



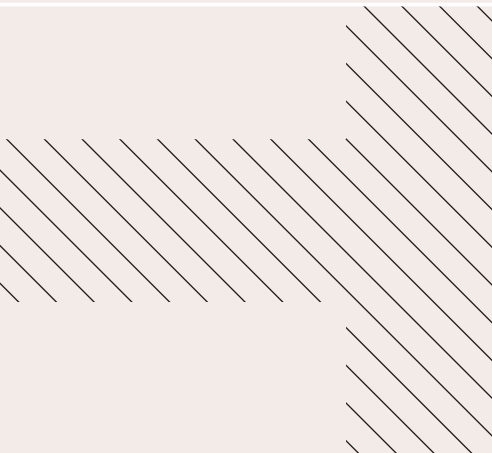
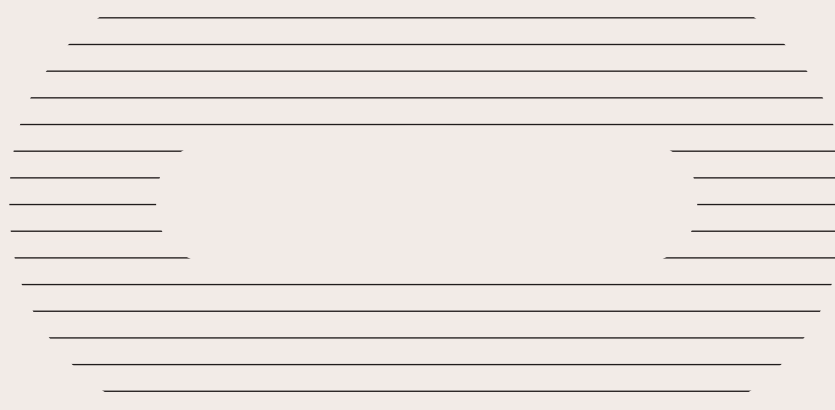
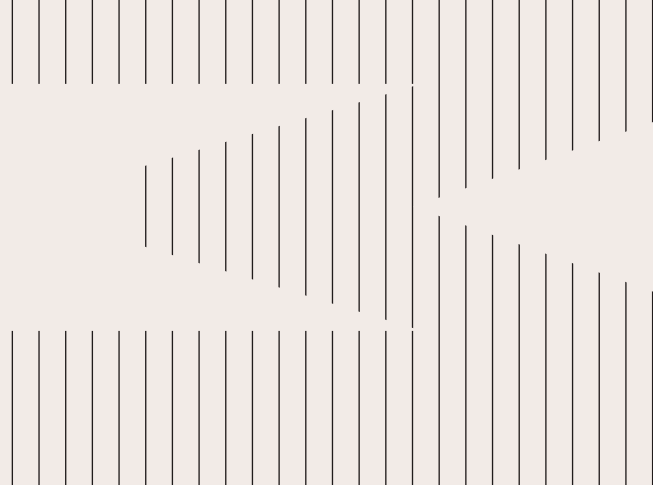
Most Kwai Chung Limited

毛記葵涌有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號: 1716



2022/23

INTERIM REPORT 中期報告

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

(Expressed in Hong Kong dollars)

	Note	Six months ended 30 September	
		2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Revenue	4	22,985	48,076
Cost of sales	5	(19,130)	(37,420)
Gross profit		3,855	10,656
Other income		239	232
Selling and distribution expenses	5	(1,581)	(1,832)
Administrative expenses	5	(7,957)	(8,199)
Provision for impairment losses on trade receivables, net	9	(838)	(220)
Operating (loss)/profit		(6,282)	637
Finance income		5	20
Finance costs		(34)	(48)
Finance costs, net		(29)	(28)
Share of profit of associates, net		1,332	1,851
Share of profit/(loss) of a joint venture		238	(176)
(Loss)/profit before income tax		(4,741)	2,284
Income tax expense	6	(45)	(361)
(Loss)/profit and total comprehensive (loss)/income attributable to owners of the Company for the period		(4,786)	1,923
Basic and diluted (loss)/earnings per share for (loss)/profit attributable to owners of the Company (Hong Kong cents)	7	(1.77)	0.71

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2022
(Expressed in Hong Kong dollars)

	<i>Note</i>	As at 30 September 2022 HK\$'000 (unaudited)	As at 31 March 2022 HK\$'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment		1,375	1,562
Right-of-use assets		1,982	1,255
Deposits		151	151
Interests in associates		9,631	8,299
Interest in a joint venture		559	321
		13,698	11,588
Current assets			
Inventories		547	1,290
Trade receivables	9	8,935	6,673
Prepayments, deposits and other receivables		2,850	1,758
Amount due from non-controlling interest		1,600	1,600
Current income tax recoverable		981	981
Cash and cash equivalents		54,603	64,307
		69,516	76,609
Total assets		83,214	88,197
EQUITY			
Capital and reserves			
Share capital		2,700	2,700
Reserves		68,949	73,376
Equity attributable to owners of the Company		71,649	76,076
Non-controlling interest		641	1,000
Total equity		72,290	77,076

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2022

(Expressed in Hong Kong dollars)

