

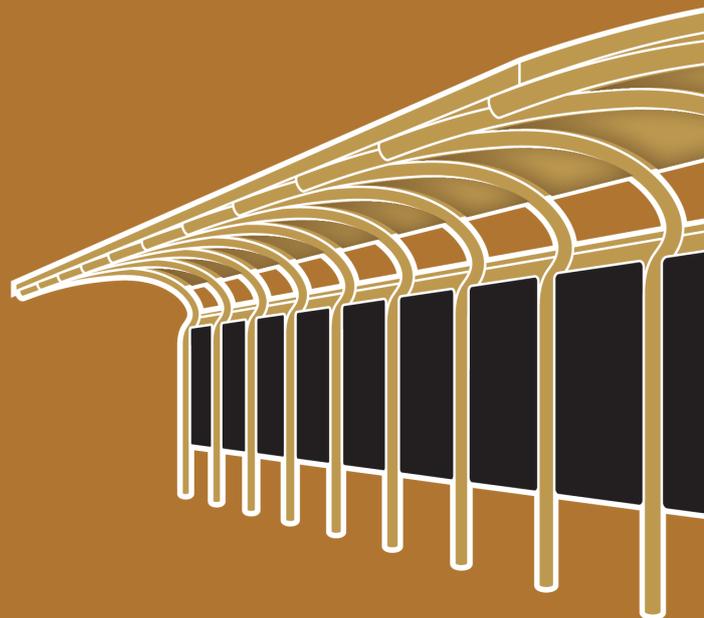
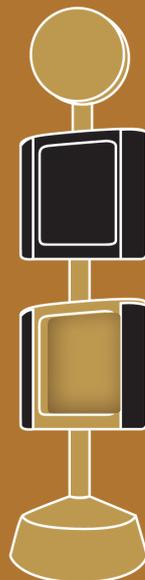
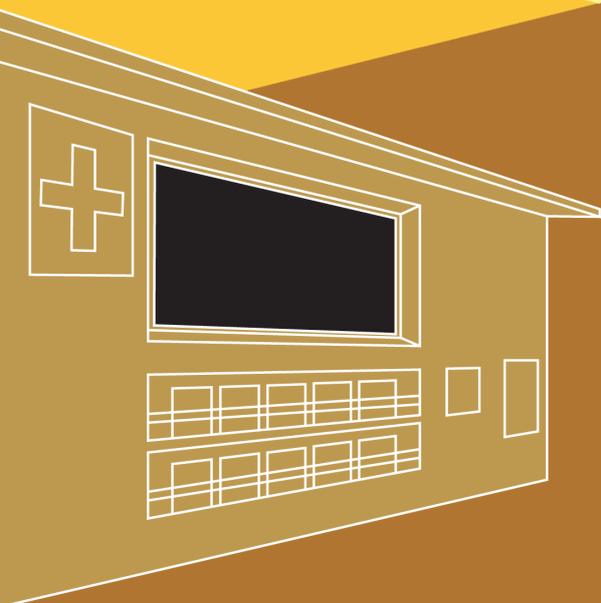
OOH Holdings Limited

奧傳思維控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8091

2021 / 22
ANNUAL REPORT



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

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Ms. CHAU Wai Chu Irene
(Chairlady and Chief Executive Officer)
Mr. LEAN Chun Wai

Non-Executive Director

Mr. DA SILVA Antonio Marcus

Independent Non-Executive Directors

Mr. LAM Yau Fung Curt
Ms. SUEN Wan Nei Winnie
Ms. LAM Hiu Ying

AUDIT COMMITTEE

Mr. LAM Yau Fung Curt *(Chairman)*
Ms. SUEN Wan Nei Winnie
Ms. LAM Hiu Ying

REMUNERATION COMMITTEE

Mr. LAM Yau Fung Curt *(Chairman)*
Ms. SUEN Wan Nei Winnie
Ms. CHAU Wai Chu Irene

NOMINATION COMMITTEE

Ms. SUEN Wan Nei Winnie *(Chairlady)*
Ms. LAM Hiu Ying
Mr. LEAN Chun Wai

CORPORATE GOVERNANCE COMMITTEE

Ms. LAM Hiu Ying *(Chairlady)*
Mr. LAM Yau Fung Curt
Mr. DA SILVA Antonio Marcus

COMPANY SECRETARY

Ms. FUNG Suk Han

COMPLIANCE OFFICER

Ms. CHAU Wai Chu Irene

AUTHORISED REPRESENTATIVES

Ms. CHAU Wai Chu Irene
Ms. FUNG Suk Han

AUDITOR

Mazars CPA Limited
42nd Floor, Central Plaza
18 Harbour Road, Wanchai
Hong Kong

REGISTERED OFFICE

Cricket Square
Hutchins Drive, PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

CORPORATE INFORMATION

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite A5, 9/F, Jumbo Industrial Building
189 Wai Yip Street
Kwun Tong, Kowloon
Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Nanyang Commercial Bank Ltd.

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman
KY1-1111, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

COMPANY WEBSITE

www.ooh.com.hk

PLACE OF LISTING

The Stock Exchange of Hong Kong Limited

STOCK CODE

8091

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of Directors (the "**Board**"), I am presenting to you this year's annual report and the audited consolidated financial statements of OOH Holdings Limited (the "**Company**") together with its subsidiaries (the "**Group**") for the year ended 31 March 2022.

The Group remains to be a leading out-of-home advertising company in Hong Kong with focus on transportation media advertising. In the past year, the Group's core advertising solutions and related services to clients remains in the public transport advertising sector within out-of-home media in Hong Kong namely minibus, taxi and bus media advertisement. The Group expanded our network to bus media with our exclusive cooperation with New Lantao Bus Co., (1973) Limited, a subsidiary of Kwoon Chung Bus Holdings Limited, since September 2021 and with advertising formats on double decker buses, single deckers and coaches to clients for their campaigns.

During the year ended 31 March 2022, the Group managed to maintain our business activities notwithstanding the difficult period of the pandemic and recorded an increase in revenue in our Transportation Business from the first half of the year. Although the market remains tough especially during last quarter due to the fifth wave lockdown throughout the month of March 2022, the Group managed to secure some client's renewal contracts in the first 3 quarters during the financial year. The Government's tightening measure weigh heavily on Hong Kong's economy while most people stayed home starting in January 2022. During this difficult period, the Group's principal business activities ceased while out-of-home advertising market came to almost a stand still. While the Group saw business activities plunged, we have immediately taken COVID-19 preventive measure and imposed partially work from home policy among the different departments to tackle the fifth wave outbreak. As I always said, people are our biggest asset therefore safety are our utmost important philosophy, hence we have managed a very low infection ratio among the members of the team. The Group continue to promote our team members to get vaccination done to better protect ourselves, family members, and the workplace around, paving way for the resumption of a normal life and economic recovery. As the emergence of mutated variants surging again in other countries recently, it reminds us to stay alert and continue vigilance against this epidemic. On the other hand, I am quietly confident that economy recovery may not be too far away as the Government mentioned recently that around 90 percent of the population is now either fully vaccinated or with antibody, and a natural herd immunity may have been created among the community, therefore a further relaxation on social distancing measure maybe announced soon.

Lastly, together with my board, I would like to express my sincere gratitude again to my team for doing such an excellent job during this difficult time, the Group would not have gone through this without all their selfless contribution. As for our shareholders, investors, customers, suppliers, and business partners, I want to tender my heartfelt thanks again to you all for you are the support to our Group.

For and on behalf of the Board,

CHAU Wai Chu Irene

Chairlady

Hong Kong, 21 June 2022

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group continued its principal business in the provision of out-of-home advertising spaces and services to its customers, which comprise end users aiming to promote their brands, products or services, and advertising agents acting for such advertisers. We also offer our customers design, production and advertisement logistics services on the different advertising platforms.

During the year ended 31 March 2022, the Group's principal business, Transportation Business, has recorded a slight growth in inventory of exclusive minibus advertising spaces in our fixed route minibus network from 1,406 units as at 31 March 2021 to 1,461 units as at 31 March 2022. The bus advertising revenue, which comprises revenue generated from minibus advertising and the New Lantao Bus ("NLB") advertising platform, being the Group's principal business, recorded an increase in gross profit margin from approximately 33.3% for the year ended 31 March 2021 to approximately 44.0% for that of 2022. Such increase was contributed by (i) the increase of revenue by virtue of better market sentiment; (ii) the concessions on license fee given by the minibus operators in view of the business environment as a result of the outbreak of COVID-19; and (iii) the increase in production utilization of our in-house printing facilities for production of advertising stickers.

The Group has commenced the exclusive advertising partnership agreement for the use of advertising spaces on NLB on 1 September 2021. This new advertising platform maintains a healthy development in terms of the number of advertisers whereas the Group has new advertising packages to bundle other media platforms with NLB advertising platform to raise the advertisers' awareness to the Group's new venture.

The Group has continued the franchising arrangement with an independent third party for the Mizimamei branded food and beverage operations. The change in operation model has led to the decrease in gross loss margin of Food and Beverage Business from approximately 53.9% for the year ended 31 March 2021 to approximately 23.1% for that of 2022.

The Group has continued the business of pre-owned private vehicle trading which aims on car trading market, especially for vintage and classic automobile. As of the date herein, the Group has successfully traded some vehicles and obtained a reasonable profit for each transaction. However, the Hong Kong Environmental Protection Department announced the termination of exemption for classic vehicles and petrol vehicles imported for personal use from the Noise Control (Motor Vehicles) Regulation and the Air Pollution Control (Vehicle Design Standards) (Emission) Regulations at the vehicle's first registration (the "**Termination of Exemption**"), with effect from 1 June 2022 and the change brought a huge impact to the Group's business in that segment. The importation of classic vehicles or petrol vehicles can now only rely on the purpose of "personal use" route by submitting relevant documents to the Hong Kong Environmental Protection Department to prove that the vehicle has been tested and complied with the Noise Control (Motor Vehicles) Regulation and the Air Pollution Control (Vehicle Design Standards) (Emission) Regulations before the vehicle's first registration in Hong Kong. The term "personal use" does not cater commercial importation whereas the applicant must have owned the vehicle outside Hong Kong for more than six months and the applicant must normally reside in that country or region prior to the application for relevant exemption. The Termination of Exemption made the trading of classic cars difficult and it is expected that the trading price of classic cars will be increased generally since the supply is limited pursuant to the Termination of Exemption. The Group shall continue to monitor the market sentiment of the Termination of Exemption and to make necessary adjustments to the business strategies.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Total revenue of the Group increased by approximately 17.6% from approximately HK\$47.2 million for the year ended 31 March 2021 to approximately HK\$55.5 million for that of 2022. Such increase was mainly due to (i) the increase of revenue generated from bus advertising; and (ii) the increase of revenue generated from taxi advertising.

Revenue generated from bus advertising increased by approximately 18.3% from approximately HK\$43.8 million for the year ended 31 March 2021 to approximately HK\$51.8 million for that of 2022. Such increase was mainly due to the increase of revenue generated from both direct and agency clients by virtue of better market sentiments and increased in governmental tender projects. Revenue generated from taxi advertising increased by approximately 38.5% from approximately HK\$1.3 million for the year ended 31 March 2021 to approximately HK\$1.8 million for that of 2022. Such increase was mainly due to the increase of revenue generated by direct clients and governmental tender projects. Revenue generated from private hospital and clinics media increased from approximately HK\$0.5 million for the year ended 31 March 2021 to approximately HK\$0.7 million for that of 2022 mainly due to the increase of revenue generated by direct clients.

Revenue generated from Logistic Advertising Business remained relatively stable at approximately HK\$0.1 million for the year ended 31 March 2021 and approximately HK\$0.2 million for that of 2022. Revenue generated from the provision of other types of advertising services (for example advertising spaces in other out-of-home media formats) increased from approximately HK\$0.3 million for the year ended 31 March 2021 to approximately HK\$0.8 million for that of 2022. Such increase was mainly due to the increase of revenue generated by (i) railway advertising platform; (ii) truck body advertising platform; and (iii) retro car body advertising platform through the Volkswagen retro van purchased by the Group.

Revenue generated from Food and Beverage Business decreased from approximately HK\$1.1 million for the year ended 31 March 2021 to approximately HK\$0.2 million for that of 2022. Such decrease was mainly due to the completion of the tenancy of the retail outlet located in Central in the mid of May 2021 and the change in operation model of Food and Beverage Business, namely the franchising of the Mizimamei brand to an independent third party for operation since May 2021.

Cost of Sales and Gross Profit Margin

Cost of sales decreased by approximately 3.2% from approximately HK\$32.1 million for the year ended 31 March 2021 to approximately HK\$31.1 million for that of 2022. The decrease was mainly due to (i) the decrease of license fee in the minibus advertising due to the license fee concession following the outbreak of COVID-19; (ii) the decrease of license fee due to the completion of the contract with the operator of tour bus; and (iii) the increase in the utilization of the Group's in-house printing facilities that lower the production cost of advertising stickers.

Gross profit margin increased by approximately 12.0 percentage points from approximately 32.0% for the year ended 31 March 2021 to approximately 44.0% for that of 2022, which was mainly due to (i) the increase in gross profit margin of bus advertising from approximately 33.3% for the year ended 31 March 2021 to approximately 44.0% for that of 2022; and (ii) the decrease in loss of Food and Beverage Business due to the change in operation model and commencement of the franchising cooperation.

MANAGEMENT DISCUSSION AND ANALYSIS

Change in Fair Value of Financial Assets at FVTPL

The Group recorded change in fair value of financial assets at FVTPL of approximately HK\$5.7 million for the year ended 31 March 2022, which was attributable to loss on corporate bonds (2021: Nil).

Selling Expenses

Selling expenses increased by approximately 22.8% from approximately HK\$5.7 million for the year ended 31 March 2021 to approximately HK\$7.0 million for that of 2022 due to the increase of commission paid to our sales team as a result of the increase in revenue.

Administrative Expenses

Administrative expenses increased by approximately 2.7% from approximately HK\$14.6 million for the year ended 31 March 2021 to approximately HK\$15.0 million for that of 2022. The increased was mainly due to the increase in staff welfare for the purchase of anti-epidemic materials to our staff due to the outbreak of the fifth wave of COVID-19.

Other Operating Expenses

The Group recorded other operating expenses of approximately HK\$384,000 for the year ended 31 March 2022, which was attributable to loss on disposal of a subsidiary (2021: HK\$900,000, which was attributable to the impairment loss of Food and Beverage Business).

Finance Costs

Finance costs increased from approximately HK\$1.2 million for the year ended 31 March 2021 to approximately HK\$1.4 million for that of 2022.

Loss Attributable to Owners of the Company

We recorded loss attributable to owners of the Company of approximately HK\$3.1 million for the year ended 31 March 2022 as compared to approximately HK\$4.7 million for that of 2021.

Capital Structure

Details of the Company's share capital are set out in note 26 to the consolidated financial statements in this annual report.

Liquidity and Financial Resources

During the year ended 31 March 2022, the Group mainly financed its operations with its own working capital and the net proceeds from listing. As at 31 March 2022 and 31 March 2021, the Group had net current assets of approximately HK\$30.7 million and approximately HK\$30.9 million respectively, including cash and bank balances of approximately HK\$37.0 million and approximately HK\$38.9 million respectively. The Group did not have any pledged bank deposits as at 31 March 2022 and 31 March 2021.

As at 31 March 2022, the gearing ratio was 0% (2021: 0%), calculated on the Group's bank borrowings over the Group's total equity. As at 31 March 2022 and 31 March 2021, the Group had no bank borrowings.

MANAGEMENT DISCUSSION AND ANALYSIS

Significant Investments Held

The Group did not have any significant investments held as at 31 March 2022 and 31 March 2021.

Material Acquisitions or Disposals of Subsidiaries and Affiliated Companies

Save as disclosed in note 31 to the consolidated financial statements in this annual report, the Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies for the years ended 31 March 2022 and 31 March 2021.

Future Plans for Material Investments and Capital Assets

Save as those disclosed in the prospectus of the Company dated 23 December 2016 (the “**Prospectus**”), the Group currently has no other plan for material investments and capital assets.

Contingent Liabilities

The Group did not have any material contingent liabilities as at 31 March 2022 and 31 March 2021.

Commitments

As at 31 March 2022, the Group did not have any capital commitments (2021: Nil).

Charge on Group’s Asset

As at 31 March 2022, the Group did not pledge any of its assets as security for any facilities granted to the Group (2021: Nil).

Foreign Exchange Exposure

The Group mainly operated in Hong Kong with most of the transactions settled in HK\$ and did not have significant exposure to risk resulting from changes in foreign currency exchange rates.

MANAGEMENT DISCUSSION AND ANALYSIS

Use of Net Proceeds from Listing

The net proceeds from the issue of a total of 180,000,000 new ordinary shares of the Company at the placing price of HK\$0.27 per share under the placing as set out in the Prospectus, after deducting underwriting commission and other expenses relating to the Company's listing, amounted to approximately HK\$29.9 million. The net proceeds were intended to be applied in the same proportion and in the same manner as shown in the Prospectus. Accordingly, approximately 69.7% (HK\$20.9 million), 18.2% (HK\$5.4 million), 9.8% (HK\$2.9 million) and 2.3% (HK\$0.7 million) are applied for (i) expanding our coverage in the minibus advertising network; (ii) expanding our coverage in other transportation advertising platform; (iii) expanding our coverage in the healthcare-related advertising platform; and (iv) enhancing our information management system respectively. An analysis of the utilization of the net proceeds during the period from 5 January 2017 (the "Listing Date") to 31 March 2022 is set out below:

	Amount of usage of net proceeds from the Listing Date to 31 March 2022		Unutilized net proceeds as at 31 March 2022 HK\$ million	Expected timeline for full utilization of the unutilized net proceeds
	Estimated* HK\$ million	Actual HK\$ million		
(i) Expand our coverage in the minibus media	20.9	15.2	5.7	On or before 31 March 2023
(ii) Expand our coverage in other transportation	5.4	3.2	2.2	On or before 31 March 2023
(iii) Expand our coverage in the healthcare-related advertising	2.9	0	2.9	On or before 31 March 2023
(iv) Enhance our information management system	0.7	0.1	0.6	On or before 31 March 2023
Total	29.9	18.5	11.4	

Note: Business strategies are as set out in the Prospectus.

The unutilized net proceeds as at 31 March 2022 were placed as bank deposits with licensed bank in Hong Kong.

* The estimated amount of usage of net proceeds as at 31 March 2022 has been adjusted in the same proportion and in the same manner as stated in the Prospectus due to the above-mentioned difference between the estimated net proceeds and the actual net proceeds received.

MANAGEMENT DISCUSSION AND ANALYSIS

An analysis comparing the business objective stated in the Prospectus with the Group's actual business progress as at 31 March 2022 is set out below:

Business objective and strategy	Actual business progress up to 31 March 2022
(i) Expand our coverage in the minibus media	<p>The Group has obtained advertising spaces on 838 additional green minibuses and 62 additional red minibuses.</p> <p>For in-vehicle LCD panel advertising services, minibus operators are pessimistic of the advertising revenue to be generated to them corresponding to the technical complexity of installing the LCD panels in particular to comply with the safety regulations of the Transport Department. In view of such difficulties, the Group will reallocate the resources of this segment into other segments or new business segments to maximize the effectiveness of the use of proceeds.</p>
(ii) Expand our coverage in other transportation	<p>The exclusive contract for the use of advertising spaces of not less than 100 coach buses had completed on 31 March 2021.</p> <p>The Group has obtained advertising spaces on 26 additional taxi with 50 additional Taxiboard media.</p> <p>The Group has commenced the agreement for the exclusive use of advertising spaces on NLB in September 2021. The Group has obtained advertising spaces on not less than 88 buses from NLB.</p>
(iii) Expand our coverage in the healthcare-related advertising	<p>Upon the completion of the agreement for the use of advertising spaces at the public hospitals on 30 April 2018 and the close down of the entire media platform in the health and beauty retail stores after 30 June 2018, the Group has assessed the effectiveness of expanding the coverage in the healthcare-related advertising. The Group has been considering the possibility of reallocating the resources of this segment into other segments or new business segments to maximize the effectiveness of the use of proceeds.</p>
(iv) Enhance our information management system	<p>The Group has appointed a contractor to develop a new advertising information management system for the minibus advertising inventory management. The new system has completed and the official launch date is 1 July 2022. The delay is due to the outbreak of the fifth wave of COVID-19 that the Group has implemented the work from home policy that slowed down the integration between the outgoing system and the new system.</p>

MANAGEMENT DISCUSSION AND ANALYSIS

Employees and Remuneration Policies

As at 31 March 2022, the Group had 27 employees (2021: 37 employees). The staff costs (including directors' emoluments) amounted to approximately HK\$15.7 million for year ended 31 March 2022 (2021: approximately HK\$15.4 million). The decrease in number of employees was mainly due to the franchising of the retail outlet for Mizimamei branded food and beverage products operations to an independent third party.

