By 31 March 2025
Expand the customer base and business operations through sales and marketing efforts	11.72	10.70	10.70	–	N/A
Upgrade IT infrastructure and procure equipment with advanced technologies to facilitate production efficiency	11.13	2.68	2.68	–	N/A
Strengthen the efforts in events organisation to further extend the Group’s marketing channels	10.11	16.05	16.05	–	N/A
As working capital and for general corporate purposes	5.35	18.72	18.72	–	N/A
Total	53.50	53.50	50.12	3.38	

As at 31 March 2024, all unutilised proceeds of approximately HK\$3.38 million have been deposited into banks in Hong Kong. The Group intends to apply the unutilised proceeds as shown above and expects to fully utilise such amount by 31 March 2025.

As for the pursuit of growth through mergers and acquisitions and/or strategic alliance, during the period since the Listing Date and up to 31 March 2024, the Group had entered into preliminary discussions with, among others, a company principally engaged in movie production and a company principally engaged in digital advertising and media in respect of the potential acquisition of shares of such companies. As of the date of this announcement, all of such discussions were terminated and no formal agreement was entered into in this regard. Subsequent to 31 March 2024 and up to the date of this announcement, the Group was still in the process of identifying potential acquisition targets which are engaged in, among others, video productions, event marketing, digital advertising and media related services and/or technology development.

Future Prospects

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

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the Year (2023: nil).

CLOSURE OF REGISTER OF MEMBERS

To determine the entitlement to attend and vote at the annual general meeting of the Company (“AGM”) to be held on Wednesday, 21 August 2024, the register of members of the Company will be closed from Friday, 16 August 2024 to Wednesday, 21 August 2024, both dates inclusive, during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong for registration not later than 4:30 p.m. on Thursday, 15 August 2024.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There was no significant events affecting the Group after the Year and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted the principles and complied with the code provisions (the "Code Provisions") as set out under the Corporate Governance Code (the "CG Code") in Appendix C1 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange. The Company has complied with all the Code Provisions of the CG Code throughout the Year.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules as a code of conduct of the Company for Directors' securities transactions. The Company has made specific enquiry of all Directors and the relevant employees regarding any non-compliance with the Model Code and they have all confirmed that they had fully complied with the required standard set out in the Model Code throughout the Year.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") was established on 2 March 2018 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D3 in part 2 of the CG Code. The Audit Committee comprises three independent non-executive Directors, namely Mr. Ho Kwong Yu, Mr. Leung Wai Man and Mr. Leung Ting Yuk.

The Audit Committee has reviewed the Group's audited consolidated financial statements for the Year.

SCOPE OF WORK OF BAKER TILLY

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Baker Tilly, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by Baker Tilly 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Baker Tilly on the preliminary announcement.

PUBLICATION OF INFORMATION ON THE WEBSITES OF HONG KONG EXCHANGES AND CLEARING LIMITED AND THE COMPANY

The results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.mostkwaichung.com. The annual report of the Company will be dispatched to the shareholders of the Company and published on above websites in due course.

By order of the Board of
Most Kwai Chung Limited
Iu Kar Ho
Chairman and Executive Director

Hong Kong, 27 June 2024

As at the date of this announcement, the Board comprises Mr. Iu Kar Ho (Chairman) and Mr. Luk Ka Chun as executive Directors, and Mr. Leung Wai Man, Mr. Ho Kwong Yu and Mr. Leung Ting Yuk as independent non-executive Directors.