Remuneration is determined with reference to market standard and individual employees' responsibilities, qualification, experience and performance. The Group has also adopted a share option scheme as an added incentive for the employees.

OUTLOOK

The fifth wave of COVID-19 in Hong Kong has brought the city's public health system to its knees and seen infections soar beyond 1 million cases. The Government has imposed the strictest social distancing measures, while shifting its stance on a number of plans and policies, including citywide testing, partial lockdowns, and the postponement of the chief executive election.

The number of daily reported positive cases reached a peak of some 70,000 in early March 2022 and trended downward continuously afterwards. The daily caseload dropped to a three-digit number from mid-April 2022, before rebounding to around 1,000 recently. With the local infection situation having stabilised, the Hong Kong SAR Government has proceeded to implement the various measures as planned to resume social and economic activities in a gradual, orderly and risk controlled manner. The 2022 Employment Support Scheme has implemented and assisted the commercial firms to move back its normal track.

As the epidemic situation across the globe shows no sign of abating and we still over a thousand of confirmed cases in Hong Kong these days, we should all stay vigilant and members of the public should not let their guard down.

The Group has been prepared for the market and economic recovery by virtue of the resumption of social and economic activities. The Group continues to focus on out-of-home advertising as our principal business and embraces the challenges of the competition from digital advertising and any sorts of new media platforms. The Group's transportation media platform provides the Group with a solid source of revenue income while the Group will continue to explore other media platforms to diversify the Group's exposures. The Group will also continue to adopt sensible sales packages to clients and provide them with bargains on our unsold advertising spaces so as to maximise the usage of the Group's media assets.

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Ms. CHAU Wai Chu Irene (周慧珠), aged 72, is the Chairlady of the Board, an Executive Director, the Chief Executive Officer and a controlling shareholder of the Company. She is also the compliance officer of the Company and a member of Remuneration Committee. Ms. Chau is responsible for providing leadership to the Board and advising on the business strategies of the Group. She was appointed as a Director on 28 June 2016. Ms. Chau had been a director of the Company's subsidiaries, Media Savvy Limited ("**MSL**") and Media Savvy Marketing Limited ("**MSML**") since July 2007 and December 2012, respectively. Ms. Chau was a co-founder of the Group and prior to becoming a director of MSL, Ms. Chau was a senior management of the Group responsible for managing the relationships with minibus route operators and taxi owners, and securing of advertising space with these operators. Ms. Chau also holds directorships in a number of the other subsidiaries within the Group, namely Media Savvy Marketing International Limited ("**MSBVI**"), Media Savvy In-Store Media Limited, Medic Savvy Media Limited ("**MedicSML**"), A1 Advertising & Production Limited ("**AAPCL**") and OOH La La Printing And Production Limited ("**OOH La La**"). Ms. Chau has over 22 years of experience in the outdoor media advertising industry. She has gained experience in the marketing field since the late 90's where she has held a senior role in the commercial field and also worked in non-profit organizations.

Mr. LEAN Chun Wai (梁俊威), aged 51, is an Executive Director. He is also a member of the Nomination Committee. He was appointed as a Director on 28 June 2016. Mr. Lean is responsible for providing leadership in the operation department and managing the relationships and securing advertising space with the Group's advertising space providers in the healthcare media platform. Mr. Lean supervises the information management system of advertising spaces of the Group and also manages the design and production department of the Group, responsible for printing and installation of advertising materials, procurement and supplier's relationship. Mr. Lean joined the Group in June 2011 and served as marketing consultant. He was appointed as a director of the Company's subsidiaries, MSL and MSML, in December 2012. He was later appointed as a director of certain subsidiaries of the Company, MSBVI, MedicSML, AAPCL, OOH La La, Auto Savvy Limited, Vehicle Savvy Limited and M Savvy Media Limited. Mr. Lean has over 25 years of marketing experience.

Non-Executive Director

Mr. DA SILVA Antonio Marcus (施冠駒), aged 50, is a Non-Executive Director and a substantial shareholder of the Company. He is also a member of Corporate Governance Committee. Mr. Da Silva was appointed as a Director on 28 June 2016. Mr. Da Silva is responsible for providing corporate governance guidance to the Board and advising on the business strategies of the Group. Mr. Da Silva is the co-founder of the Group and has been a director of MSL and MSML since April 2014. Mr. Da Silva graduated from Carnegie Mellon University in the United States with the degrees of Bachelor of Science and Master of Information Systems, double majors in Information and Decision Systems and Industrial Management in 1996. Mr. Da Silva is now a business development director of Jet-Speed Air Cargo Forwarders (Hong Kong) Limited and is responsible for business development. Mr. Da Silva has over 20 years of business experience.

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

Independent Non-Executive Directors

Mr. LAM Yau Fung Curt (林右烽), aged 53, was appointed as an Independent Non-Executive Director on 23 August 2019. He is also the chairman of each of Audit Committee and Remuneration Committee and a member of Corporate Governance Committee. He is the general manager of Wanda Hotel Development Company Limited (stock code: 00169), which is listed on the Main Board of the Stock Exchange and a member of the Dalian Wanda Group. He was an executive director of Yuexiu Property Company Limited (stock code: 00123), a company listed on the Main Board of the Stock Exchange, and also the chief financial officer of the Yue Xiu Group. Mr. Lam was previously the head of corporate finance and business development at GOME Electrical Appliances Holding Limited (now known as GOME Retail Holdings Limited) (stock code: 00493) (“**GOME**”), one of China’s largest electronics retailers, which is listed on the Main Board of the Stock Exchange. Prior to joining GOME, he spent about 10 years working in investment banking and capital markets at Schrodgers Asia, ABN AMRO Rothschild, and Deutsche Bank. He is a Chartered Financial Analyst (CFA) and holds a Master of Business Administration (MBA) degree from Rice University in the United States. Mr. Lam has extensive experience in corporate finance, financial and accounting fields.

Mr. Lam has been appointed as an independent non-executive director of Asia Allied Infrastructure Holding Limited (stock code: 00711), a company listed on the main board of the Stock Exchange, since January 2017 and is also currently the chairman of its remuneration committee and a member of its audit committee and nomination committee. Mr. Lam has been also appointed as an independent non-executive director of The Hong Kong Building and Loan Agency Limited (now known as CCIAM Future Energy Limited) (stock code: 00145), a company listed on the Main Board of the Stock Exchange, since 19 October 2020.

Ms. SUEN Wan Nei Winnie (孫韻妮), aged 47, was appointed as an Independent Non-Executive Director on 22 June 2021. She is the chairlady of Nomination Committee and a member of each of Audit Committee and Remuneration Committee. She is the general manager of Galerie E (Hong Kong) Limited. Ms. Suen is the owner and founder of Florentino & Co. Ltd, a wholesaler of luxury handbags and European high end fashions. She has extensive experience in sales and marketing and had previously worked for high end retailers including The Swank Group and Tiret (Hong Kong) Limited. Ms. Suen is a graduate of London College of Fashion, University of the Arts London.

Ms. LAM Hiu Ying (林曉盈), aged 49, was appointed as an Independent Non-Executive Director on 20 August 2021. She is the chairlady of Corporate Governance Committee and a member of each of Audit Committee and Nomination Committee. She is the founder and chairman of Julius Group Holdings Limited, an OEM gloves manufacturer. She has over 20 years of manufacturing experience in gloves and accessories industries. Ms. Lam is also the founder and president of UK born retail brand INNOTIER, an innovation-driven company with a mission to develop products that help people live a more sustainable life with the global top technologies as foundation. She was the only female award winner among the few Young Industrialist Awards of Hong Kong in year 2014. She is the first female president of The Association of Hong Kong Gloves Traders Limited. She is also currently council member of The Better Hong Kong Foundation, director and executive committee member of Green Monday, committee member and international affairs committee vice chairman of Hong Kong Young Industrialists Council, board of director and advisor of Social Ventures Hong Kong, director of Intangible Cultural Heritage Earthpulse Society Limited, honorary president of Southern District Association, The Hong Kong Girl Guides Association, vice chairlady of Greater Bay Area Hong Kong Women Entrepreneurs Association, member of award council of The Hong Kong Award for Young People and member of CreateSmart Initiative Vetting Committee. Ms. Lam graduated from University of Toronto, Canada, majoring in Economics, and obtained an Executive MBA at Ivey Business School, the University of Western Ontario, Canada.

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Mr. HUNG Kay Man (洪啟文), aged 57, is the Sales and Marketing Director of the Group. He joined the sales and marketing department of the Group in December 2011. He is responsible for providing leadership in our sales and marketing department, as well as building relationships with customers for all our media platforms to promote our advertising platforms to clients. Together with Ms. Chau, our Chairlady, Executive Director and Chief Executive Officer, Mr. Hung is responsible for setting up annual advertising rates for all media platforms as well as setting annual sales targets for the Group's sales team. He began his career as a junior floor manager at Television Broadcasts Limited in 1986. He has over 25 years of sales experience.

Ms. HO Hei Man (何希文), aged 33, is the Operation & Marketing Manager of the Group. She joined the operation and administration department of the Group in March 2012, and was later promoted to the assistant manager position in January 2014. Ms. Ho obtained a Bachelor of Arts (Hons) degree in marketing and management from the University of Hull, which is a part-time course held and conducted at the University of Hong Kong. Ms. Ho is responsible for the minibus operation where she oversees and manages daily operation and supports the sales team for achieving company goals.

COMPANY SECRETARY

Ms. FUNG Suk Han (馮淑嫻), aged 48, was appointed as the company secretary of the Company on 7 July 2017. She joined the Group in May 2017. Ms. Fung holds a Master degree in business administration from The Open University of Hong Kong (now known as Hong Kong Metropolitan University). She is currently an associate member of The Chartered Governance Institute in the United Kingdom and The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries). She has over 24 years of experience in company secretarial field and extensive experience in corporate governance practices with listed companies.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The board of directors of the Company (the “**Board**”) is committed to uphold a high standard of corporate governance practices appropriate to the conduct and growth in its business in accordance with all applicable rules and regulations. The Board believes that good corporate governance is important in balancing the interests of shareholders, customers and employees and the success of business. The Board will continue to review and improve the Company’s corporate governance practices from time to time.

The Company has adopted the principles and code provisions set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 15 to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”). Save for the deviation as disclosed under the section headed “CHAIRMAN AND CHIEF EXECUTIVE” below, the Board viewed that the Company has complied with the CG Code during the year ended 31 March 2022 (the “**Year**”).

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors and the relevant employees, who may likely possess inside information on the Company or its securities, 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 had also made specific enquiry of all the Directors and the Company was not aware of any non-compliance with the required standard of dealings regarding securities transactions by the Directors during the Year.

BOARD OF DIRECTORS

Composition

As at 31 March 2022, the Board comprised two Executive Directors, one Non-executive Director and three Independent Non-executive Directors. The composition of the Board is set out as follows:

Executive Directors

Ms. CHAU Wai Chu Irene (*Chairlady and Chief Executive Officer*)
Mr. LEAN Chun Wai

Non-Executive Director

Mr. DA SILVA Antonio Marcus

Independent Non-Executive Directors

Mr. LAM Yau Fung Curt
Ms. SUEN Wan Nei Winnie
Ms. LAM Hiu Ying

CORPORATE GOVERNANCE REPORT

Functions, Roles and Responsibilities of the Board

The Board is responsible for leadership and control of the Group and is collectively responsible for promoting the success of the Group by directing and supervising the Group's affairs. The Board focuses on formulating the Group's overall strategies, authorizing the development plan and budget; monitoring financial and operating performance; reviewing the effectiveness of the internal control systems; supervising and managing management's performance of the Group; and setting the Group's values and standards. The Board delegates the day-to-day management, administration and operation of the Group to the Chief Executive Officer and senior management. The delegated functions are reviewed by the Board periodically to ensure that they accommodate the needs of the Group. The abovementioned personnel should report back and obtain prior approval from the Board before making any significant commitments on the Company's behalf, and they may not exceed any authority given to them by resolutions of the Board or the Company.

The Non-Executive Director does not involve general management and day-to-day operation of the Group. However, he provides advice on strategic direction for the Group in the Board meetings.

The Independent Non-Executive Directors bring a wide range of business and financial expertise, experience and independent judgement to the Board, on issues of strategic direction, policies, development, performance and risk management. Through active participation in Board meetings, taking the lead in managing issues involving potential conflict of interests and serving on Board committees, they scrutinize the Company's performance in achieving corporate goals and objectives and monitor performance reporting. By doing so, they are able to contribute positively to the Company's strategy and policies through independent, constructive and informed comments at Board and Board committee meetings.

Each Director has confirmed that he/she can give sufficient time and attention to the Company's affairs, and has regularly provided information on the number and nature of offices held in public companies or organizations and other significant commitments, including the identity of such companies or organizations and an indication of the time involved.

The Company has arranged appropriate insurance cover for Directors' liabilities in respect of legal actions against them for corporate activities.

Confirmation of Independence of Independent Non-Executive Directors

Each of the Independent Non-Executive Directors has made an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company is of the view that all Independent Non-Executive Directors meet the independence guidelines set out in Rule 5.09 of the GEM Listing Rules and are independent in accordance with the terms of the guidelines.

Term of Appointment of Non-Executive Directors

The Non-Executive Director and each of the Independent Non-Executive Directors have entered into a letter of appointment with the Company for a term of three years, subject to retirement by rotation and re-election at the annual general meeting at least once every three years in accordance with the Company's articles of association (the "**Articles of Association**").

CORPORATE GOVERNANCE REPORT

Board/Board Committee Meetings

The Board is scheduled to meet in person or through other electronic means of communication at least four times a year to, among other matters, review past financial and operating performance and discuss the Group's directions and strategies. An agenda and accompanying papers together with all appropriate information are sent to all Directors at least three days before each Board meeting or Board committee meetings so as to ensure timely access to relevant information. Appropriate notice of at least 14 days for regular Board meetings and reasonable notice for other Board committee meetings are given to all Directors, who are all be given an opportunity to attend and include matters in the agenda for discussion. Senior management are invited to join all Board meetings to enhance communication between the Board and management whenever necessary; the Board and each Director can also have separate and independent access to senior management whenever necessary. The Company Secretary takes minutes of the meetings and keeps records of matters discussed and decisions resolved at the meetings, including any concerns raised by Directors or dissenting views expressed, and the voting results of Board meetings fairly reflect Board consensus. Both draft and final versions of the minutes are sent to all Directors for their comments and records respectively, within a reasonable time after each meeting, and such minutes are open for inspection with reasonable advance notice by any Director. Directors are entitled to have access to board papers and related materials, and any queries can be responded to fully.

During the Year, the Board held 5 meetings and the attendance of each Director is listed under the section heading "Meetings Held and Attendance" below on a named basis.

Upon reasonable request to the Board, the Directors can seek independent professional advice in performing their duties at the Company's expense, if necessary. According to the current Board's practice, should a potential conflict of interest involving a substantial shareholder of the Company or Director arise, the matter will be discussed in a Board meeting, as opposed to being dealt with by written resolution. Independent Non-Executive Directors with no conflict of interest will be present at such meetings. When the Board considers any proposal or transaction in which a Director has a conflict of interest, the Director concerned will declare his/her interests and abstain from voting.

CORPORATE GOVERNANCE REPORT

Meetings Held and Attendance

During the Year, the composition of the Board and each of the Board committees, and the individual attendance records of each Director at the Board meetings, the respective Board committee meetings and the Company's annual general meeting held on 20 August 2021 ("2021 Annual General Meeting") are set out below:

Name of Directors	Meetings attended/Eligible to attend the meetings during the Year					
	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	Corporate Governance Committee Meeting	2021 Annual General Meeting
Executive Directors:						
Ms. CHAU Wai Chu Irene (Chairlady and Chief Executive Officer)	5/5	N/A	2/2	N/A	N/A	1/1
Mr. LEAN Chun Wai	5/5	N/A	N/A	2/2	N/A	1/1
Non-Executive Director:						
Mr. DA SILVA Antonio Marcus	4/5	N/A	N/A	N/A	1/1	1/1
Independent Non-Executive Directors:						
Ms. AU Shui Ming Anna (Note 3)	3/3	2/3	2/2	2/2	N/A	1/1
Mr. LIANG Man Kit Jerry (Note 1)	1/1	2/2	1/1	N/A	1/1	N/A
Mr. LAM Yau Fung Curt (Note 4)	5/5	5/5	0/0	2/2	1/1	1/1
Ms. SUEN Wan Nei Winnie (Note 2)	4/4	3/3	1/1	0/0	0/0	1/1
Ms. LAM Hiu Ying (Note 5)	2/2	2/2	N/A	0/0	0/0	N/A

Notes:

- Mr. LIANG Man Kit Jerry resigned as an Independent Non-Executive Director with effect from 22 June 2021 and ceased as a member each of the Audit Committee and the Remuneration Committee and the chairman of the Corporate Governance Committee on the same day.
- Ms. SUEN Wan Nei Winnie was appointed as an Independent Non-Executive Director, a member of each of the Audit Committee and the Remuneration Committee and the chairlady of the Corporate Governance Committee with effect from 22 June 2021. She was also appointed as the chairlady of the Nomination Committee and ceased as the chairlady of the Corporate Governance Committee after the conclusion of 2021 Annual General Meeting.
- Ms. AU Shui Ming Anna retired as an Independent Non-Executive Director after the conclusion of 2021 Annual General Meeting and ceased as the chairlady of each of the Audit Committee and the Remuneration Committee and a member of the Nomination Committee on the same day.
- Mr. LAM Yau Fung Curt was appointed on the chairman of each of the Audit Committee and the Remuneration Committee and ceased as a chairman of the Nomination Committee after the conclusion of 2021 Annual General Meeting.
- Ms. LAM Hiu Ying was appointed as an Independent Non-Executive Director after the conclusion of 2021 Annual General Meeting. She was also appointed as a member of each of the Audit Committee and the Remuneration Committee and the chairlady of the Corporate Governance Committee on the same day.

CORPORATE GOVERNANCE REPORT

Continuous Professional Development

Pursuant to code provision C.1.4 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant.

According to the records maintained by the Company, during the Year, training sessions on the updates of the GEM Listing Rules and directors' responsibilities and relevant reading materials were arranged to the current Directors and the Directors' participated in continuous professional development in following manner:

Name of Directors	Attending training sessions	Reading materials
Executive Directors:		
Ms. CHAU Wai Chu Irene (<i>Chairlady and Chief Executive Officer</i>)	✓	✓
Mr. LEAN Chun Wai	✓	✓
Non-Executive Director:		
Mr. DA SILVA Antonio Marcus	✓	✓
Independent Non-Executive Directors:		
Mr. LAM Yau Fung Curt	✓	✓
Ms. SUEN Wan Nei Winnie	✓	✓
Ms. LAM Hiu Ying	✓	✓

CHAIRMAN AND CHIEF EXECUTIVE

Ms. CHAU Wai Chu Irene ("**Ms. Chau**") is the Chairlady of the Board who is primarily responsible for formulating overall corporate strategies. Ms. Chau is also the Chief Executive Officer who is primarily responsible for day-to-day management of the Group. In accordance with code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and the chief executive should be clearly established and set out in writing. In view of her experience and familiarity with the business operations of the Group, the Board considers that the roles of Chairlady and Chief Executive Officer being performed by Ms. Chau would be appropriate to maintain the efficiency in the overall strategic planning, management and business development of the Group. The Board also considers that the balance of power and authority is adequately ensured by the operations of the Board, which comprises experienced and high caliber individuals including three Independent Non-Executive Directors which meets regularly to discuss issues affecting operations of the Group and all important decisions of the Group are made with the contribution of all Board members. The Board with the Corporate Governance Committee will continue to review the Group's corporate governance policies and compliance with the CG Code each financial year/period.

Code provision C.2.7 of the CG Code requires the chairman of the Board to hold meetings at least annually with the independent non-executive directors without the presence of other Directors. During the Year, a meeting between the Chairlady of the Board and the Independent Non-Executive Directors was held.

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES

The Board has established four committees, namely, the Audit Committee, the Remuneration Committee, the Nomination Committee and the Corporate Governance Committee, to oversee particular aspects of the Company's affairs. All Board committees are established with written terms of reference, which have complied with the CG Code and are available on the Stock Exchange website at www.hkexnews.hk and the Company's website at www.ooh.com.hk and are available to shareholders upon request. The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense. The Board committees will report back to the Board on their decisions or recommendations.

Audit Committee

The Audit Committee has been established with written terms of reference in compliance with the CG Code from time to time. The Audit Committee currently consists of all Independent Non-Executive Directors, namely, Mr. LAM Yau Fung Curt, Ms. SUEN Wan Nei Winnie and Ms. LAM Hiu Ying. Mr. LAM Yau Fung Curt serves as the chairman of the Audit Committee who has appropriate professional qualifications and experience as required by the GEM Listing Rules. The primary responsibilities of the Audit Committee include but without limitation the following: (i) assisting the Board in providing an independent view of the effectiveness of our Group's financial reporting process, internal control and risk management systems; (ii) overseeing the audit process; and (iii) performing other duties and responsibilities as assigned by the Board.

The Audit Committee held five meetings during the Year and the attendance of each member of Audit Committee is listed under the section heading "Meetings Held and Attendance" above on a named basis. During the Year, the Audit Committee reviewed the Group's audited annual results for the year ended 31 March 2021 and the unaudited quarterly and interim results for the year ending 31 March 2022, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosure had been made. The Audit Committee discussed the audit planning memorandum in relation to the audit for annual results 2020/21, the audit fee for the year ended 31 March 2021 and the change of auditor for the financial year ending 31 March 2022 and recommended the same to the Board. The Audit Committee also reviewed the internal control systems review report of the Group and also considered the effectiveness on the risk management and internal control systems under the GEM Listing Rules.

As at the date of this annual report, the Audit Committee has discussed and reviewed with management the audited consolidated financial statements of the Group for the Year and also reviewed and approved the Group's audit fee for the Year.

Remuneration Committee

The Remuneration Committee has been established with written terms of reference in compliance with the CG Code from time to time. The Remuneration Committee currently consists of two Independent Non-Executive Directors and one Executive Director, namely, Mr. LAM Yau Fung Curt, Ms. SUEN Wan Nei Winnie and Ms. Chau. Mr. LAM Yau Fung Curt is the chairman of the Remuneration Committee. The primary duties of the Remuneration Committee include but without limitation to review on the remuneration packages of the Directors and senior management, and to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy.

CORPORATE GOVERNANCE REPORT

During the Year, the Remuneration Committee held two meetings and the attendance of each member of the Remuneration Committee is listed under the section heading “Meetings Held and Attendance” above on a named basis. The Remuneration Committee reviewed the remuneration packages of the Directors and senior management and its terms of reference during the Year. The Remuneration Committee also reviewed the letter of appointment of newly appointed independent non-executive Directors and recommended the same to the Board. No Director or any of his/her associates is involved in deciding his/her own remuneration.

Details of the remuneration paid to the senior management of the Group (including the Directors) by band for the year ended 31 March 2022 are set out in note 13 to the consolidated financial statements in this annual report.

Nomination Committee

The Nomination Committee has been established with written terms of reference in compliance with the CG Code from time to time. The Nomination Committee currently consists of two Independent Non-Executive Directors and one Executive Director, namely, Ms. SUEN Wan Nei Winnie, Ms. LAM Hiu Ying and Mr. LEAN Chun Wai. Ms. SUEN Wan Nei Winnie is the chairlady of the Nomination Committee. The primary duties of the Nomination Committee include but without limitation to review and monitor the structure, size and composition of the Board and make recommendations on any proposed changes to the Board to complement of the Group’s strategy; to identify individuals suitably qualified to become members of the Board; to assess the independence of Independent Non-Executive Directors; and to make recommendations to the Board on the appointment or re-appointment of Directors, succession planning for Directors and to review the board diversity policy and the nomination policy of the Company.

During the Year, the Nomination Committee held two meetings and the attendance of each member of the Nomination Committee is listed under the section heading “Meetings Held and Attendance” above on a named basis. The Nomination Committee reviewed the Board’s structure and composition, its terms of reference and the independence of the Independent Non-Executive Directors; considered the re-election of retiring Directors; and also reviewed the proposed candidates to fill the casual vacancy as independent non-executive Directors in accordance with the Company’s nomination policy and the board diversity policy and made recommendations to the Board during the Year.

Nomination Policy

The Company adopted a nomination policy on 11 February 2019, which establishes written guidelines to the Nomination Committee to identify individuals suitably qualified to become Board members and to make recommendations to the Board on the selection of individuals nominated for directorships with reference to the formulated criteria.

Selection Criteria

In assessing the suitability of a proposed candidate, the Nomination Committee would consider the certain factors including but not limited to the proposed candidate’s reputation for integrity, accomplishment, experience and reputation in the industry which the Group operates, commitment in respect of sufficient time, interest and attention to the Company’s business and diversity in all aspects as set out in the board diversity policy adopted by the Company from time to time, the ability to assist and support management and make significant contributions to the Company’s success, and whether the candidates would be considered independent with reference to the independence guidelines as set out in the GEM Listing Rules in case of selection of Independent Non-Executive Directors. The Nomination Committee and the Board have the discretion to nominate any person, as it considers appropriate.

CORPORATE GOVERNANCE REPORT

Nomination Procedures

Proposed candidates will be asked to submit the necessary personal information, together with their written consent to be appointed as a director and to the public disclosure of their personal data on any documents or the relevant websites for the purpose of or in relation to their standing for election as a director. The Nomination Committee may request candidates to provide additional information and documents, if considered necessary. The secretary of the Nomination Committee shall convene a meeting of the Nomination Committee, and invite nominations of candidates from Board members if any, for consideration by the Nomination Committee prior to its meeting. The Nomination Committee may also put forward candidates who are not nominated by Board members. For filling a casual vacancy and/or as an addition to the Board, the Nomination Committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation.

Board Diversity Policy

The Board adopted the board diversity policy on 19 December 2016 (the “**Board Diversity Policy**”). The Board Diversity Policy is available on the Company's website at www.ooh.com.hk under the section of “Investor Relations”. According to the Board Diversity Policy, in designing the Board's composition and selecting candidates to the Board, board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Nomination Committee reviewed the Board's composition under diversified perspectives, and monitored the implementation of the Board Diversity Policy during the Year.

As at the date of this annual report, the Board's composition under major diversified perspectives was summarised as follows:

Board Diversity

Designation	Executive Director		Non-Executive Director	Independent Non-Executive Director		
Gender	Male			Female		
Ethnicity	Chinese					
Age group	41-49		51-60		60 or above	
Length of service	Less than 10 years			Over 10 years		
Number of Directors	1	2	3	4	5	6

CORPORATE GOVERNANCE REPORT

Corporate Governance Committee

The Corporate Governance Committee has been established with written terms of reference in compliance with the relevant code provisions from time to time. The Corporate Governance Committee currently consists of two Independent Non-Executive Directors and the Non-Executive Director, namely, Ms. LAM Hiu Ying, Mr. LAM Yau Fung Curt and Mr. DA SILVA Antonio Marcus. Ms. LAM Hiu Ying is the chairlady of the Corporate Governance Committee. The primary duties of the Corporate Governance Committee include but without limitation to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board; to review and monitor the training and continuous professional development of directors and senior management; to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and to review the Company's compliance with the code and disclosure in the corporate governance report contained in the annual report.

During the Year, the Corporate Governance Committee held one meeting and the attendance of each member of the Corporate Governance Committee is listed under the section heading "Meetings Held and Attendance" above on a named basis. The Corporate Governance Committee reviewed the corporate government report for the year ended 31 March 2021 the risk management and internal control systems of the Company, its terms of reference, the training and continuous professional development of Directors; and considered and reviewed the separation roles of the Chairlady and the Chief Executive Officer during the Year.

ACCOUNTABILITY AND AUDIT

The Directors are responsible for the preparation of financial statements for each financial year with a view to ensuring such financial statements give a true and fair view of the state of affairs of the Group and of the results and cash flow for that year. The Company's financial statements are prepared in accordance with all relevant statutory requirements and suitable accounting standards. The Directors are responsible for ensuring that appropriate accounting policies are selected and applied consistently; judgements and estimates made are prudent and reasonable; and the financial statements are prepared on a going concern basis.

The responsibility statement of the Company's auditor, Mazars CPA Limited ("**Mazars**"), in respect of the consolidated financial statements is set out in the section headed "Independent Auditor's Report" on pages 50 to 54 of this annual report. For the year ended 31 March 2022, the fees in respect of the audit and non-audit services provided to the Group by Mazars, are set out as follows:

Nature of services	For the year ended 31 March 2022 (HK\$)
Statutory audit services	520,000
Non-audit service — Tax compliance services	57,000
Total:	577,000

CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the Group's risk management and internal control systems and reviewing their effectiveness on an ongoing basis. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The main features of the risk management and internal control systems are to provide a clear governance structure, policies and procedures, as well as reporting mechanism to facilitate the Group to manage its risks across business operations. The Group has established a risk management framework, which consists of the Board, the Audit Committee and the senior management. The Board determines the nature and extent of risks that shall be taken in achieving the Group's strategic objectives, and has the overall responsibility for monitoring the design, implementation and the overall effectiveness of risk management and internal control systems. At least on an annual basis, the senior management should identify risks that would adversely affect the achievement of the Group's objectives, and assess and prioritize the identified risks according to a set of standard criteria. Risk mitigation plans and risk owners should then be established for those risks considered to be significant.

The Group's internal audit function is performed by the management of the Company, including analysing and appraising the adequacy and effectiveness of the Group's risk management and internal control systems. For the enhancement of the quality of the internal audit, the Company has engaged an external consultant to execute a certain agreed scope of internal audit function. Deficiencies in the design and implementation of internal controls were identified and recommendations to be proposed for improvement. Significant internal control deficiencies should be reported to the Audit Committee and the Board to ensure prompt remediation actions should be taken.

During the year ended 31 March 2022, the Board has performed annual review on the effectiveness of the Group's risk management and internal control systems, including but not limited to the Group's ability to cope with its business transformation and changing external environment; the scope and quality of management's review on risk management and internal control systems; result of internal audit work; the extent and frequency of communications with the Board in relation to result of risk and internal control review; significant failures or weaknesses identified and their related implications; and status of compliance with the GEM Listing Rules. The Board of Directors considers the Group's risk management and internal control systems are effective and adequate.

Procedures and Internal Controls for the Handling and Dissemination of Inside Information

The Company has adopted its information disclosure policy and related procedures with regard to the "Guidelines on Disclosure of Inside Information" issued by the Securities and Futures Commission. The policy stipulates the responsibilities of the Group, key disclosure requirements under Part XIVA of the Securities and Futures Ordinance and Rules 17.10, 17.11 and 17.11A of the GEM Listing Rules, control measures and reporting procedures of handling confidential information and monitoring information disclosure. The Group adopts an upward reporting approach within the Group for identifying and escalating any potential inside information to the Board. The policy is reviewed regularly and all reasonable measures have to be taken from time to time to ensure proper safeguards to prevent any breach of disclosure requirements and to maintain strict confidentiality of information.

CORPORATE GOVERNANCE REPORT

COMPANY SECRETARY

Ms. FUNG Suk Han (“**Ms. Fung**”) is the company secretary of the Company. Ms. Fung reports to the Executive Directors and is responsible for advising the Board on corporate governance and other company secretarial matters. Please refer to her biographical details as set out on page 15 of this annual report.

During the Year, Ms. Fung has undertaken not less than 15 hours of relevant professional training in accordance with Rule 5.15 of the GEM Listing Rules.

SHAREHOLDERS’ RIGHTS

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

Right to Convene EGM and Procedures

Pursuant to Article 58 of the Articles of Association, the Board may whenever it thinks fit call an EGM. Any one or more member(s) holding at the date of the deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Company’s principal place of business in Hong Kong at Suite A5, 9/F, Jumbo Industrial Building, 189 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong for the attention of the company secretary of the Company, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed duly to convene such EGM, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

Right to Put Enquiries to the Board

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

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

Right to Put Forward Proposals at General Meetings

There are no provisions allowing Shareholders to propose new resolutions at the general meetings under the Companies Law (as revised) of the Cayman Islands, as amended, modified and supplemental from time to time.

However, pursuant to the Articles of Association, Shareholders who wish to move a resolution may by means of requisitions convene an EGM following the procedures set out above.

CORPORATE GOVERNANCE REPORT

Right to Propose a Person for Election as a Director

If a Shareholder wishes to propose a person other than a Director retiring for election as a Director at a general meeting (“GM”), the Shareholder should deposit a written notice (the “Notice”) of nomination at the Company’s principal place of business in Hong Kong or at the office of the Company’s branch share registrar within a period of at least seven (7) days commencing from the day after the dispatch of the Notice of such GM and ending no later than seven (7) days prior to the date of such GM. The relevant procedures will be set out in the circular regarding, among others, the forthcoming annual general meeting of the Company, which will be delivered together with this annual report to the Shareholders.

The Notice must state clearly the name, the contact information of Shareholder and his/her/their shareholdings, the full name of the person proposed for election as a Director, including the person’s biographical details as required by Rule 17.50(2) of the GEM Listing Rules, and be signed by Shareholder concerned (other than the person to be proposed). The Notice must also be accompanied by a written notice of consent (the “Consent letter”) signed by the person proposed to be elected on his/her willingness to be elected as a Director.

The Notice will be verified with the Company’s branch share registrar and upon their confirmation that the request is proper and in order, the company secretary of the Company will ask the Nomination Committee and the Board to consider to include the resolution in the agenda for the general meeting proposing such person to be elected as a Director.

COMMUNICATION WITH SHAREHOLDERS

The Company has established a range of communication channels between itself and its Shareholders, investors and other stakeholders. These include the general meetings, the annual, interim and quarterly reports, notices, announcements and circulars and the Company’s website at www.ooh.com.hk.

The Board encourages Shareholders to attend general meetings to communicate any concerns they might have with the Board or management directly. The Company has also maintained a shareholders’ communication policy, details of which are available on the Company’s website under the section of “Investor Relations”.

DIVIDEND POLICY

The Company adopted a dividend policy on 11 February 2019. Pursuant to the policy, the Company should maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its shareholder value in recommending or declaring dividends. The Company does not have any pre-determined dividend distribution ratio. The proposal of payment and the amount of dividends will be made at the discretion of the Board and will depend on the Group’s results of operations, earnings, financial condition, cash requirements and availability, future capital expenditure and development requirements, business conditions and strategies, interests of shareholders, any restrictions on payment of dividends and any other factors that the Board may consider relevant. The Board will review the dividend policy as appropriate from time to time.

CONSTITUTIONAL DOCUMENTS

During the Year, there had been no significant change in the Company’s constitutional documents.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The board of directors (the “**Board**”) of the Company and its subsidiaries (collectively the “**Group**”) would like to present the environmental, social and governance (“**ESG**”) report (“**ESG Report**”) for the year ended 31 March 2022 (the “**Year**” or “**2021/22**”), in accordance with the Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) as set out in Appendix 20 of the GEM Listing Rules. This report aims to provide the Group’s stakeholders with an overview of the Group’s efforts regarding ESG impacts arising from its daily operations.

ESG GOVERNANCE STRUCTURE

The Group is dedicated to put sustainability as our long-term business development goals and combine the environmental, social and governance elements into our operation strategies and planning. In this respect, the Board is responsible to oversee the Group’s ESG performance and review the progress of the identified material ESG issues regularly. The Board is also responsible to ensure the effectiveness of the Group’s risk management and internal control mechanism as well as review and approve the ESG Report on annual basis.

The Group has designated our management to systematically identify and cater to ESG issues. Our management are responsible to collect and analyze relevant ESG data and identify the Group’s ESG issues, review the progress of the goals and targets which are set to minimize the environmental impacts from the Group’s operations. In addition, our management will periodically report to the Board for the evaluation and subsequent implementation or revision of the Group’s strategies.

REPORTING PRINCIPLES

This ESG Report has been prepared in accordance with the ESG Reporting Guide as set out in Appendix 20 of the GEM Listing Rules.

During the preparation of this ESG Report, the Group has applied the reporting principles stipulated in the ESG Reporting Guide as follows:

Materiality: The materiality assessment was conducted to identify material issues during the Year, thereby adopting the confirmed material issues as the focus for the preparation of this ESG Report. The materiality of issues was reviewed and confirmed by the Board.

Quantitative: The Group has disclosed its environmental and social key performance indicators calculation and numeric presentation, where appropriate.

Consistency: The approach adopted for the preparation of this ESG Report was substantially consistent with last financial year, and explanations were provided regarding data with changes in the scope of disclosure and calculation methodologies.

The information disclosed in this ESG Report is taken from the Group’s internal documents and statistical data. The ESG Report has been confirmed and approved by the Board on 21 June 2022.

REPORTING BOUNDARY

The Group is principally engaged in the operation of advertising business on transportation and outdoor sector. The scope of this ESG Report focuses on the environmental and social performance within the operational boundaries of the Group in Hong Kong during the Year and it covers the data and information from the Group’s head office and in-house printing facilities, in which all of them are located in Hong Kong. The scope of reporting is differed from the corresponding period in 2021 (“**2020/21**”) where the retail outlet (“**Retail Outlet**”) for Mizimamei branded food and beverage products in Central, Hong Kong, which was franchised the Mizimamei brand to an independent third party in mid of May 2021, is excluded.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

STAKEHOLDERS ENGAGEMENT

The Group continues to maintain the relationships and communicate with its key stakeholders, including but not limited to employees, customers, suppliers, investors, Shareholders, government bodies and communities through various channels such as conferences, electronic platforms and public events so as to understand the concerns of various stakeholders. To formulate the operational strategies and ESG measures, the Group takes into account the expectations of stakeholders and strives to improve its performance through mutual cooperation with the stakeholders, resulting in creating greater value for the community.

A. ENVIRONMENTAL

A1. Emissions

Environmental protection and sustainable development rely on concerted and continuous efforts from all industries and society. The Group has continued to refine and improve its mitigation policies to reduce both its direct and indirect negative environmental impacts arising from its business operations.

The Group was not aware of any material non-compliance with laws and regulations relating to air and GHG emissions and the generation of hazardous and non-hazardous waste that would have a significant impact on the Group during the Year. The relevant laws and regulations include, but not limited to Air Pollution Control Ordinance, Water Pollution Control Ordinance, Water Disposal Ordinance, Environmental Impact Assessment Ordinance, Ozone Layer Protection Ordinance, and Product Eco-responsibility Ordinance.

A1.1 Emissions from vehicle usage

During the Year, air pollutants for nitrogen oxides (“NOx”), sulphur oxides (“SOx”) and particulate matter (“PM”) were mainly generated from motor vehicles of the Group. The key environmental performance indicators of NOx, SOx and PM produced from the Group’s operation are shown in the following table:

Type of air pollutants	Unit	2021/22	2020/21
NOx	kg	8.22	8.44
SOx	kg	0.24	0.25
PM	kg	0.61	0.62

The level of the air pollutants from vehicle usage was slightly decreased during the Year. The Group would continue the work to ensure the efficient usage of private cars. The Group has implemented the following measures so as to achieve the environmental friendly approach; (i) avoid peak hour traffic; (ii) encourage taking public transport; and (iii) utilize the vehicle usage by carpooling with different staff.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A1.2 Greenhouse Gas (“GHG”) Emissions

GHG emissions are categorised into direct and indirect emissions. The main sources of direct GHG emission from operations are the use of motor vehicles owned by the Group. The main sources of indirect GHG emission from operations are the use of purchased electricity and the paper waste disposed at landfills during the Year. The key environmental performance indicators of GHG emissions produced by the Group’s operation during the Year are shown as below:

GHG emissions	2021/22		2020/21	
	tCO ₂ e	Intensity — tCO ₂ e per employee	tCO ₂ e	Intensity — tCO ₂ e per employee
Scope 1 — Direct emission by combustion of fuels in mobile sources (<i>Note 1</i>)	43.90	1.63	45.62	1.23
Scope 2 — Energy indirect emission by electricity consumption (<i>Note 2</i>)	22.38	0.83	38.09	1.03
Scope 3 — Other indirect emissions (<i>Note 3</i>)	1.09	0.04	1.72	0.05
Total GHG emissions	67.37	2.50	85.43	2.31

Notes:

1. Direct GHG emissions from combustion of fuels in mobile sources refer to the sum of carbon dioxide (“CO₂”) emission and the CO₂ equivalent emissions of methane (“CH₄”) and nitrous oxide (“N₂O”). The data is sourced from the petrol consumption on purchasing volume of unleaded petrol of the Group’s passenger cars.
2. The electricity consumption data 2020/21 is sourced from electricity bills issued by China Light & Power (for the Group’s head office and in-house printing facilities) and Hong Kong Electric (for the Retail Outlet) and the electricity consumption data 2021/22 is sourced from electricity bills issued by China Light & Power only.
3. Other indirect emissions data 2020/21 is consisted of paper waste disposed at landfills arising from the Group’s head office and in-house printing facilities and electricity used for processing fresh water and sewage by government departments arising from the Retail Outlet. The data of 2021/22 is only consisted of paper waste disposed at landfills arising from the Group’s head office and in-house printing facilities.

During the Year, the Group’s total GHG emissions amounted to approximately 67.37 tonnes (2021: 85.43 tonnes) and the total GHG emission per employee was 2.50 tonnes (2021: 2.31 tonnes). The decrease of total GHG emissions was mainly due to the implementation of work from home policy during the outbreak of the fifth wave of COVID-19 that our office was closed occasionally to minimize the face-to-face contact of our employees.

The Group will continue to further manage environmental performance attributable to its operations to enhance for using electricity and water more efficiently. The Group has implemented a number of measures to mitigate energy consumption such as turning off the lighting and the air-conditioning system at night or when leaving office, paperless processing in internal communications, duplex printing and copying etc..

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A1.3 Hazardous Waste

During the Year, hazardous waste from the Group was mainly from inks used for in-house printing facilities. The amount of hazardous waste generation was insignificant, thus related data is not reported.

The Group required the related employees to handle the hazardous wastes properly. Clear instructions and the protection equipment are provided to employees handling the wastes and the hazardous wastes are stored in rigid containers to avoid spillage and at designed storage area.

A1.4 Non-Hazardous Waste

Non-hazardous waste from the Group's operation was mainly the stickers for the advertising materials and the plastic sheet for the display of advertisement on the advertising board ("**Advertising Waste**") and paper waste. During the Year, the consumption volume generated by the Group is shown as below:

Category of Non-hazardous waste	2021/22		2020/21	
	Quantity (tonnes)	Intensity — Unit per employee	Quantity (tonnes)	Intensity — Unit per employee
Advertising Waste	12.16	0.450	9.42	0.255
Paper waste	0.23	0.008	0.24	0.006
Total non-hazardous waste	12.39	0.458	9.66	0.261

During the Year, total quantity of non-hazardous waste was increased compared to the correspondence period in 2020/21 due to the increase demand of advertising materials on the New Lantao Bus advertising platform and the special promotion campaign offered to the advertisers during the economic downturn by virtue of the outbreak of COVID-19.

The Group continuously improves the efficiency of resources and disposal of waste in reasonable manner. We have implemented paperless processing in its internal communications, including for employee time sheets, payrolls and memorandum, etc.. Moreover, duplex printing and copying has become the norm within the Group, which is greatly reducing paper consumption and saving costs. Usage data of office printing machines is regularly collected and assessed, to monitor the efficiency of a paperless environment. Besides, the Group will consider to adopt the waste management plan to ensure appropriate handle the Advertising Waste.

The Group has continued to make its best endeavors to protect the environment from its business activities and workplace during the Year. Although the Group's principal business does not generate significant hazardous emissions, wastes or pollutants, the Board recognizes that as a world citizen, we should combat climate change and adopt green practices in our operations and activities. The Group educates its employees on their awareness of promoting a "green" environment. The Group seeks to identify and manage environmental impacts attributable to its operation, in order to minimize the impacts. The relevant measures have been taken during the daily operation and have formulated policies and procedures relating the environmental management to govern limited greenhouse gas emissions, hazardous and non-hazardous wastes generated from our operations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A2. Use of Resources

A2.1 Energy consumption

During the Year, the Group's energy consumption by type in total and intensity were shown as below:

Type of Energy	Unit	2021/22	2020/21
Direct energy consumption			
— Diesel	kWh	157,116	163,280
Indirect energy consumption			
— Electricity purchased	kWh	57,394	79,910
Total energy consumption	kWh	214,510	243,190
Intensity per unit of employee	kWh/person	7,944.81	6,572.71

During the Year, the Group's total energy consumption energy consumption was decreased by approximately 11.79% compared to 2020/21 mainly due to the implementation of work from home policy during the outbreak of the fifth wave of COVID-19 that our office was closed occasionally to minimize the face-to-face contact of our employees.

The Group tries to reduce the energy consumption through specific measures. We strives to utilize telephone conference to minimize face-to-face meetings in order to reduce petrol consumption in travelling and unnecessary business trip. The Group encourages resources saving in daily office operation and proactively fosters a low-carbon corporate culture, which further increase our employees' awareness in energy conservation.

A2.2 Water consumption and use of packaging materials

For the Group's head office and in-house printing facilities, our water usage arises mainly from water tap and drinking water. During the Year, we operated in leased premises in Hong Kong of which both of the water supply and discharge are solely controlled by the respective building management which considered that provision of water withdrawal and discharge data or sub-meter for individual occupant not feasible. The Retail Outlet is excluded the ESG reporting boundary during the Year. Hence, the relevant data for water consumption is therefore not disclosed.

To avoid unnecessary water consumption from daily operation, we promote good staff behavior by encouraging employees to always turn taps off tightly so they do not drip and giving priority to effective water-saving products.

Besides, the Group did not generate the significant packaging material and hence the disclosure is immaterial to the Group during the Year.

To strengthen the "green" environment launched by the Group, the Group will implement a systematic data collection strategy in future.

A3. The Environment and Natural Resources

The Group strives to promote environmental protection and make effective use of its resources and adopts the concepts of reduce, reuse, recycle and replacement.

The Group aims to maximize energy conservation by promoting efficient use of resources and adopting green technologies. For instance, for our transportation media platform, we have encouraged our suppliers to use solvent based ink and recyclable sticker/backsheets to minimize the impact to the environment. To minimize the wastage of the materials, we have given directions to our design department to maximize the usage of the printable area of each sticker and to reduce the test-print outputs by encouraging the advertisers to approve the design layout via electronic copies rather than physical hardcopies. Also, the establishment of the in-house printing facilities enabled the Group a better control on the material used for the printing. It includes the solvent to be used for the printing machines; the advertising stickers and the packaging materials. Since the Group has been operating the facilities internally, packaging materials have been minimized. The Group has been using recycling material and/or discarded stickers as the test print for internal use.

The Group regularly reviews, measures and actions to reduce significant impact on the environment and natural resources and ensure that the relevant laws and regulations are complied with.

A4. Climate Change

The Group recognizes that climate change has been affecting its stakeholders, business operations and our community. Principally, the Group aims to ensure smooth business operations even during such conditions and to mitigate the risks and impacts posed to the Group. The Group has been closely monitoring the impact of climate change to mitigate these potential risks as follows:

Physical Risks

For the acute physical risks, weather-related events such as typhoons and natural disasters may disrupt the business operation. Hence, we have developed comprehensive typhoon and rainstorm arrangements to safeguard the health and safety of our employees under extreme weather conditions. The work arrangements included reporting for duty, early release from work, the resumption of work, and the special arrangements in respect of essential staff in situations of adverse weather. The Group also gives consideration as much as possible to the different situations faced by individual employees, such as their place of residence, the road and traffic conditions in the vicinity, and adopt a flexible approach with due regard to their actual difficulties and needs.

Transition Risks

For the transition risks, the potential risks on climate change may include the shift of customer needs for our transportation media platform, being the Group's principal business. Customers may choose to advertise on the digital media advertising instead of our traditional transportation media platform which focuses on printed media. The Group will monitor the change of business environment from time to time and explore the business opportunity to cope with the transition risks.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. SOCIETY

B1. Employment

The Group believes that a motivated and balanced workforce is crucial for building a sustainable business model and delivering long-term returns. The employees of the Group are the most valuable resources.

We aim to provide a harmonious working environment for our employees through competitive remuneration packages that are comparable to the market standard and structured to commensurate with individual responsibilities, qualifications, experiences and performance. Annual review on staff performance is conducted and the appraisal result provides basis for salary review. We treasure staff who share the same values and aspirations with the Company, and provide adequate development opportunities accordingly.

During the Year, the Group was not aware of any material non-compliance relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare, including but not limited to Employment Ordinance, Minimum Wage Ordinance, Sex Discrimination Ordinance and Family Status Discrimination Ordinance of Hong Kong.

As at 31 March 2022, the Group has a total of 27 employees (2021: 37 employees) in Hong Kong and the number of employees and the employee turnover rate by gender and by age group distribution are as follows:

	As at 31 March 2022		As at 31 March 2021	
	Number of employees	Employee turnover rate	Number of employees	Employee turnover rate
<i>By gender</i>				
Female	17	47.06%	25	0%
Male	10	40.00%	12	8.33%
<i>By age group</i>				
Under 30 years old	0	100%	7	0%
30-50 years old	19	26.32%	22	4.55%
Over 50 years old	8	0%	8	0%

The Group's employee turnover rate is calculated by dividing number of employees in the specified category leaving employment by number of employees in the specified category. The significant increase of employee turnover rate is mainly due to the decrease of headcount arising from franchising the Retail Outlet during the Year.

B2. Health and Safety

The Group values the health and well-being of staff. In order to provide employees with health coverage, staff are entitled to benefits including medical subsidies, provident funds and other competitive fringe benefits.

The Group believes that maintaining a work-life balance is essential for sustainability and a sound body and mind for every employee. To support employees in maintaining work-life balance, the Group actively provides a variety of staff activities including company lunch, sales quarterly dinner and festival gathering for our staff and their family members. These activities are enhanced to strengthen relationships between employees, and foster a healthy and harmonious working environment.

In relation to the outbreak of COVID-19 pandemic in Hong Kong, the Group has stayed highly alert and taken a series of preventive measures to ensure the safety of the workplace, health of the staff and continuation of business operations, including but not limited to (i) tracking the health status of employees in a timely manner; (ii) implementing social distancing; (iii) requiring employees to wear a mask within the premises at all times; and (iv) reminding employees to be conscious of personal hygiene, so as to fully protect the health and safety of employees and tide out the pandemic together.

The Group strives to provide a safe and healthy working environment for the employees under reasonable and practicable conditions. During the Year, the Group was not aware of any material non-compliance with health and safety-related laws and regulations, including but not limited to the Occupational Safety and Health Ordinance and Employee Compensation Ordinance of Hong Kong that would have a significant impact on the Group. There were no reported work-related fatalities that occurred in each of the past three reporting years, i.e. for the years ended 31 March 2020, 2021 and 2022.

B3. Development and Training

The Group recognizes the importance of skilled and professionally trained employees to its business growth and future success. The Group encourages and provides subsidies to employees at all levels to pursue educational or training opportunities that achieve personal growth and professional development.

The Group provides regular weekly meeting and also provide training to our sales staff including training on sales technique, advertisement content vetting for regulatory compliance and intellectual property-related issue.

During the years ended 31 March 2021 and 2022, all Directors and the company secretary have attended and conducted trainings in accordance with the code provisions of the Corporate Governance Code as set out in Appendix 15 of the GEM Listing Rules.

B4. Labour Standards

The Group strictly prohibits employing any child labour or forced labour in its operations in Hong Kong. The Group has established a well-defined recruitment process which examines the background of candidates. During the recruitment process, the age of job applicant is required to provide valid identity documents to ensure that applicants are lawfully employable. Besides, the Group conducts regular reviews and inspections to prevent any child labour or forced labour in operation. If the responsible personnel identify the existence of child labour or forced labour within the Group, the work of such child labour or forced labour will be stopped immediately.

During the Year, the Group was not aware of any non-compliance with relevant laws and regulations on preventing child labour or forced labour, including but not limited to the Employment of Children Regulations (Chapter 57B of the Laws of Hong Kong) under the Employment Ordinance (Chapter 57 of the Laws of Hong Kong).

B5. Supply Chain Management

The Group values mutually beneficial and longstanding relationships with its suppliers. The Group works closely with a number of suppliers in providing services for enabling our media platforms such as the printers for our advertising materials; LCD panel providers and the media system integrators; contractors for the installation and removal of advertising materials, etc. The selection of suppliers is based on criteria such as price, stability of manpower dedicated to the Group, flexibility of delivering advertising materials, customer service team responsiveness, capability and experience, with preference given to potential suppliers that demonstrate their commitment to the environment. The establishment of our in-house printing facilities allowed the Group a better control on the processing time of the advertising materials and gained flexibility on entertaining the requests of the advertisers.

The Group maintains close liaison with its suppliers to monitor its performance to ensure that it is consistent with its service commitment.

The Group expects suppliers to maintain high standards of business ethics, communicate with suppliers and encourage them to use more environmentally friendly products and services. In the process of selecting and evaluating new suppliers, we would consider environmental and social performance as evaluation criteria to identify environmental and social risks in the supply chain. For example, we will examine whether candidate suppliers comply with environmental laws and regulations.

During the Year, the Group mainly engaged with 8 major suppliers who are based in Hong Kong, and the Group was not aware of any significant incidents and irregularities relating to business ethics, environmental protection and employment practices of our major suppliers.

B6. Product Responsibilities

The Group has earned trusted relationships with its broad customer base through providing dedicated customer services.

The Group makes every effort to promptly and fairly investigate and resolve all disputes and complaints lodged by customers, according to clearly written internal procedures.

The Group has set up designated channels — including hotline, facsimile and email — for clients to lodge complaints. All complaints received through these channels are diverted to and handled by the head of the department and the management. The hotline numbers and email address are shown on the Group's letterhead, to ensure clients are aware of the communication channels for lodging complaints. Upon receipt of a complaint, the department head and the management will investigate in a timely manner. Senior management shall review the complaint and determine whether internal controls and procedures need to be enhanced or other appropriate action is required to be taken. During the Year, the Group did not receive any material complaints from clients (2021: Nil).

The Group places its utmost importance on protecting the privacy of its customers, partners and staff in the collection, processing and use of their personal data. The Group adheres to the applicable data protection regulations and ensures appropriate technical measures are in place to protect personal data against unauthorized use or access. The Group also ensures that customers' personal data is securely kept and processed only for the purposes for which it has been collected. Staff are provided with adequate training in compliance with the Personal Data (Privacy) Ordinance, to strengthen their knowledge regarding safeguarding of personal data.

The Group builds up and protects its intellectual property rights by prolonged use and registration of domain names and various trademarks. The Group has registered trademarks in various classes in Hong Kong. In addition, the Group's trademarks and domain names are constantly monitored and renewed upon their expiration. For any infringement of the Group's intellectual property rights, the Group will urge infringers to cease such action and will take further action should such infringement continue.

During the Year, the Group was not aware of any incidents of non-compliance with laws and regulations that have a significant impact on the Group concerning health and safety, advertising, labelling and privacy matters relating to products and services provided.

B7. Anti-corruption

The Group believes that integrity is one of our core values. The staff handbook provides in details of our policies towards anti-corruption, bribery, blackmail, money laundering and other related fraudulent activities as well as preventive measures. In addition, the Group's strong stance against corruption and fraud is communicated to all employees so as to ensure they are fully aware.

The Group formulates a whistleblowing mechanism that allows all employees to report anonymously on any possible improprieties, misconducts, malpractices, or irregularities to the management of the Group. Reports and complaints received will be handled in a prompt and fair manner. Such mechanism also aims at protecting whistle-blowers from unfair dismissal, victimisation and unwarranted disciplinary actions, the identity of the whistle-blower will be kept strictly confidential where possible.

To strengthen the anti-corruption practice and enhance its employees' awareness on conflicts of interest and integrity issues, internal training and relevant materials relating to anti-money laundering and anti-corruption will be provided to the employees.

During the Year, the Group was not aware of any material non-compliance with the laws and regulations pertaining to the prevention of bribery, extortion, fraud and money laundering including the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong) enforced by the Independent Commission Against Corruption. No concluded legal case regarding corrupt practices was brought against the Group or its employees and no whistleblowing concerning a criminal offence or misconduct was reported.

B8. Community Investment

The Group is committed to the improvement of community well-being and social services. As a good corporate citizen, the Group strives to improve society through community commitment. We continue to find ways to align citizenship initiatives on our platform and we take an active role in participating in various communities and charitable events in Hong Kong to help and support the local communities.

In recognition of the Group's continuous contribution to the community, the Group has been awarded "Caring Company" certificate for thirteen consecutive years (2009–2022) by the Hong Kong Council of Social Service. Due to the outbreak of COVID-19, the Group did not participate sizeable donation or voluntary activities in order to protect the risks of infection of our employees during the Year. The Group will re-initiate the community activities when the pandemic subsides.

DIRECTORS' REPORT

The directors of the Company (the “**Directors**”) have pleasure in presenting their report together with the audited consolidated financial statements (the “**Consolidated Financial Statements**”) of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 March 2022.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and those of the principal subsidiaries of the Company are set out in note 30 to the Consolidated Financial Statements.

SEGMENT INFORMATION

An analysis of the segment results and geographical area of operations of the Group for the year ended 31 March 2022 is set out in note 6 to the Consolidated Financial Statements.

BUSINESS REVIEW

The business review of the Group for the year ended 31 March 2022 and its future business development as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) can be found in the “Management Discussion and Analysis” as set out on pages 6 to 12 of this annual report. These discussions form part of this Directors’ Report. Description of the principal risks and uncertainties facing the Group are set out in the section headed “Risks and Uncertainties” below.

The Board has not identified any important events affecting the Group that have occurred since the year ended 31 March 2022 and up to the date of this report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the year ended 31 March 2022, as far as the Board and management are aware, there was no material breach of or non-compliance with the applicable laws and regulations by the Group that has a significant impact on the business and operation of the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

A discussion on the Group’s environmental policies and performance, key relationships with the Group’s employees, customers and suppliers and others that have a significant impact on the Company are set out in the “Environmental, Social and Governance Report” on pages 28 to 38 of this annual report.

RISKS AND UNCERTAINTIES

The Group’s financial condition, results of operations, and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to the Group’s businesses. The following are the key risks and uncertainties identified by the Group.

DIRECTORS' REPORT

Economic risks

- A severe or prolonged downturn of the global economy;
- Fluctuations in foreign currency exchange rate, inflation and fluctuations of interest rates would adversely affect the customers' spending sentiment and the Group's profit margin; and
- Uncertainty of market demand of recently developed businesses.

Operational risks

- Failure to compete in the competitive environment which the Group operated in;
- Unable to maintain or expand the operations if the license agreements for advertising spaces are terminated or not renewed or if failing to obtain additional spaces;
- Failure to attract, train, retain, and motivate qualified managerial, sales, marketing, operating, and technical personnel, the loss of key personnel, or the inability to find additional qualified personnel; and
- The service agreement was terminated by the principal pursuant to the termination clause of the agreement which the Group is no longer an eligible party to perform its services under the service agreement.

Regulatory risks

- Failure to adhere to laws, regulations and rules, or to obtain or maintain all applicable permits and approvals;
- Infringement of valid patents, copyrights or other intellectual property rights held by third parties;
- Any change in laws and regulations in different customers' and suppliers' countries; and
- Any change in laws of foreign countries which the Group has operation and business.

Financial risks

- Details of financial risks are set out in note 36 to the Consolidated Financial Statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2022 are set out in the Consolidated Financial Statements on pages 55 to 115 of this annual report.

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

DIRECTORS' REPORT

FINANCIAL SUMMARY

A summary of the published results, assets and liabilities of the Group for the last five financial years is set out on page 116 of this annual report. The summary does not form part of the Consolidated Financial Statements.

SHARE CAPITAL

Details of share capital of the Company during the year are set out in note 26 to the Consolidated Financial Statements.

RESERVES

Details of movements in reserves of the Group and the Company during the year are set out in the Consolidated Statement of Changes in Equity and in note 28 to the Consolidated Financial Statements respectively.

DISTRIBUTABLE RESERVES

As at 31 March 2022, the Company had no distribution reserves available for distribution to the shareholders of the Company (2021: Nil).

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2022, sales to the Group's five largest customers accounted for approximately 26.28% of the total sales for the year and sales to the largest customer included therein amounted to approximately 7.37%.

For the year ended 31 March 2022, purchases from the Group's five largest suppliers accounted for approximately 43.71% of the total purchases for the year and purchases from the largest supplier included therein amounted to approximately 18.48%.

To the best knowledge of the Directors, none of the Directors, their respective close associates or any shareholders of the Company who owned more than 5% of the Company's issued share capital, had any beneficial interest in any of the Group's five largest customers or suppliers during the year ended 31 March 2022.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment during the year are set out in note 15 to the Consolidated Financial Statements.

DIRECTORS' REPORT

DIRECTORS

The Directors during the year and up to the date of this report are:

Executive Directors

Ms. CHAU Wai Chu Irene (*Chairlady and Chief Executive Officer*)
Mr. LEAN Chun Wai

Non-Executive Director

Mr. DA SILVA Antonio Marcus

Independent Non-Executive Directors

Ms. AU Shui Ming Anna (*retired on 20 August 2021*)
Mr. LIANG Man Kit Jerry (*resigned on 22 June 2021*)
Mr. LAM Yau Fung Curt
Ms. SUEN Wan Nei Winnie (*appointed on 22 June 2021*)
Ms. LAM Hiu Ying (*appointed on 20 August 2021*)

In accordance with article 83(3) of the Company's articles of association, any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting after his/her appointment and be subject to re-election at such meeting. Accordingly, Ms. LAM Hiu Ying shall retire and, being eligible, offer herself for forthcoming annual general meeting.

In accordance with article 84(1) of the Company's articles of association, at each annual general meeting one-third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. Accordingly, Ms. CHAU Wai Chu Irene and Mr. LEAN Chun Wai shall retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

DIRECTORS' SERVICE CONTRACTS

Each of the Executive Directors has entered into a service agreement with the Company for a term of three years, subject to the retirement by rotation and re-election at the annual general meeting at least once every three years pursuant to the Company's articles of association, and continuing thereafter until terminated by either party by giving not less than three months' notice in writing to the other.

The Non-Executive Director and each of the Independent Non-Executive Directors have entered into a letter of appointment with the Company for a term of three years, subject to the retirement by rotation and re-election at the annual general meeting and at least once every three years pursuant to the Company's articles of association, provided that either the Company or the Non-Executive Director and the Independent Non-Executive Directors may terminate such appointment at any time by giving notice in writing to the other.

None of the Directors has or is proposed to enter into a service contract or letter of appointment with the Company or any of its subsidiaries (other than contracts expiring or determinable by the Group within one year without the payment of compensation (other than statutory compensation)).

DIRECTORS' REPORT

INDEPENDENCE FROM INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received annual confirmation of independence from each of its existing Independent Non-Executive Directors pursuant to Rule 5.09 of the GEM Listing Rules and all of them are considered to be independent.

PERMITTED INDEMNITY PROVISIONS

Pursuant to the Company's articles of association, every Director shall be entitled to be indemnified out of assets of the Company against all losses or liabilities incurred or sustained by him/her about the execution of the duties of his/her office or otherwise in relation thereto. The Company has arranged appropriate Directors' and Officers' liability insurance coverage for the Directors and officers of the Group.

DIRECTORS' INTERESTS IN CONTRACTS

Save as aforesaid, there was no contract of significance to which the Company or its holding company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director had a material interests, whether directly or indirectly, subsisted during or at the end of the year.

DIRECTORS AND SENIOR MANAGEMENT

The biographical details of the Directors and senior management are disclosed in the section headed "Profile of Directors and Senior Management" on pages 13 to 15 of this annual report.

EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

The remuneration committee of the Company is responsible for making recommendations to the Board on the Company's emolument policy as and when necessary. Directors' emoluments are determined by the Board with reference to factors including director's duties and responsibilities with the Company and the Group as a whole, the Company's remuneration policy as well as the prevailing market rates.

Details of the emoluments of the Directors and the five highest paid individuals of the Group are set out in notes 13(a) and 13(b) to the Consolidated Financial Statements respectively.

RETIREMENT BENEFIT SCHEME

Details of retirement benefit scheme of the Group for the year ended 31 March 2022 are set out in note 35 to the Consolidated Financial Statements.

MANAGEMENT CONTRACTS

No management contracts concerning the whole or any substantial part of the business of the Company were entered into or existed during the year.

DIRECTORS' REPORT

RELATED PARTY TRANSACTIONS

Details of related party transactions of the Group during the year are set out in note 32 to the Consolidated Financial Statements. None of the related party transactions constituted a connected transaction or continuing connected transaction subject to independent shareholder's approval, annual review and all disclosure requirements in Chapter 20 of the GEM Listing Rules.

SHARE OPTION SCHEME

The Company's share option scheme (the "**Scheme**") was conditionally adopted by resolutions in writing passed by the shareholders of the Company on 19 December 2016. The principal terms of the Scheme were summarized in the sections headed "Share Option Scheme" in Appendix IV to the Prospectus.

The purpose of the Scheme is to enable the Company to grant options to selected participants as incentives or rewards for their contribution to the Group. Pursuant to the Scheme, the Board is authorized, at its absolute discretion and subject to the terms of the Scheme, to grant options to subscribe the Shares to any employees (whether full-time or part-time including any executive director but excluding any non-executive director), non-executive directors, consultants or advisers of the Group, or any substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of the Group.

The Scheme shall be valid and effective for a period of ten years commencing on 19 December 2016, subject to early termination provisions contained in the Scheme.

An option may be accepted by a participant within 21 days from the date of the offer for the grant of options. A nominal consideration of HK\$1 is payable by the grantee of an option to the Company on acceptance of the grant of an option. The subscription price for the Shares under the Scheme shall be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Shares on the date of the offer for the grant, which must be a business day; (ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations for the five business days immediately preceding the date of the offer for the grant; and (iii) the nominal value of a Share.

The total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Scheme and any other share option scheme of the Company must not in aggregate exceed 10% of the Shares in issue on the Listing Date, being 72,000,000 Shares. The Company may at any time refresh such limit, subject to the shareholders' approval and issue of a circular in compliance with the GEM Listing Rules, provided that the total number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under all the share option schemes of the Company does not exceed 30% of the Shares in issue from time to time.

DIRECTORS' REPORT

The total number of Shares which issued and which may fall to be issued upon exercise of the options granted under the Scheme and any other share option scheme of the Group (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1% of the Shares in issue unless approved by the shareholders of the Company and issue of a circular and all other information in compliance with the GEM Listing Rules.

An option may be exercised in accordance with the terms of the Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence from the date of the offer for the grant of options is made, but shall end in any event not later than ten years from the date of grant subject to the provisions of early termination thereof.

No share option has been granted, exercised, cancelled or lapsed under the Scheme since its adoption.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATION

As at 31 March 2022, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO")) which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO), or as recorded in the register maintained by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Name of Director	Capacity/Nature of interest	Number and class of securities ⁽¹⁾	Approximate percentage of shareholding interest
Ms. CHAU Wai Chu Irene ("Ms. Chau")	Beneficial owner	278,640,000 ordinary shares (L)	38.70%
Ms. Chau ⁽²⁾	Interest in a controlled corporation	278,640,000 ordinary shares (L)	38.70%
Mr. DA SILVA Antonio Marcus ("Mr. Da Silva")	Beneficial owner	93,960,000 ordinary shares (L)	13.05%
Mr. Da Silva ⁽³⁾	Interest in a controlled corporation	93,960,000 ordinary shares (L)	13.05%

DIRECTORS' REPORT

Notes:

- (1) The letter "L" denotes the entity/person's long position in ordinary shares of the Company (the "Shares").
- (2) The Company was directly owned as to 38.70% (being 278,640,000 Shares) by Goldcore Global Investments Limited ("Goldcore"). By virtue of her 100% shareholding of Goldcore, Ms. Chau is deemed to be interested in the same number of Shares held by Goldcore.
- (3) The Company was directly owned as to 13.05% (being 93,960,000 Shares) by Silver Pro Investments Limited ("Silver Pro"). By virtue of his 100% shareholding of Silver Pro, Mr. Da Silva is deemed to be interested in the same number of Shares held by Silver Pro.

Long Positions in Shares of Associated Corporation

Name of Director	Name of associated corporation	Capacity/ Nature of interest	Percentage of interest
Ms. Chau	Goldcore	Beneficial owner	100%
Mr. Da Silva	Silver Pro	Beneficial owner	100%

All issued shares in Goldcore are solely owned by Ms. Chau. Accordingly, Ms. Chau is deemed to be interested in all the Shares held by Goldcore by virtue of the SFO.

All issued shares in Silver Pro are solely owned by Mr. Da Silva. The spouse of Mr. Da Silva is Ms. CHU Sau Kuen Jeanny. Accordingly, Mr. Da Silva and Ms. CHU Sau Kuen Jeanny are both deemed to be interested in all the Shares held by Silver Pro by virtue of the SFO.

Save as disclosed above, as at 31 March 2022, none of the Directors and the chief executive of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

DIRECTORS' REPORT

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as is known to the Directors, as at 31 March 2022, the following persons/entities had the interests or short positions in the shares or underlying shares which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or as recorded in the register of the Company required to be kept under Section 336 of the SFO as follows:

Name of shareholder	Capacity/Nature of interest	Number and class of securities ⁽¹⁾	Approximate percentage of shareholding interest
Goldcore ⁽²⁾	Beneficial owner	278,640,000 ordinary shares (L)	38.70%
Ms. Chau ⁽²⁾	Interest in a controlled corporation	278,640,000 ordinary shares (L)	38.70%
AL Capital Limited ⁽³⁾ ("AL Capital")	Beneficial owner	139,968,000 ordinary shares (L)	19.44%
Mr. LAU Anthony Chi Sing ⁽³⁾ ("Mr. Lau")	Interest in a controlled corporation	139,968,000 ordinary shares (L)	19.44%
Silver Pro ⁽⁴⁾	Beneficial owner	93,960,000 ordinary shares (L)	13.05%
Mr. Da Silva ⁽⁴⁾	Interest in a controlled corporation	93,960,000 ordinary shares (L)	13.05%
Ms. CHU Sau Kuen Jeanny ⁽⁴⁾	Interest of spouse (spouse of Mr. Da Silva)	93,960,000 ordinary shares (L)	13.05%

Notes:

- (1) The letter "L" denotes the entity/person's long position in the Shares.
- (2) All issued shares in Goldcore are solely owned by Ms. Chau. Accordingly, Ms. Chau is deemed to be interested in all the Shares held by Goldcore by virtue of the SFO.
- (3) All issued shares in AL Capital are solely owned by Mr. Lau. Accordingly, Mr. Lau is deemed to be interested in all the Shares held by AL Capital by virtue of the SFO.
- (4) All issued shares in Silver Pro are solely owned by Mr. Da Silva. The spouse of Mr. Da Silva is Ms. CHU Sau Kuen Jeanny. Accordingly, Mr. Da Silva and Ms. CHU Sau Kuen Jeanny are both deemed to be interested in all the Shares held by Silver Pro by virtue of the SFO.

Save as disclosed above and so far as is known to the Directors, as at 31 March 2022, no other interests or short positions in the shares or underlying shares of the Company which were required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO or were recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' REPORT

DIRECTOR'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Its Associated Corporation" above, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective associates (as defined in the GEM Listing Rules), or were any rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

NON-COMPETE UNDERTAKINGS

As disclosed in the Prospectus, the Controlling Shareholders (as defined in the Prospectus) (collectively, the "**Covenantors**") have given non-compete undertakings (the "**Non-Compete Undertakings**") in favor of the Company which are contained in the share swap agreement dated 30 November 2016. The Covenantors have provided the Group with written confirmation that they and their respective close associates and/or companies controlled by them (other than the Group) have fully complied with the Non-Compete Undertakings throughout the year ended 31 March 2022.

The Independent Non-Executive Directors conduct an annual review on the Covenantors' compliance with the Non-Compete Undertakings by the Controlling Shareholders and if any, the options, pre-emptive rights or first rights of refusals provided by the Controlling Shareholders and/or their respective close associates on their existing or future competing businesses.

During the year ended 31 March 2022, the Covenantors and their respective close associates did not direct any Restricted Activity (as defined in the Prospectus) to the Group. Hence, the Independent Non-Executive Directors did not conduct any review on the decision made in relation to Restricted Activity.

COMPETING INTERESTS

None of the Directors, the directors of the Company's subsidiaries or controlling shareholders of the Company, or any of its respective close associates (as defined in the GEM Listing Rules) had interest in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, or has any other conflict of interests with the Group (other than being a Director and/or a director of its subsidiaries and their respective associates) during the year ended 31 March 2022.

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

During the year ended 31 March 2022, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

PRE-EMPTIVE RIGHTS

There is no provision for the pre-emptive rights under the Company's articles of association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

DIRECTORS' REPORT

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, the Company has maintained the prescribed public float under the GEM Listing Rules.

CORPORATE GOVERNANCE

A report on the principal corporate governance practices adopted by the Company is set out on pages 16 to 27 of this annual report.

AUDIT COMMITTEE

The Consolidated Financial Statements have been reviewed by the audit committee of the Company (the "**Audit Committee**"). The Audit Committee is of the opinion that the Consolidated Financial Statements comply with applicable accounting standards, the GEM Listing Rules and that adequate disclosures have been made.

AUDITOR

BDO Limited ("**BDO**") has resigned as the auditor of the Company with effect from 7 February 2022 as the Company could not reach a consensus with BDO on the audit fee for the financial year ending 31 March 2022. The Directors, with the recommendation from the Audit Committee, has resolved to appoint Mazars CPA Limited ("**Mazars**") as the new auditor of the Company with effect from 7 February 2022 to fill the casual vacancy following the resignation of BDO and to hold office until the conclusion of the forthcoming annual general meeting of the Company (the "**AGM**"). The Consolidated Financial Statements have been audited by Mazars, who will retire and, being eligible, offer itself for reappointment at the upcoming AGM. A resolution will be proposed at the upcoming AGM to reappoint Mazars as the auditor of the Company. Save as disclosed above, there was no change in auditor of the Company in any of the preceding three years.

On behalf of the Board of
OOH Holdings Limited

CHAU Wai Chu Irene
Chairlady

Hong Kong, 21 June 2022

INDEPENDENT AUDITOR'S REPORT



MAZARS CPA LIMITED
中審眾環(香港)會計師事務所有限公司
42nd Floor, Central Plaza,
18 Harbour Road, Wanchai, Hong Kong
香港灣仔港灣道18號中環廣場42樓
Tel 電話 : (852) 2909 5555
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Email 電郵 : info@mazars.hk
Website 網址 : www.mazars.hk

TO THE SHAREHOLDERS OF OOH HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of OOH Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) set out on pages 55 to 115, which comprise the consolidated statement of financial position as at 31 March 2022, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (Continued)

Key audit matter	How the matter was addressed in our audit
<p>Assessment of lease term and incremental borrowing rates under HKFRS 16</p> <p><i>Refer to notes 5 and 16 to the consolidated financial statements</i></p> <p>As at 31 March 2022, the Group had recognised right-of-use assets and lease liabilities of approximately HK\$30,933,000 and approximately HK\$28,414,000 respectively.</p> <p>We have identified the assessment of lease term and incremental borrowing rates under HKFRS 16 as a key audit matter because of the significance of the amounts of the right-of-use assets and lease liabilities to these consolidated financial statements. In addition, the measurement of the right-of-use assets and the lease liabilities requires the use of significant judgements and estimates in the assessment of lease term where the leases contain extension or termination options and in determination of appropriate discount rates.</p>	<p>Our key audit procedures in relation to management assessment of lease term and incremental borrowing rates included:</p> <ul style="list-style-type: none">— Understanding the established policies and procedures with respect to the identification and recognition of leases;— Assessing the reasonableness of the data and assumptions adopted by management to determine the discount rates based on the length of lease term and our knowledge of the business;— Assessing the reasonableness of judgements and assumptions adopted by the management when determining the length of the lease term where the lease contains extension or termination options or has been modified; and— Performing re-calculation of the right-of-use assets and lease liabilities, on a sample basis, and testing of the accuracy of the data used in the calculation compared to the associated lease agreements and other relevant documents.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the 2022 annual report of the Company but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

INDEPENDENT AUDITOR'S REPORT

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

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

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

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

Mazars CPA Limited

Certified Public Accountants

Hong Kong, 21 June 2022

The engagement director on the audit resulting in this independent auditor's report is:

Eunice Y M Kwok

Practising Certificate number: P04604

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2022

	<i>Notes</i>	2022 HK\$'000	2021 HK\$'000
Revenue	7	55,481	47,197
Cost of sales		(31,072)	(32,112)
Gross profit		24,409	15,085
Other income and gains, net	8	2,324	2,257
Change in fair value of financial assets at fair value through profit or loss ("FVTPL")		(5,698)	–
Selling expenses		(6,954)	(5,676)
Administrative expenses		(14,960)	(14,618)
Other operating expenses		(384)	(900)
Finance costs	9	(1,381)	(1,216)
Loss before income tax expense	10	(2,644)	(5,068)
Income tax expense	11	(78)	(52)
Loss and total comprehensive loss for the year		(2,722)	(5,120)
Loss and total comprehensive loss for the year attributable to:			
Owners of the Company		(3,050)	(4,692)
Non-controlling interests		328	(428)
		(2,722)	(5,120)
Loss per share		HK cents	HK cents
Basic and diluted	14	(0.42)	(0.65)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2022

	<i>Notes</i>	2022 HK\$'000	2021 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	15	2,371	3,147
Right-of-use assets	16	30,933	35,247
Intangible assets	17	3,226	2,726
		36,530	41,120
Current assets			
Inventories	18	3,161	3,151
Financial assets at FVTPL	19	1,456	7,154
Trade receivables	20	5,370	3,740
Deposits, prepayments and other receivables	21	2,124	2,894
Tax recoverable		–	150
Cash and bank balances	22	37,019	38,858
		49,130	55,947
Current liabilities			
Trade payables	23	196	337
Accruals and other payables	24	1,389	1,644
Contract liabilities	25	5,594	8,126
Lease liabilities	16	11,209	14,906
Tax payables		23	18
		18,411	25,031
Net current assets		30,719	30,916
Total assets less current liabilities		67,249	72,036
Non-current liabilities			
Lease liabilities	16	17,205	19,299
Net assets		50,044	52,737

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2022

	<i>Notes</i>	2022 HK\$'000	2021 HK\$'000
CAPITAL AND RESERVES			
Capital and reserves attributable to owners of the Company			
Share capital	26	7,200	7,200
Reserves		42,844	45,851
<hr/>			
		50,044	53,051
Non-controlling interests	31	–	(314)
<hr/>			
Total equity		50,044	52,737

These consolidated financial statements on pages 55 to 115 were approved and authorised for issue by the Board of Directors on 21 June 2022 and are signed on its behalf by:

Ms. Chau Wai Chu Irene
Director

Mr. Lean Chun Wai
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2022

	Attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital	Share premium*	Other reserve*	Retained earnings*	Total		
	(note 26)	(note 28(a))	(note 28(b))				
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
At 1 April 2020	7,200	35,371	(90)	15,262	57,743	130	57,873
Loss and total comprehensive loss for the year	-	-	-	(4,692)	(4,692)	(428)	(5,120)
Transactions with owners:							
<i>Changes in ownership interest</i>							
Disposal of a subsidiary	-	-	-	-	-	(16)	(16)
At 31 March and 1 April 2021	7,200	35,371	(90)	10,570	53,051	(314)	52,737
Loss and total comprehensive loss for the year	-	-	-	(3,050)	(3,050)	328	(2,722)
Transactions with owners:							
<i>Contributions and distributions</i>							
Dividend paid to non-controlling interests	-	-	-	-	-	(360)	(360)
<i>Changes in ownership interest</i>							
Change in ownership interests in a subsidiary without change in control (note 31(b))	-	-	-	43	43	(46)	(3)
Disposal of a subsidiary (note 33)	-	-	-	-	-	392	392
At 31 March 2022	7,200	35,371	(90)	7,563	50,044	-	50,044

* The total of these accounts represents "Reserves" in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2022

	<i>Notes</i>	2022 HK\$'000	2021 HK\$'000
Cash flow from operating activities			
Loss before income tax expense		(2,644)	(5,068)
Adjustments for:			
Amortisation of intangible assets		94	157
Bank interest income		(114)	(212)
Depreciation of property, plant and equipment		1,032	833
Depreciation of right-of-use assets		18,826	21,245
Gain on modification of leases		(14)	(266)
Gain on disposal of property, plant and equipment		(1)	(3)
Gain on rent concessions		(901)	–
Loss on disposal of a subsidiary		384	–
(Reversal of)/Provision of impairment of intangible assets		(594)	594
Impairment of property, plant and equipment		–	306
Waiver of amount due from non-controlling interests		160	–
Write-off of property, plant and equipment		34	–
Write-off of inventories		56	–
Interest income from financial assets at FVTPL		(470)	(36)
Interest on lease liabilities		1,381	1,216
Operating profit before working capital changes		17,229	18,766
(Increase)/Decrease in trade receivables		(1,630)	359
Decrease/(Increase) in deposits, prepayments and other receivables		610	(564)
Decrease/(Increase) in financial assets at FVTPL		5,698	(7,154)
Increase in inventories		(66)	(3,105)
Decrease in trade payables		(141)	(119)
(Decrease)/Increase in accruals and other payables		(255)	484
Decrease in contract liabilities		(2,532)	(919)
Decrease in amount due to an associate		–	(47)
Cash generated from operations		18,913	7,701
Income tax refunded/(paid)		77	(197)
Net cash generated from operating activities		18,990	7,504

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2022

	<i>Notes</i>	2022 HK\$'000	2021 HK\$'000
Cash flows used in investing activities			
Purchase of property, plant and equipment		(327)	(2,144)
Proceeds from sale of property, plant and equipment		38	352
Net cash inflow/(outflow) on disposal of a subsidiary	33	8	(517)
Increase in fixed deposits with original maturity of over three months		(4,091)	(10,137)
Interest received		584	248
Net cash used in investing activities		(3,788)	(12,198)
Cash flows used in financing activities			
Payment for acquisition of non-controlling interests	31	(3)	–
Repayment of principal portion of lease liabilities	16	(19,388)	(20,313)
Interest paid on lease liabilities	16	(1,381)	(1,216)
Dividend paid to non-controlling interests		(360)	–
Net cash used in financing activities		(21,132)	(21,529)
Net decrease in cash and cash equivalents		(5,930)	(26,223)
Cash and cash equivalents at beginning of the year		28,721	54,944
Cash and cash equivalents at the end of the year		22,791	28,721

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

1. GENERAL INFORMATION

OOH Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 28 June 2016 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as revised and consolidated) of the Cayman Islands and its shares have been listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 5 January 2017 (“Listing Date”). The address of its registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business is Suite A5, 9/F, Jumbo Industrial Building, 189 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong.

The principal activity of the Company (together with its subsidiaries as the “Group”) is investment holding. The Group is principally engaged in the provision of advertising display services. The principal activities of the subsidiaries are set out in note 30 to the consolidated financial statements.

As at 31 March 2022, the directors of the Company (the “Directors”) consider Goldcore Global Investments Limited (“Goldcore”), a company incorporated in the British Virgin Islands (“BVI”) with limited liability as the immediate and ultimate holding company.

2. ADOPTION OF NEW OR AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(a) Adoption of new or amended HKFRSs

In the current year, the Group has applied for the first time the following new or amended HKFRSs, issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), which are relevant and effective for the Group’s consolidated financial statements for the annual period beginning on 1 April 2021:

Amendments to HKAS 39, HKFRSs 4, 7, 9 and 16	Interest Rate Benchmark Reform — Phase 2
Amendments to HKFRS 16	Covid-19–Related Rent Concession
Amendments to HKFRS 16	Covid-19–Related Rent Concessions Beyond 30 June 2021

Amendments to HKAS 39, HKFRSs 4, 7, 9 and 16: Interest Rate Benchmark Reform — Phase 2

The amendments address issues that might affect financial reporting when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the interest rate benchmark reform (the “Reform”). The amendments complement those issued in November 2019 and relate to:

- changes to contractual cash flows — a company will not have to derecognise or adjust the carrying amount of financial instruments for changes required by the Reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate;
- hedge accounting — a company will not have to discontinue its hedge accounting solely because it makes changes required by the Reform, if the hedge meets other hedge accounting criteria; and
- disclosures — a company will be required to disclose information about new risks arising from the reform and how it manages the transition to alternative benchmark rates.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

2. ADOPTION OF NEW OR AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(a) Adoption of new or amended HKFRSs (Continued)

Amendments to HKFRS 16: Covid-19–Related Rent Concessions

Amendments to HKFRS 16: Covid-19–Related Rent Concessions Beyond 30 June 2021

The amendments exempt lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and allow lessees to account for such rent concessions as if they were not lease modifications. It applies to COVID-19–related rent concessions that reduce lease payments due on or before 30 June 2022. The amendments do not affect lessors.

The adoption of the amendments results in gain on rent concessions of approximately HK\$901,000 recognised in profit or loss during the year ended 31 March 2022.

(b) New or amended HKFRSs that have been issued but are not yet effective

At the date of authorisation of these consolidated financial statements, the HKICPA has issued the following new or amended HKFRSs that are not yet effective for the current year, which the Group has not early adopted.

Amendments to HKAS 16	Proceeds before Intended Use ¹
Amendments to HKAS 37	Cost of Fulfilling a Contract ¹
Amendments to HKFRS 3	Reference to the Conceptual Framework ¹
Annual Improvements to HKFRSs	2018–2020 Cycle ¹
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current ²
Amendments to HKAS 1	Disclosure of Accounting Policies ²
Amendments to HKAS 8	Definition of Accounting Estimates ²
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ²
HKFRS 17	Insurance Contracts ²
Amendment to HKFRS 17	Initial Application of HKFRS 17 and HKFRS 9 — Comparative Information ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

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

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

³ The effective date to be determined

The Directors are in the process of making an assessment of the possible impact on the future adoption of the new or amended HKFRSs. So far, the Directors are of the opinion that the adoption of the new or amended HKFRSs in future periods will not have any material impact on the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

3. BASIS OF PREPARATION

3.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with HKFRSs, which collective term includes all applicable HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Companies Ordinance. In addition, the consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”).

3.2 Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for financial assets at fair value through profit or loss which are measured at fair values as explained in the accounting policies set out in note 4 to the consolidated financial statements.

All amounts have been rounded to the nearest thousand except when otherwise indicated.

3.3 Foreign currency translation

The consolidated financial statements are presented in Hong Kong Dollars (“HK\$”), which is the same as the functional currency of the Company.

Transactions entered into by group entities in currencies other than the currency of the primary economic environment in which they operate (the “functional currency”) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise.

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as foreign exchange reserve (attributed to non-controlling interests as appropriate). Exchange differences recognised in profit or loss of group entities’ separate financial statements on the translation of long-term monetary items forming part of the Group’s net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as foreign exchange reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of reporting period. Exchange differences arising are recognised in the foreign exchange reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the dates of acquisition or up to the dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Group.

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss or other comprehensive income, as appropriate. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by HKFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.2 Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, interest in a subsidiary is stated at cost less impairment loss, if any. The result of subsidiary is accounted for by the Company on the basis of dividend received and receivable.

4.3 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of property, plant and equipment includes its purchase price and the costs directly attributable costs of bringing the asset to its working condition and location for its intended use.

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

Property, plant and equipment are depreciated so as to write off their cost over their estimated useful lives on a straight-line basis. The useful lives and depreciation method are reviewed, and adjusted if appropriate, at the end of the reporting period. The useful lives are as follows:

Display monitors and devices	5 years
Furniture and fixtures	5 years
Leasehold improvements	Shorter of 5 years or unexpired lease term
Motor vehicles	5 years

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

Gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.4 Intangible assets

Intangible assets acquired separately are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is provided on a straight-line basis over the useful life of the intangible asset with finite useful life below. The amortisation expense is recognised in profit or loss and included in administrative expenses.

License right	9 years
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Club membership with indefinite life is carried at cost less any subsequent accumulated impairment losses.

Impairment

Intangible assets with finite lives are tested for impairment when there is an indication that an asset may be impaired. Intangible assets with indefinite useful lives are tested for impairment annually, irrespective of whether there is any indication that they may be impaired. Intangible assets are tested for impairment by comparing their carrying amounts with their recoverable amounts.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is recognised as an expense immediately.

4.5 Leasing

Accounting as a lessee

All leases (irrespective of they are operating leases or finance leases) are required to be capitalised in the consolidated statement of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases; and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term less than 12 months. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

Right-of-use asset

The right-of-use asset is initially recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequent to the commencement date, under the cost model, the Group measures the right-of-use asset at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability. Unless the Group is reasonably certain to obtain ownership of the lease asset at the end of the lease term, the recognised right-of-use assets are depreciated on straight-line basis over the shorter of estimated useful lives and lease term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.5 Leasing (Continued)

Accounting as a lessee (Continued)

Lease liability

The lease liability is initially recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

The following payments for the right-to-use of the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, the Group measures the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

When the Group revises its estimate of the term of any lease, (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases, an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

When the Group renegotiates the contractual terms of a lease with the lessor, if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease. In all other cases, where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount. If the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date and the right-of-use asset is adjusted by the same amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.5 Leasing (Continued)

Accounting as a lessee (Continued)

The Group has applied the practical expedient provided in Amendments to HKFRS 16: *Covid-19-Related Rent Concessions beyond 30 June 2021* and does not assess whether eligible rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modification. The Group accounts for any change in lease payments resulting from the rent concession the same way it would have accounted for the change applying HKFRS 16 as if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

- (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- (c) there is no substantive change to other terms and conditions of the lease.

The Group has applied the practical expedient consistently to all eligible rent concessions with similar characteristics and in similar circumstances.

4.6 Financial instruments

(i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition. A trade receivable without a significant financing component is initially measured at the transaction price.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Debt instruments

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.6 Financial instruments (Continued)

(i) Financial assets (Continued)

Debt instruments (Continued)

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

The Group's financial assets at amortised cost include trade receivables, deposits and other receivables, and cash and bank balances.

Fair value through profit or loss ("FVTPL"): Financial assets at FVTPL include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

The Group's financial assets at FVTPL include listed debt investments.

Impairment loss on financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on trade receivables and financial assets measured at amortised cost. The ECLs are measured on either of the following bases: (1) 12-months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group has elected to measure loss allowances for trade receivables using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are based on the 12-months ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.6 Financial instruments (Continued)

(i) Financial assets (Continued)

Impairment loss on financial assets (Continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due unless reasonable and supportable information demonstrate the otherwise.

The Group considers a financial asset to be credit-impaired when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due unless reasonable and supportable information demonstrate the otherwise.

As detailed in note 36(a) to the consolidated financial statements, other receivables and cash and bank balances are determined to have low credit risk.

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that the Group may not receive the outstanding contractual amounts in full if the financial instrument that meets any of the following criteria.

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

The Group considers default occur when a financial asset is more than 90 days past due unless reasonable and supportable information suggested the otherwise.

The Group directly reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non-credit-impaired financial assets, interest income is calculated based on the gross carrying amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.6 Financial instruments (Continued)

(ii) Financial liabilities

Financial liabilities are recognised when and only when the Group becomes a party to the contractual provisions of the instruments. The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade payables, accruals and other payables are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iii) Effective interest method

Effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. Effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(iv) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

(v) Equity instruments

Shares issued by the Company are recorded at the proceeds received, net of direct issue cost.

4.7 Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in, first-out method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.8 Cash and cash equivalents

Cash and cash equivalents represent cash at bank and in hand, demand deposits with banks and short term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash which are subject to an insignificant risk of change in value.

4.9 Revenue and other income recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customer, or the lessee has the right to use the asset, at an amount that reflects consideration to which the Group is expected to be entitled, in exchange for those goods or services excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or services may be transferred over time or at a point in time. Control of the goods or services is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or services.

Advertising display services

Revenue from advertising display services is recognised on a straight-line basis over the performance period for which the advertisements are displayed.

Some of the Group's advertising display contracts provide customers a volume rebate if the customer hit the sales volume hurdles and settled all the invoices due within the contract period. The volume rebates give rise to variable consideration. The Group applies the most likely amount method to estimate the variable consideration. A refund liability would be recognised based on the estimate of the most likely amount to be paid to customer's volume-based rebate. The Group estimates the most likely amount of volume rebates and recognises it as a reduction of revenue as the sales are recognised. A provision of rebate will be recognised in other payables, if any.

Sale of food and beverage products

Revenue from sale of food and beverage products is recognised at the point in time when control of the goods has been transferred (i.e. when the products are accepted by the customers). The customers have full discretion over the products, and there is no unfulfilled obligation that could affect customer's acceptance of the products.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.9 Revenue and other income recognition (Continued)

Franchising income

Franchising income, representing fee charged for the use of license right granted by a franchise agreement, or for other services provided during the period of a franchise agreement, is recognised at the point in time when the food and beverage products are sold or the right is used.

Interest income

Interest income is accrued on a time basis on the principal outstanding at the applicable interest rate.

Contract liabilities

Upon entering into a contract with a customer, the Group obtains right to receive consideration from the customer and assumes performance obligations to transfer goods or provide services to the customer. The combination of those rights and performance obligations give rise to a net asset or a net liability depending on the relationship between the remaining rights and the performance obligations. Contract liabilities are recognised for services to be provided to customers and represented the excess of consideration received from the customers over the cumulative revenue recognised.

4.10 Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.11 Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short-term employee benefits are recognised in the year when the employees render the related service.

(ii) Defined contribution retirement plan

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity.

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. The Group has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. Contributions are made based on a percentage of the employees' basic salaries to the maximum mandatory contribution as required by the MPF Scheme. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in current liabilities or current assets, respectively, as they are normally of a short-term nature. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Contributions to the defined contribution retirement plan are recognised as an expense in profit or loss in the period when the services are rendered by the employees.

(iii) Long service payments

The Group's net obligation in respect of long service payments under the Employment Ordinance is the amounts of future benefit that employees have earned in return for their services in the current and prior periods. The obligation is calculated using the projected unit credit method and discounted to its present value and after deducting the fair value of any related assets, including those retirement scheme benefits.

4.12 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of the property, plant and equipment, intangible assets and right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased.

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Value in use is based on the estimated future cash flows expected to be derived from the asset or a cash generating unit ("CGU"), discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.13 Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reliably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

4.14 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

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

4.15 Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's chief operating decision maker, namely, the executive directors, for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products or services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.16 Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of key management personnel of the Group or the Company's parent.
- (b) An entity is related to the Group if any of the following conditions apply:
 - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Company's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors are required to make judgement, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

(a) Critical accounting judgement

Principal versus agent considerations

Determination of whether the Group is acting as a principal or as an agent in the provision of advertising display services requires judgements and considerations of all relevant facts and circumstances. The Group is a principal in a transaction if the Group obtains control of services provided before they are transferred to customers. Indicators that the Group controls the specified service before it is transferred to the customer include, but are not limited to the following: (a) the Group is primarily responsible for fulfilling the promise to provide the specified service; (b) the Group has inventory risk before the specified service has been transferred to a customer or after transfer of control to the customer; and (c) the Group has discretion in establishing the price for the specified service. If control is unclear, when the Group is primarily obligated in a transaction, and has latitude in establishing prices and deciding how the services are performed, or has several but not all of these indicators, the Group records revenues on a gross basis. Otherwise, the Group records the net amount earned as commissions from services provided. For the years ended 31 March 2022 and 2021, all revenue was recognised on gross basis as the Group has acted as a principal in relation to the services provided.

(b) Key sources of estimation uncertainty

In addition to information disclosed elsewhere in these financial statements, other key sources of estimation uncertainty that have significant risks of resulting in a material adjustment to the carrying amounts of assets and liabilities within next financial year are as follows:

(i) Loss allowance for ECLs

The Group determines the loss allowance for trade and other receivables based on assumptions about risk of default and expected loss rates. The provision matrix is determined based on the Group's historical observed default rates over the expected life of the trade receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. The ECLs of other receivables is based on the 12-month ECLs. In making the judgement, management considers available reasonable and supportable forward-looking information such as actual or expected significant adverse changes in business and customers' financial position. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed by the management. Details of the key assumptions and inputs used in estimating ECL are set out in note 36 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(b) Key sources of estimation uncertainty (Continued)

(ii) Determination of lease term and incremental borrowing rates of lease contracts

In determining the lease term at the commencement date for leases that include renewal options or early termination options exercisable by the Group, the Group exercises judgement to evaluate the likelihood of exercising the renewal options or early termination options taking into account all relevant facts and circumstances that create economic incentive for the Group to exercise the option, including favourable terms, leasehold improvements undertaken, penalties for early termination and the importance of that underlying asset to the Group's operation. Any changes in the lease term would affect the amount of right-of-use assets and lease liabilities recognised in future years. The Group also exercises judgement to determine whether there is a significant event or change in circumstance that is within the Group's control that would require the lease term to be reassessed.

In determining incremental borrowing rates of lease contracts, the Group applies judgement to determine the applicable rates, taking into account the nature of the underlying assets, the terms and condition of the leases, creditworthiness of the relevant group entities and economic environment, at both the commencement date and the effective date of the modification to calculate the present value of lease payments. The incremental borrowing rates of the Group applied significantly affect the amounts of lease liabilities and right-of-use assets recognised.

(iii) Impairment of non-financial assets

Non-financial assets are tested for impairment when indicators exist. Where an impairment indicator exists, the recoverable amount of the asset is determined based on value-in-use calculations prepared on the basis of management's assumptions and estimates about future events, which are subject to uncertainty and might materially differ from the actual results. In making these key estimates and judgements, the Group takes into consideration assumptions that are mainly based on market condition existing at the end of the reporting period and appropriate market and discount rates.

During the year, impairment losses had been recognised and/or reversed on certain property, plant and equipment and intangible asset belonged to the food and beverage segment, which is identified as CGU for the purpose of impairment assessment.

Further information on the impairment assessment on this CGU are provided in notes 15 and 17 to the consolidated financial statements.

(iv) Net realisable value of inventories

The Group's management reviews the inventory aging analysis periodically, and makes allowance for obsolete and slow-moving inventory items identified that are no longer suitable for sale. The assessment of the provision amount required involves management judgements and estimates. Where the actual outcome or expectation in future is different from the original estimate, such difference will have an impact on the carrying value of the inventories and provision charge/write-back in the period in which estimate has been changed. During the year, no impairment had been made on inventories based on management assessment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(b) Key sources of estimation uncertainty (Continued)

(v) Fair value measurement

Certain financial assets included in the Group's financial statements require measurement at, and/or disclosure of, fair value. The fair value measurement of the Group's financial assets utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

Level 1: Quoted prices in active markets for identical items (unadjusted);

Level 2: Observable direct or indirect inputs other than Level 1 inputs; and

Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period as they occur.

6. 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 Directors in order to allocate resources and assess performance of the segment.

The executive Directors consider the advertising display business from the perspective of advertising platforms available, and determine that the Group has the following reportable operating segments:

- Provision of advertising display services over the transportation media platforms ("Transportation Business");
- Provision of advertising display services over the healthcare media platforms ("Healthcare Business");
- Provision of advertising display services over the self-pickup lockers platforms ("Logistic Advertising Business"); and
- Sale of Mizimamei branded food and beverage products and franchise of Mizimamei brand in Hong Kong ("Food and Beverage Business"), which was franchised to an independent third party in the mid of May 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

6. SEGMENT INFORMATION (Continued)

Segment revenue and results

Segment revenue below represents revenue from external customers. There was no inter-segment revenue during the year. The chief operating decision makers assess the performance of the operating segments mainly based on revenue and gross profit of each operating segment. Corporate and other unallocated expenses include selling expenses, administrative expenses and other expenses which are common costs incurred for the operating segments as a whole and therefore they are not included in the measure of the segments' performance that is used by the chief operating decision makers as a basis for the allocation of resources and assessment of segment performance. Other income and gains, net, finance costs and income tax expense are also not allocated to individual operating segment.

There were no segment assets and liabilities information provided to the chief operating decision makers.

The segment revenue and results, and the totals presented for the Group's operating segments reconciled to the Group's key financial figures as presented in the consolidated financial statements are as follows:

	Transportation Business HK\$'000	Healthcare Business HK\$'000	Logistic Advertising Business HK\$'000	Food and Beverage Business HK\$'000	Total HK\$'000
Year ended 31 March 2022					
Revenue					
— From external customers	54,430	656	166	229	55,481
Cost of sales	(30,535)	(159)	(96)	(282)	(31,072)
Gross profit/(loss)	23,895	497	70	(53)	24,409
Unallocated other income and gains, net					2,324
Corporate and other unallocated expenses					(27,996)
Finance costs					(1,381)
Loss before income tax expense					(2,644)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

6. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

	Transportation Business HK\$'000	Healthcare Business HK\$'000	Logistic Advertising Business HK\$'000	Food and Beverage Business HK\$'000	Total HK\$'000
Year ended 31 March 2021					
Revenue					
— From external customers	45,428	542	156	1,071	47,197
Cost of sales	(30,236)	(161)	(67)	(1,648)	(32,112)
Gross profit/(loss)	15,192	381	89	(577)	15,085
Unallocated other income and gains, net					2,257
Corporate and other unallocated expenses					(21,194)
Finance costs					(1,216)
Loss before income tax expense					(5,068)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

6. SEGMENT INFORMATION (Continued)

Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical markets, major platforms and service lines and timing of revenue recognition.

	Transportation Business HK\$'000	Healthcare Business HK\$'000	Logistic Advertising Business HK\$'000	Food and Beverage Business HK\$'000	Total HK\$'000
Year ended 31 March 2022					
Primary geographical markets					
Hong Kong (place of domicile)	54,430	656	166	229	55,481
Major services lines					
Advertising display services					
— Bus	51,810	—	—	—	51,810
— Taxi	1,846	—	—	—	1,846
— Others	774	—	—	—	774
— Hospitals and clinics	—	656	—	—	656
— Self-pickup lockers	—	—	166	—	166
	54,430	656	166	—	55,252
Food and beverage services	—	—	—	229	229
	54,430	656	166	229	55,481
Timing of revenue recognition					
Transferred over time	54,430	656	166	—	55,252
At a point in time	—	—	—	229	229
	54,430	656	166	229	55,481

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

6. SEGMENT INFORMATION (Continued)

Disaggregation of revenue (Continued)

	Transportation Business HK\$'000	Healthcare Business HK\$'000	Logistic Advertising Business HK\$'000	Food and Beverage Business HK\$'000	Total HK\$'000
Year ended 31 March 2021					
Primary geographical markets					
Hong Kong (place of domicile)	45,428	542	156	1,071	47,197
Major services lines					
Advertising display services					
— Bus	43,829	—	—	—	43,829
— Taxi	1,303	—	—	—	1,303
— Others	296	—	—	—	296
— Hospitals and clinics	—	542	—	—	542
— Self-pickup lockers	—	—	156	—	156
	45,428	542	156	—	46,126
Food and beverage services	—	—	—	1,071	1,071
	45,428	542	156	1,071	47,197
Timing of revenue recognition					
Transferred over time	45,428	542	156	—	46,126
At a point in time	—	—	—	1,071	1,071
	45,428	542	156	1,071	47,197

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

6. SEGMENT INFORMATION (Continued)

Geographical information

The Company is an investment holding company and the principal place of the Group's operation is in Hong Kong. For the purpose of segment information disclosures under HKFRS 8, the Group regards Hong Kong as its place of domicile.

The following table provides an analysis of the Group's revenue from external customers and non-current assets other than financial instruments ("Specified non-current assets").

	Revenue from external customers		Specified non-current assets	
	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Hong Kong (place of domicile)	55,481	47,197	36,530	41,120

Information about major customers

No single customer contributed to 10% or more of the Group's revenue during the years ended 31 March 2022 and 31 March 2021.

7. REVENUE

Revenue is derived from provision of advertising display services, sale of food and beverage products and franchise of license right during the year. Further details are disclosed in note 6 to the consolidated financial statements.

	2022 HK\$'000	2021 HK\$'000
Provision of services		
— At fixed price	51,713	44,033
— At variable price	3,539	2,093
Sale of food and beverage products	144	1,071
Franchise income	85	—
	55,481	47,197

The amount of revenue recognised for the year ended 31 March 2022 that was included in the contract liabilities at the beginning of the year is approximately HK\$7,896,000 (2021: approximately HK\$8,854,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

7. REVENUE (Continued)

The following table provides information about trade receivables and contract liabilities from contracts with customers.

	2022 HK\$'000	2021 HK\$'000
Trade receivables (note 20)	5,370	3,740
Contract liabilities (note 25)	5,594	8,126

The contract liabilities mainly relate to the advance payments received from customers.

As at 31 March 2022, the aggregate amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts was approximately HK\$15,347,000 (2021: approximately HK\$17,266,000), of which approximately HK\$14,959,000 (2021: approximately HK\$17,044,000) and approximately HK\$388,000 (2021: approximately HK\$222,000) are expected to be recognised as revenue within 12 months and 13–24 months respectively. This amount represents revenue expected to be recognised in the future from partially-completed advertising display service contracts and includes the contract liabilities as disclosed in note 25 to the consolidated financial statement.

8. OTHER INCOME AND GAINS, NET

	2022 HK\$'000	2021 HK\$'000
Bank interest income	114	212
Gain on rent concessions	901	–
Interest income from financial assets at FVTPL	470	36
Exchange gains, net	122	198
Gain on leases modification	14	266
Government grants received (Note)	–	1,421
Gain on disposal of property, plant and equipment	1	3
Reversal of impairment on intangible assets	594	–
Others	108	121
	2,324	2,257

Note: The amounts mainly comprised government grants of approximately HK\$1,341,000 obtained from Employment Support Scheme ("ESS") under the Anti-epidemic Fund launched by the Hong Kong Special Administrative Region Government supporting the payroll of the Group's employees. Under the ESS, the Group had to commit to spend these grants on payroll expenses, and not to reduce employee head count below prescribed levels for a specified period of time. The remaining government grants of HK\$80,000 were obtained from Food License Holders Subsidy Scheme under Anti-epidemic Fund launched by Food and Environmental Hygiene Department. The Group did not have other unfulfilled obligations relating to these programs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

9. FINANCE COSTS

	2022 HK\$'000	2021 HK\$'000
Interest on lease liabilities	1,381	1,216

10. LOSS BEFORE INCOME TAX EXPENSE

Loss before income tax expense is arrived at after charging the following:

	2022 HK\$'000	2021 HK\$'000
Amortisation of intangible assets	94	157
Auditor's remuneration	520	540
Costs of inventories recognised as cost of sales	25	221
Depreciation of property, plant and equipment	1,032	833
Depreciation of right-of-use assets		
— Advertising spaces (included in cost of sales)	18,601	20,791
— Rental premises	209	431
— Office equipment	16	23
Employee costs (including directors' emoluments)		
— Salaries and other benefits in kind	15,341	15,042
— Retirement scheme contributions	333	363
Impairment loss on intangible assets (included in other operating expenses)	—	594
Impairment loss on property, plant and equipment (included in other operating expenses)	—	306
Loss on disposal of a subsidiary (included in other operating expenses)	384	—
Waiver of amount due from non-controlling interests	160	—
Write-off of inventories	56	—
Write-off of property, plant and equipment	34	—
Short-term lease expenses		
— Advertising spaces (included in cost of sales)	7,129	6,180
— Rental premises	460	517

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

11. INCOME TAX EXPENSE

The amount of taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	2022 HK\$'000	2021 HK\$'000
Current tax — Hong Kong Profits Tax		
— Tax for the year	78	45
— Over-provision for previous years	—	(44)
	78	1
Current tax — Taiwan Profits Tax		
— Under-provision for previous years	—	51
	78	52

The Group companies incorporated in the Cayman Islands and BVI are tax-exempted as no business is carried out in the Cayman Islands and BVI under the laws of the Cayman Islands and BVI respectively.

Hong Kong Profits Tax is calculated at 8.25% on the first HK\$2 million of estimated assessable profits and at 16.5% for the portion of the estimated assessable profits above HK\$2 million for the years ended 31 March 2022 and 2021. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates continue to be taxed at a flat rate of 16.5%.

During the year ended 31 March 2021, Taiwan Profit Seeking Enterprise Income Tax arising from operations in Taiwan was calculated at 20% on the estimated assessable profits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

11. INCOME TAX EXPENSE (Continued)

Income tax expense for the year can be reconciled to the loss before income tax expense in the consolidated statement of profit or loss and other comprehensive income as follows:

	2022 HK\$'000	2021 HK\$'000
Loss before income tax expense	(2,644)	(5,068)
Tax calculated at the domestic tax rate of 16.5% (2021: 16.5%)	(436)	(836)
Tax effect on adoption of two-tiered profits tax rates	(75)	(55)
Tax effect of different tax rate of a foreign operation	–	(4)
Tax effect of non-deductible items	411	566
Tax effect of non-taxable items	(241)	(310)
Tax effect of temporary differences not recognised	14	32
Utilisation of unrecognised tax losses	(6)	–
Under-provision for previous years	–	7
Tax effect of tax losses not recognised	421	662
Others	(10)	(10)
Income tax expense	78	52

At the end of the reporting period, the Group had tax losses arising in Hong Kong of approximately HK\$10,820,000 (2021: approximately HK\$8,155,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of tax losses arising from subsidiaries in Hong Kong, as it is uncertain whether taxable profits will be available against which the tax losses can be utilised in the foreseeable future. The tax losses have no expiry date.

No deferred tax on temporary differences was recognised for the years ended 31 March 2022 and 2021 as there were no material temporary differences.

12. DIVIDEND

The Board of Directors does not recommend the payment of a final dividend for the years ended 31 March 2022 and 31 March 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

13. DIRECTORS' EMOLUMENTS, HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

Directors' emoluments are disclosed as follows:

	Notes	Fees HK\$'000	Salaries and other benefits in kind HK\$'000	Retirement scheme contributions HK\$'000	Total HK\$'000
Year ended 31 March 2022					
Executive Directors					
Ms. Chau Wai Chu Irene	(i)	–	2,650	–	2,650
Mr. Lean Chun Wai		–	1,140	18	1,158
Non-Executive Director					
Mr. Da Silva Antonio Marcus		240	–	–	240
Independent Non-Executive Directors					
Ms. Au Shui Ming Anna	(ii)	37	–	–	37
Mr. Liang Man Kit Jerry	(iii)	22	–	–	22
Mr. Lam Yau Fung Curt		96	–	–	96
Ms. Suen Wan Nei Winnie	(iv)	74	–	–	74
Ms. Lam Hiu Ying	(v)	59	–	–	59
		528	3,790	18	4,336

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

13. DIRECTORS' EMOLUMENTS, HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

(a) Directors' emoluments (Continued)

	Notes	Fees HK\$'000	Salaries and other benefits in kind HK\$'000	Retirement scheme contributions HK\$'000	Total HK\$'000
Year ended 31 March 2021					
Executive Directors					
Ms. Chau Wai Chu Irene	(i)	–	2,770	–	2,770
Ms. Cheung Kit Yi	(vi)	–	115	5	120
Mr. Lean Chun Wai		–	1,140	18	1,158
Non-Executive Director					
Mr. Da Silva Antonio Marcus		240	–	–	240
Independent Non-Executive Directors					
Ms. Au Shui Ming Anna	(ii)	96	–	–	96
Mr. Liang Man Kit Jerry	(iii)	96	–	–	96
Mr. Lam Yau Fung Curt		96	–	–	96
		528	4,025	23	4,576

Notes:

- (i) Ms. Chau Wai Chu Irene is the chairlady and chief executive of the Company and her emoluments disclosed above included those for services rendered by her as the chief executive.
- (ii) Ms. Au Shui Ming Anna retired as independent non-executive director on 20 August 2021.
- (iii) Mr. Liang Man Kit Jerry resigned as independent non-executive director on 22 June 2021.
- (iv) Ms. Suen Wan Nei Winnie was appointed as independent non-executive director on 22 June 2021.
- (v) Ms. Lam Hiu Ying was appointed as independent non-executive director on 20 August 2021.
- (vi) Ms. Cheung Kit Yi resigned as executive director on 1 July 2020.
- (vii) There was no arrangement under which a director waived or agreed to waive any emoluments during the year ended 31 March 2022 (2021: Nil).

No remuneration was paid by the Group to the directors of the Company as an inducement to join or upon joining the Group or as a compensation for loss of office during the years ended 31 March 2022 and 31 March 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

13. DIRECTORS' EMOLUMENTS, HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

(b) The five highest paid individuals

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

	2022 HK\$'000	2021 HK\$'000
Salaries and other benefits in kind	2,826	2,651
Retirement scheme contributions	50	49
	2,876	2,700

The emoluments paid or payable to the three individuals with the highest emoluments in the Group who are not directors are within the following bands:

	2022 Number of individuals	2021 Number of individuals
Nil–HK\$1,000,000	1	2
HK\$1,000,001 to HK\$1,500,000	2	1

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

14. LOSS PER SHARE

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

	2022 HK\$'000	2021 HK\$'000
Loss		
Loss for the purposes of basic and diluted loss per share	(3,050)	(4,692)
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	720,000	720,000

The weighted average of 720,000,000 ordinary shares for the years ended 31 March 2022 and 31 March 2021 were the same as the number of ordinary shares of the Company in issue throughout the years.

Diluted loss per share were the same as the basic loss per share as the Group had no potential dilutive ordinary shares in issue during the years ended 31 March 2022 and 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

15. PROPERTY, PLANT AND EQUIPMENT

	Display monitors and devices HK\$'000	Furniture and fixtures HK\$'000	Leasehold improvements HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
At 1 April 2020					
Cost	1,793	1,371	–	2,355	5,519
Accumulated depreciation	(1,641)	(767)	–	(620)	(3,028)
Net carrying amount	152	604	–	1,735	2,491
Year ended 31 March 2021					
Opening net carrying amount	152	604	–	1,735	2,491
Additions	–	315	929	900	2,144
Disposals	–	(48)	–	(301)	(349)
Depreciation	(85)	(169)	(111)	(468)	(833)
Impairment loss	–	(306)	–	–	(306)
Closing net carrying amount	67	396	818	1,866	3,147
At 31 March and 1 April 2021					
Cost	1,793	1,603	929	2,566	6,891
Accumulated depreciation and impairment losses	(1,726)	(1,207)	(111)	(700)	(3,744)
Net carrying amount	67	396	818	1,866	3,147
Year ended 31 March 2022					
Opening net carrying amount	67	396	818	1,866	3,147
Additions	–	79	103	145	327
Disposals	–	–	–	(37)	(37)
Write-off	–	(34)	–	–	(34)
Depreciation	(47)	(126)	(341)	(518)	(1,032)
Closing net carrying amount	20	315	580	1,456	2,371
At 31 March 2022					
Cost	1,793	979	1,032	2,673	6,477
Accumulated depreciation and impairment losses	(1,773)	(664)	(452)	(1,217)	(4,106)
Net carrying amount	20	315	580	1,456	2,371

During the year ended 31 March 2021, impairment loss of HK\$306,000 had been recognised on certain furniture and fixtures after an impairment assessment on the retail outlet under the segment of Food and Beverage Business. Further details on the impairment assessment are set out in note 17 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

16. RIGHT-OF-USE ASSETS/LEASE LIABILITIES

The Group leases office equipment, certain advertising spaces and rental premises in Hong Kong. The leases comprise only fixed payments over the lease term.

Restrictions or covenants

The Group is required to keep those advertising spaces and rental premises in a good state of repair and return them in their original condition at the end of the lease.

Extension and termination options

Certain lease contracts have granted lessee extension or termination options to the Group which are only exercisable by the Group but not by the respective lessor. These options aim to provide flexibility to the Group in managing the leased assets. The extension option in the leases of the advertising spaces is normally exercised because these advertising spaces are exclusive. The Group seldom exercises options that were not included in the lease liabilities. As at 31 March 2022, about 21% (2021: 29%) of lease contracts contained an extension option. The undiscounted potential future lease payments not included in lease liabilities amounted to approximately HK\$5,876,000 (2021: approximately HK\$6,247,000).

Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	2022 HK\$'000	2021 HK\$'000
Leased for own use, carried at depreciated cost:		
Advertising spaces	30,680	34,769
Rental premises	253	462
Office equipment	–	16
	30,933	35,247

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

16. RIGHT-OF-USE ASSETS/LEASE LIABILITIES (Continued)

Right-of-use assets (Continued)

Movements of right-of-use assets during the year:

	Advertising spaces HK\$'000	Rental premises HK\$'000	Office equipment HK\$'000	Total HK\$'000
At 1 April 2020	37,028	399	39	37,466
Additions	950	570	–	1,520
Depreciation	(20,791)	(431)	(23)	(21,245)
Effect of lease modification	15,365	(76)	–	15,289
Reassessment of lease liabilities	2,217	–	–	2,217
At 31 March and 1 April 2021	34,769	462	16	35,247
Additions	2,256	–	–	2,256
Depreciation	(18,601)	(209)	(16)	(18,826)
Effect of lease modification	1,520	–	–	1,520
Reassessment of lease liabilities	10,736	–	–	10,736
At 31 March 2022	30,680	253	–	30,933

The lease modification during the years ended 31 March 2022 and 2021 related to renewal of leases which did not contain extension options.

Lease liabilities

The analysis of the present value of future lease payments is as follows:

	2022 HK\$'000	2021 HK\$'000
Current liabilities	11,209	14,906
Non-current liabilities	17,205	19,299
	28,414	34,205

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

16. RIGHT-OF-USE ASSETS/LEASE LIABILITIES (Continued)

Lease liabilities (Continued)

Movements of lease liabilities during the year:

	Advertising spaces HK\$'000	Rental premises HK\$'000	Office equipment HK\$'000	Total HK\$'000
At 1 April 2020	35,300	418	40	35,758
Additions	950	570	–	1,520
Repayment of lease liabilities	(21,047)	(458)	(24)	(21,529)
Interest expenses	1,193	22	1	1,216
Effect of lease modification	15,099	(76)	–	15,023
Reassessment of lease liabilities	2,217	–	–	2,217
At 31 March and 1 April 2021	33,712	476	17	34,205
Additions	2,256	–	–	2,256
Repayment of lease liabilities	(20,523)	(229)	(17)	(20,769)
Interest expenses	1,367	14	–	1,381
Rent concessions	(901)	–	–	(901)
Effect of lease modification	1,506	–	–	1,506
Reassessment of lease liabilities	10,736	–	–	10,736
At 31 March 2022	28,153	261	–	28,414

Future lease payments are due as follows:

At 31 March 2022

	Minimum lease payments HK\$'000	Interest HK\$'000	Present value HK\$'000
Not later than one year	12,148	939	11,209
Later than one year and not later than two years	8,914	516	8,398
Later than two years and not later than five years	9,020	213	8,807
	30,082	1,668	28,414

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

16. RIGHT-OF-USE ASSETS/LEASE LIABILITIES (Continued)

Lease liabilities (Continued)

At 31 March 2021

	Minimum lease payments HK\$'000	Interest HK\$'000	Present value HK\$'000
Not later than one year	16,033	1,127	14,906
Later than one year and not later than two years	10,948	522	10,426
Later than two years and not later than five years	9,219	346	8,873
	36,200	1,995	34,205

The analysis of income and expense items in relation to leases recognised in profit or loss is as follows:

	2022 HK\$'000	2021 HK\$'000
Depreciation of right-of-use assets	18,826	21,245
Interest on lease liabilities	1,381	1,216
Short-term lease expenses	7,589	6,697
Gain on lease modification	(14)	(266)
Gain on rent concessions	(901)	–
Total amounts recognised in profit or loss	26,881	28,892

Commitments under leases

As at 31 March 2022, the Group was committed to approximately HK\$1,617,000 for short-term leases (2021: approximately HK\$2,093,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

17. INTANGIBLE ASSETS

	Club membership HK\$'000 (note (a))	License right HK\$'000 (note (b))	Total HK\$'000
At 1 April 2020			
Cost	2,626	942	3,568
Accumulated amortisation and impairment losses	–	(91)	(91)
Net carrying amount	2,626	851	3,477
Year ended 31 March 2021			
Opening net carrying amount	2,626	851	3,477
Amortisation	–	(157)	(157)
Impairment loss (note (c))	–	(594)	(594)
Closing net carrying amount	2,626	100	2,726
At 31 March and 1 April 2021			
Cost	2,626	942	3,568
Accumulated amortisation and impairment losses	–	(842)	(842)
Net carrying amount	2,626	100	2,726
Year ended 31 March 2022			
Opening net carrying amount	2,626	100	2,726
Amortisation	–	(94)	(94)
Reversal of impairment loss (note (c))	–	594	594
Closing net carrying amount	2,626	600	3,226
At 31 March 2022			
Cost	2,626	942	3,568
Accumulated amortisation	–	(342)	(342)
Net carrying amount	2,626	600	3,226

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

17. INTANGIBLE ASSETS (Continued)

Notes:

- (a) The club membership represents the membership debenture of The Aberdeen Marina Club Limited which has no specific maturity date pursuant to the terms and conditions of the membership. It is tested for impairment annually and whenever there is an indication that the debenture may be impaired. The Directors consider that no impairment loss has been identified with reference to market value.
- (b) The license right represents an exclusive right to distribute and market the Mizimamei branded food and beverage products and its retail brand in Hong Kong. On 3 May 2019, the Group entered into an agreement with an independent third party to acquire an exclusive right to distribute and market its branded food and beverage products and the retail brand of the individual third party in Hong Kong, including but not limited to the right to set up self-operated retail outlets in Hong Kong and the right to franchise the brand to potential local retailers in Hong Kong through franchising arrangement (the "Agreement") at a consideration of US\$120,000 (equivalent to approximately HK\$942,000). This license right was recognised as an intangible asset as it became effective in 2019. Pursuant to a supplementary agreement entered into by the parties during the year ended 31 March 2021, the parties have agreed that the license right shall be extended for three more years (originally 6 years), i.e. 9 years in total, with other terms remain the same as stated in the Agreement. No additional consideration is required to be paid by the Group.
- (c) The license right is stated at cost less accumulated amortisation and impairment losses and is tested for impairment wherever there is an indicator that the license right may be impaired. During the year ended 31 March 2022, the Group entered into an agreement with an independent third party for franchising the brand for franchising income based on the revenue split from the franchisee. The recoverable amount of the license right has been determined from a value in use calculation based on cash flow projections covering the remaining period of the franchising cooperation (i.e. 5.4 years) and a pre-tax discount rate of 4.125%. Therefore, a reversal of impairment losses of HK\$594,000 has been recognised. The tenancy of the retail outlet was ended during the year ended 31 March 2022.

Due to the underperformance of the retail outlet under the segment of Food and Beverage Business, management had conducted impairment assessment as at 31 March 2021. The recoverable amount of the cash generating unit ("CGU") had been determined from a value in use calculation based on cash flow projections from approved budgets covering a five-year period and a pre-tax discount rate of 20%. The estimated recoverable amount of the CGU of approximately HK\$218,000 fell short of its carrying amount by approximately HK\$900,000 and accordingly, impairment losses of HK\$306,000 and HK\$594,000 were allocated to the segment's property, plant and equipment and license right, respectively, and recognised in other operating expenses for the year ended 31 March 2021.

18. INVENTORIES

	2022 HK\$'000	2021 HK\$'000
Food and beverages materials	–	45
Motor vehicle and accessories	3,161	3,106
	3,161	3,151

19. FINANCIAL ASSETS AT FVTPL

	2022 HK\$'000	2021 HK\$'000
Listed debt investments	1,456	7,154

Listed debt investments represent corporate bonds publicly traded on Singapore Exchange with fixed coupon rates. Management has determined to hold these corporate bonds for trading and therefore classified these bonds as financial assets at FVTPL under current assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

20. TRADE RECEIVABLES

	2022 HK\$'000	2021 HK\$'000
Trade receivables	5,370	3,740

Analysis of trade receivables that are not impaired as of each reporting period is as follows:

Based on invoice date

	2022 HK\$'000	2021 HK\$'000
0–90 days	1,025	1,304
91–180 days	3,659	1,635
181–365 days	479	705
Over 365 days	207	96
	5,370	3,740

Based on revenue recognition date

	2022 HK\$'000	2021 HK\$'000
0–90 days	2,794	2,401
91–180 days	2,395	741
181–365 days	181	598
	5,370	3,740

Trade receivables are mainly attributable to the provision of advertising display services of which advance payments are normally required. However, the Group might offer credit terms to certain customers ranging from 30 to 60 days from the end of the contract period. Overdue balances are reviewed regularly by senior management.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

20. TRADE RECEIVABLES (Continued)

The following table reconciled the impairment loss of trade receivables for the year:

	2022 HK\$'000	2021 HK\$'000
At beginning of the year	–	307
Write-off	–	(307)
At the end of the year	–	–

The maximum exposure to credit risk as at 31 March 2022 and 31 March 2021 was the carrying amount mentioned above. Trade receivables that were not impaired related to a large number of independent customers that had a good track record of credit with the Group. In general, the Group does not hold any collateral or other credit enhancements over these balances.

The Group applies the simplified approach to provide for ECLs prescribed by HKFRS 9, which permit the use of lifetime ECLs provision for all trade receivables. To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. ECLs also incorporate forward-looking information. As at 31 March 2022 and 31 March 2021, the Directors considered ECLs against the gross amounts of trade receivables as immaterial.

21. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2022 HK\$'000	2021 HK\$'000
Payments in advance	1,378	1,663
Deposits	346	464
Prepayments	400	478
Other receivables	–	289
	2,124	2,894

The maximum exposure to credit risk at the reporting date is the carrying amounts of each class of receivables mentioned above. The Group does not hold any collateral as security.

Further details on the Group's credit risks exposure and impairment assessment are set out in note 36(a) to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

22. CASH AND BANK BALANCES

	2022 HK\$'000	2021 HK\$'000
Cash at banks and in hand	19,802	21,861
Fixed deposits	17,217	16,997
Total cash and bank balances as stated in consolidated statement of financial position	37,019	38,858
Less: Fixed deposits with original maturity of over three months	(14,228)	(10,137)
Total cash and bank balances as stated in consolidated statement of cash flows	22,791	28,721

The Group's cash and bank balances consist of bank deposits carrying interests at floating rates based on daily bank deposit rates and short-term bank deposits carrying interests at prevailing market interest rates ranging from 0.5% to 2.25% (2021: 0.3% to 2.2%) per annum as at 31 March 2022.

23. TRADE PAYABLES

Based on the receipts of services and goods, which normally coincided with the invoice dates, ageing analysis of the Group's trade payables as at the end of each reporting period is as follows:

	2022 HK\$'000	2021 HK\$'000
0-90 days	188	324
91-180 days	–	13
181-365 days	8	–
	196	337

24. ACCRUALS AND OTHER PAYABLES

	2022 HK\$'000	2021 HK\$'000
Accrued expenses	815	1,137
Other payables	574	507
	1,389	1,644

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

25. CONTRACT LIABILITIES

	2022 HK\$'000	2021 HK\$'000
Contract liabilities arising from:		
Advertising display services	5,594	8,126

These contract liabilities represent advance payments received from customers for services that have not yet been performed to the customers which are rendered over the period of display of the advertisements.

During the fourth quarter of the year ended 31 March 2022, there was a decrease in the advertising display business of the Group, thereby reducing the amounts arising from the receipt of advances.

As at 31 March 2022, the contract liabilities that were expected to be settled after more than 12 months amounted to approximately HK\$Nil (2021: approximately HK\$230,000).

	2022 HK\$'000	2021 HK\$'000
Balance at beginning of the year	8,126	9,045
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	(7,896)	(8,854)
Increase in contract liabilities as a result of billing in advance of advertising display service, excluding those recognised as revenue in the current year	5,364	7,935
Balance at the end of the year	5,594	8,126

26. SHARE CAPITAL

	2022		2021	
	Number of shares '000	Amount HK\$'000	Number of shares '000	Amount HK\$'000
Authorised:				
Ordinary shares of HK\$0.01 each	7,200,000	72,000	7,200,000	72,000

	Number of shares '000	Amount HK\$'000
Issued:		
At 1 April 2020, 31 March 2021 and 31 March 2022	720,000	7,200

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

27. SHARE OPTION SCHEME

A share option scheme (the “Scheme”) was approved and adopted by the Company on 19 December 2016.

The Scheme is effective for a period of 10 years commencing on the Listing Date of the Company. Under the Scheme, the board of directors may in its absolute discretion determine at the time of grant of the relevant option but the subscription price shall not be less than whichever is the highest of: (i) the closing price of the shares as stated in the Stock Exchange’s daily quotations sheet on the date of the granting of the option; (ii) the average closing prices of the shares as stated in the Stock Exchange’s daily quotation sheets for the five business days immediately preceding the date of the granting of the option; and (iii) the nominal value of a share. An offer of grant of an option may be accepted by a participant within the date as specified in the offer letter issued by the Company, being a date not later than 21 days from the date upon which it is made, by which the participant must accept the offer or be deemed to have declined it, provided that such date shall not be more than 10 years after the date of adoption of the Scheme. A consideration of HK\$1.00 is payable on acceptance of the offer of grant of an option.

The period as the board of directors may in its absolute discretion determine and specify in relation to any particular option holder in his option agreement during which the option may be exercised (subject to such restriction on exercisability specified therein), which shall be not greater than the period prescribed by the GEM Listing Rules from time to time (which is, as at the date of adoption of the Scheme, a period of 10 years from the date of the granting of the option).

The limit on the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other schemes must not exceed 30% of the shares in issue from time to time. No options may be granted under any schemes of the Company if this will result in the limit being exceeded. The total number of shares which may be issued upon exercise of all options to be granted under the Scheme and any other schemes of the Company must not in aggregate exceed 10% of the shares in issue. Options lapsed in accordance with the terms of the Scheme or any other schemes will not be counted for the purpose of calculating the 10% limit.

No share options were granted under the Scheme during the years ended 31 March 2022 and 31 March 2021. Share options do not confer rights to the holders to dividends or to vote at shareholders’ meetings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

28. RESERVES

The Group

Please refer to the consolidated statement of changes in equity on page 58 for reserves of the Group.

(a) Share premium

This represents the premium arising from the issue of shares, net of placing expenses.

(b) Other reserve

This represents the difference between the nominal value of the share capital of the subsidiaries acquired and the nominal value of the shares of the Company issued in exchange thereof pursuant to the Group Reorganisation in 2016 prior to the listing of the Company.

The Company

	Share premium HK\$'000	Other reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2020	35,371	(100)	(17,043)	18,228
Loss for the year	–	–	(1,176)	(1,176)
At 31 March and 1 April 2021	35,371	(100)	(18,219)	17,052
Loss for the year	–	–	(1,323)	(1,323)
At 31 March 2022	35,371	(100)	(19,542)	15,729

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

29. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	<i>Notes</i>	2022 HK\$'000	2021 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Investment in a subsidiary	30	1	1
Current assets			
Prepayments		221	265
Amount due from a subsidiary		7,899	8,500
Cash and bank balances		14,818	15,490
		22,938	24,255
Current liabilities			
Accruals		10	4
		10	4
Net current assets		22,928	24,251
Net assets		22,929	24,252
CAPITAL AND RESERVES			
Share capital	26	7,200	7,200
Reserves	28	15,729	17,052
Total equity		22,929	24,252

This statement of financial position was approved and authorised for issue by the Board of the Directors on 21 June 2022 and is signed on its behalf by:

Ms. Chau Wai Chu Irene
Director

Mr. Lean Chun Wai
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

30. INVESTMENTS IN SUBSIDIARIES

Details of the subsidiaries as at 31 March 2022 are as follows:

Name of company	Place of incorporation and/or operation	Particulars of issued and paid up capital	Percentage of effective interests held by the Company	Principal activities
Media Savvy Marketing International Limited*	BVI	100 shares totalling US\$100	100%	Investment holding
Media Savvy Limited ("MSL")	Hong Kong	10,000 shares totalling HK\$10,000	100%	Investment holding
Media Savvy Marketing Limited	Hong Kong	100 shares totalling HK\$100	100%	Provision of advertising display services
Media Savvy In-Store Media Limited	Hong Kong	10,000 shares totalling HK\$10,000	100%	Inactive/no business operation
Medic Savvy Media Limited ("MedicSML")	Hong Kong	10,000 shares totalling HK\$10,000	100%	Franchise of license right
A1 Advertising & Production Company Limited	Hong Kong	10,000 shares totalling HK\$10,000	100%	Inactive/no business operation
OOH La La Printing And Production Limited ("OOH La La")	Hong Kong	10,000 shares totalling HK\$10,000	100% (2021: 70%)	Provision of printing services
Auto Savvy Limited	Hong Kong	1,000 shares totalling HK\$1,000	100%	Sale of pre-owned private vehicle
Vehicle Savvy Limited	Hong Kong	1 share totalling HK\$1	100%	Not yet commence business
M Savvy Media Limited	Hong Kong	10,000 shares totalling HK\$10,000	100%	Inactive/no business operation

* Issued capital held directly by the Company

None of the subsidiaries had issued any debt securities at the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

31. NON-CONTROLLING INTERESTS

(a) MSMM Company Limited (“MSMM”)

During the year ended 31 March 2022, MSMM allotted 1,121,330 shares to MedicSML by way of capitalisation of the shareholder’s loan of an amount of approximately HK\$1,121,000. Upon the completion of the allotment, the Group’s equity interests in MSMM increased from 65% to 83.5%. The Group subsequently disposed of its 83.5% equity interest in MSMM at a consideration of approximately HK\$8,000, which was determined with reference to the then net asset value of MSMM. The Group recorded a loss of approximately HK\$384,000 from the disposal while the non-controlling interests of debit balance of approximately HK\$392,000 was derecognised.

(b) OOH La La

During the year ended 31 March 2022, MSL acquired 30% of the issued shares of OOH La La at a consideration of HK\$3,000. Upon the completion of the acquisition, the Group holds 100% of the equity interests in OOH La La.

The acquisition of 30% equity interests in OOH La La constituted a change in the equity interest of a subsidiary without a loss of control and was accounted for as an equity transaction. The difference between the carrying amount of the non-controlling interests in OOH La La of approximately HK\$46,000 at the date of the acquisition and the fair value of the consideration paid, amounted to approximately HK\$43,000, was recognised in retained earnings.

During the year ended 31 March 2022, OOH La La, paid an interim dividend of HK\$360,000 to the non-controlling interests.

During the year ended 31 March 2021, the Group disposed of its 70% equity interest in Toppa Media Savvy Limited at a consideration of approximately HK\$38,000. Accordingly, non-controlling interests of approximately HK\$16,000 was derecognised.

32. RELATED PARTY TRANSACTIONS

(i) The Group did not have any transactions with the related parties during the years ended 31 March 2022 and 31 March 2021.

(ii) Compensation of key management personnel

	2022 HK\$'000	2021 HK\$'000
Short-term benefits	5,646	5,810
Post-employment benefits	53	57
	5,699	5,867

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

33. DISPOSAL OF A SUBSIDIARY

On 2 July 2021, the Group disposed of its 83.5% equity interest in MSMM at a cash consideration of approximately HK\$8,000. The details are as follows:

	2022 HK\$'000
Net assets disposed of	–
Loss on disposal of a subsidiary:	
Total consideration	8
Net assets disposed of	–
Non-controlling interests	(392)
	(384)
Loss on disposal of a subsidiary included in profit or loss for the year	(384)
Analysis of net cash inflow on disposal of a subsidiary	
Cash consideration received and net cash inflow for disposal of a subsidiary	8

34. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group's capital management objectives include:

- (i) to safeguard the Group's ability to continue as a going concern, so that it continues to provide returns;
- (ii) for members and benefits for other stakeholders; and
- (iii) to provide capital for the purpose of strengthening the Group's risk management capability.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and member returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, capital expenditures and strategic investment opportunities.

Management of the Group regards total equity as capital. The amount of capital attributable to the owners of the Company as at 31 March 2022 amounted to approximately HK\$50,044,000 (2021: approximately HK\$53,051,000), which the management considers as optimal having considered the projected capital expenditures and the projected strategic investment opportunities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

35. RETIREMENT SCHEME

Under the Mandatory Provident Fund Schemes Ordinance regulated by the Mandatory Provident Fund (“MPF”) Schemes Authority in Hong Kong, with effect from 1 December 2000, the Group participates in a MPF scheme operated by an approved trustee in Hong Kong and makes contributions for its eligible employees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees’ relevant income, subject to a cap of monthly relevant income. The cap of monthly relevant income has been increased from HK\$25,000 to HK\$30,000 since 1 June 2014. Contributions to the MPF Scheme vest immediately.

During the year ended 31 March 2021, the Group was also required to contribute a certain percentage of employees’ monthly basic salaries to the defined contribution retirement schemes in Taiwan.

For the year ended 31 March 2022, the aggregate amounts of employer’s contributions made by the Group were approximately HK\$333,000 (2021: approximately HK\$363,000). No forfeited contribution is available for offset against existing contributions during the year.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group’s business.

(a) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms and cause a financial loss to the Group.

The Group’s exposure to credit risk mainly arises from granting credits to customers in the ordinary course of its operations and is limited to the carrying amounts of financial assets recognised at the end of the reporting period, as summarised in note 36(f) to the consolidated financial statements.

The Group’s trade and other receivables are actively monitored to avoid significant concentrations of credit risk. The Group is not exposed to any significant credit risk from any single counterparty or any group of counterparties having similar characteristics. The Group’s bank balances are deposited with major banks with good credit rating in Hong Kong. The Group has no other significant exposure to credit risk.

At the end of the reporting period, the Group had a concentration of credit risk as 24% (2021: 29%) and 56% (2021: 76%) of the total trade receivables was due from the Group’s largest customer and the five largest customers respectively.

The Group applies the simplified approach to provide for ECLs prescribed by HKFRS 9, which permits the use of the lifetime ECLs provision for all trade receivables. The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables is estimated based on a provision matrix by reference to past default experience of the debtor and current market condition in relation to each debtor’s exposure. The ECLs also incorporates forward-looking information with reference to general macro-economic conditions that may affect the ability of the debtors to settle. To measure the ECLs, the trade receivables have been grouped based on shared credit risk characteristics and the days past due.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Credit risk (Continued)

The information about the exposure to credit risk and ECL for trade receivables using a provision matrix is summarised below.

As at 31 March 2022

	Expected loss rate %	Gross carrying amount HK\$	Loss allowance HK\$	Credit-impaired
Not past due	0	1,888	–	No
1–90 days past due	0	2,960	–	No
91–180 days past due	0	460	–	No
181–270 days past due	0	62	–	No
		5,370	–	

As at 31 March 2021

	Expected loss rate %	Gross carrying amount HK\$	Loss allowance HK\$	Credit-impaired
Not past due	0	1,542	–	No
1–90 days past due	0	1,762	–	No
91–180 days past due	0	284	–	No
181–270 days past due	0	152	–	No
		3,740	–	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Credit risk (Continued)

The directors of the Company considered the loss allowance provision for trade receivables was immaterial arising from the ECL model during the year. No impairment loss had been recognised during the year.

During the year ended 31 March 2021, a specific allowance on impairment loss of approximately HK\$307,000 recognised in previous years had been written off.

The Group takes into account the historical default experience and forward-looking information, as appropriate. The Group considers the consistently low historical default rates of counterparties, and concludes that credit risk inherent in the Group's other receivables is insignificant. The Group has assessed that other receivables do not have a significant increase in credit risk since initial recognition and risk of default is insignificant. Therefore, the ECLs for these receivables were immaterial under the 12-month ECLs method and no loss allowance provision was recognised during the year.

Expected loss rates are based on actual loss experience over the past two years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The Group expects that there is no significant credit risk associated with cash at bank since they are deposited with credit worthy financial institutions.

The credit policies have been followed by the Group during the year and are considered to be effective.

(b) Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or other financial assets.

The Group monitors and maintains a level of cash and bank balances deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The Group's policy is to regularly monitor current and expected liquidity requirements in the short and long terms. The liquidity of the Group is primarily dependent on its ability to maintain adequate cash inflows from operations to meet its debt obligations. The Group relies on internally generated funds as a significant source of liquidity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Liquidity risk (Continued)

The maturity profile of the financial liabilities as at the end of the reporting period, based on the contracted undiscounted payments, was as follows:

	Carrying amount HK\$'000	Total contractual undiscounted cash flows HK\$'000	On demand HK\$'000	Within 1 year HK\$'000	1-2 years HK\$'000	2-5 years HK\$'000
At 31 March 2022						
Non-derivatives:						
Trade payables	196	196	196	–	–	–
Accruals and other payables	1,195	1,195	153	1,042	–	–
Lease liabilities	28,414	30,082	–	12,148	8,914	9,020
	29,805	31,473	349	13,190	8,914	9,020
At 31 March 2021						
Non-derivatives:						
Trade payables	337	337	332	5	–	–
Accruals and other payables	1,320	1,320	476	844	–	–
Lease liabilities	34,205	36,200	–	16,033	10,948	9,219
	35,862	37,857	808	16,882	10,948	9,219

(c) Interest rate risk

As of 31 March 2022 and 2021, the Group had no bank borrowings. The interest rate risk on the bank balances are considered minimal as they are short-term instruments with maturities of less than 1 year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group mainly operates in Hong Kong. The functional currency of the Company and its subsidiaries are HK\$. Most of the Group's business transactions are settled in the functional currencies of the Company and its subsidiaries, except for financial assets at FVTPL that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States dollars ("US\$"). Since HK\$ is pegged to US\$, the Group does not expect any significant movements in US\$/HK\$ exchange rate. The Group does not have significant exposure to risk resulting from changes in foreign currency exchange rates.

(e) Fair value

Financial assets measured at fair value in the consolidated statement of financial position in accordance with the fair value hierarchy. The hierarchy groups financial assets and liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liabilities. The fair value hierarchy has the following levels:

- | | |
|----------|--|
| Level 1: | Quoted prices (unadjusted) in active markets for identical assets or liabilities; |
| Level 2: | Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and |
| Level 3: | Inputs for the asset or liability that are not based on observable market data (unobservable inputs). |

At 31 March 2022, all financial assets at FVTPL are classified as level 1. There were no transfers between levels during the year ended 31 March 2022.

The fair value of financial assets at FVTPL which are traded on active markets are determined with reference to quoted market prices.

Due to the short-term nature, the carrying values of other financial instruments are not measured at fair value of financial instruments approximate fair value and are detailed in note 36(f) to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(f) Summary of financial assets and liabilities by category

The carrying amounts presented in the consolidated statement of financial position related to the following categories of financial assets and financial liabilities:

	2022 HK\$'000	2021 HK\$'000
Financial assets		
<i>Financial assets at FVTPL:</i>		
Listed debt investments	1,456	7,154
<i>Financial assets measured at amortised cost:</i>		
Trade receivables	5,370	3,740
Deposits and other receivables	346	753
Cash and bank balances	37,019	38,858
	42,735	43,351
	44,191	50,505
Financial liabilities		
<i>Financial liabilities measured at amortised cost:</i>		
Trade payables	196	337
Accruals and other payables	1,195	1,320
	1,391	1,657

FINANCIAL SUMMARY

The consolidated results of the Group for the five years ended 31 March 2018, 2019, 2020, 2021 and 2022 and the consolidated assets, liabilities and equity of the Group as at 31 March 2018, 2019, 2020, 2021 and 2022 are set out in the audited consolidated financial statements. The Group had initially applied HKFRS 16 with effect from 1 April 2019 and under the modified retrospective approach on its initial application, comparative information for years prior to the year ended 31 March 2020 was not restated.

RESULTS

	Year ended 31 March				
	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000	2019 HK\$'000	2018 HK\$'000
REVENUE	55,481	47,197	56,755	61,192	56,946
(LOSS)/PROFIT BEFORE INCOME TAX (EXPENSE)/CREDIT	(2,644)	(5,068)	(5,742)	793	4,525
INCOME TAX (EXPENSE)/CREDIT	(78)	(52)	(135)	15	(1,086)
(LOSS)/PROFIT FOR THE YEAR	(2,722)	(5,120)	(5,877)	808	3,439
(LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY	(3,050)	(4,692)	(5,687)	644	3,439

ASSETS AND LIABILITIES

	As at 31 March				
	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000	2019 HK\$'000	2018 HK\$'000
NON-CURRENT ASSETS	36,530	41,120	43,434	5,134	3,550
CURRENT ASSETS	49,130	55,947	61,634	76,182	74,111
TOTAL ASSETS	85,660	97,067	105,068	81,316	77,661
NON-CURRENT LIABILITY	17,205	19,299	17,651	–	–
CURRENT LIABILITIES	18,411	25,031	29,544	17,386	14,875
TOTAL LIABILITIES	35,616	44,330	47,195	17,386	14,875
NET ASSETS	50,044	52,737	57,873	63,930	62,786
EQUITY					
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	50,044	53,051	57,743	63,430	62,786