	<i>Note</i>	As at 30 September 2022 HK\$'000 (unaudited)	As at 31 March 2022 HK\$'000 (audited)
LIABILITIES			
Non-current liabilities			
Lease liabilities		1,008	455
		1,008	455
Current liabilities			
Trade payables	10	1,405	723
Lease liabilities		1,004	733
Amounts due to associates		1,489	1,489
Other payables and accruals		2,892	4,514
Contract liabilities		2,827	2,953
Current income tax liabilities		299	254
		9,916	10,666
Total liabilities		10,924	11,121
Total equity and liabilities		83,214	88,197

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

(Expressed in Hong Kong dollars)

	Attributable to owners of the Company							Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Share-based employee compensation reserve HK\$'000	Other reserves HK\$'000	Retained earnings/ (accumulated losses) HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	
(Unaudited)								
Balance as at 1 April 2021	2,700	67,028	-	997	23,903	94,628	-	94,628
Profit for the period	-	-	-	-	1,923	1,923	-	1,923
Total comprehensive income for the period	-	-	-	-	1,923	1,923	-	1,923
Balance as at 30 September 2021	2,700	67,028	-	997	25,826	96,551	-	96,551
(Unaudited)								
Balance as at 1 April 2022	2,700	67,028	6,953	997	(1,602)	76,076	1,000	77,076
Loss for the period	-	-	-	-	(4,427)	(4,427)	(359)	(4,786)
Total comprehensive loss for the period	-	-	-	-	(4,427)	(4,427)	(359)	(4,786)
Balance as at 30 September 2022	2,700	67,028	6,953	997	(6,029)	71,649	641	72,290

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

(Expressed in Hong Kong dollars)

	Six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Cash flows from operating activities		
Cash (used in)/generated from operations	(8,876)	3,028
Income tax paid	–	(1,318)
Net cash (used in)/generated from operating activities	(8,876)	1,710
Cash flows from investing activities		
Interest received	5	20
Payment for investment in a joint venture	–	(700)
Dividends received	–	1,110
Purchase of property, plant and equipment	(227)	(1,105)
Net cash used in investing activities	(222)	(675)
Cash flows from financing activities		
Principal element of lease payments	(572)	(628)
Interest element of lease payments	(34)	(48)
Net cash used in financing activities	(606)	(676)
Net (decrease)/increase in cash and cash equivalents	(9,704)	359
Cash and cash equivalents at beginning of the period	64,307	84,356
Cash and cash equivalents at end of the period	54,603	84,715

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

(Expressed in Hong Kong dollars)

1 GENERAL INFORMATION

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

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

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

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

2 BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited.

The preparation of the condensed consolidated financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2022.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

(Expressed in Hong Kong dollars)

3 SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

Other than changes in accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2022 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 March 2022.

The Group has applied the following amendments for the first time for its annual reporting period commencing 1 April 2022:

Amendments to HKFRS 3, Reference to the Conceptual Framework
Amendments to HKAS 16, Property, Plant and Equipment: Proceeds before Intended Use
Amendments to HKAS 37, Onerous Contracts — Cost of Fulfilling a Contract
Annual Improvements to HKFRSs 2018–2020 Cycle

None of these amendments have a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented in these condensed consolidated financial statements.

The Group has not applied any new standard or interpretations that is not yet effective for the current accounting period.

4 REVENUE AND SEGMENT INFORMATION

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

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

Digital media services

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

Print media services

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

Other media services

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

(Expressed in Hong Kong dollars)

4 REVENUE AND SEGMENT INFORMATION *(Continued)*

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

	Six months ended 30 September 2022			
	Digital media services HK\$'000 (unaudited)	Print media services HK\$'000 (unaudited)	Other media services HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Revenue	21,994	996	1,509	24,499
Inter-segment transactions	(35)	–	(1,479)	(1,514)
Revenue from external customers	21,959	996	30	22,985
Segment loss before income tax	(2,909)	(2,016)	(727)	(5,652)
Unallocated expenses				(664)
Finance income				5
Share of profit of associates, net				1,332
Share of profit of a joint venture				238
Income tax expense				(45)
Loss for the period				(4,786)
Other information:				
Depreciation of property, plant and equipment	90	324	–	414
Depreciation of right-of-use assets	669	–	–	669
Finance costs related to leases liabilities	34	–	–	34

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

(Expressed in Hong Kong dollars)

4 REVENUE AND SEGMENT INFORMATION (Continued)

	Six months ended 30 September 2021			
	Digital media services HK\$'000 (unaudited)	Print media services HK\$'000 (unaudited)	Other media services HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Revenue	23,648	1,345	24,458	49,451
Inter-segment transactions	(175)	(14)	(1,186)	(1,375)
Revenue from external customers	23,473	1,331	23,272	48,076
Segment (loss)/profit before income tax	(3,013)	(71)	4,121	1,037
Unallocated expenses				(448)
Finance income				20
Share of profit of associates, net				1,851
Share of loss of a joint venture				(176)
Income tax expense				(361)
Profit for the period				1,923
Other information:				
Depreciation of property, plant and equipment	116	259	–	375
Depreciation of right-of-use assets	630	–	–	630
Finance costs related to leases liabilities	48	–	–	48

The CODM makes decisions according to operating results of each segment. No analysis of segment assets and segment liabilities is presented as the CODM does not regularly review such information for purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

All of the Group's activities are carried out in Hong Kong and all its assets and liabilities are located in Hong Kong. Accordingly, no analysis by geographical basis is presented for the six-month periods ended 30 September 2022 and 2021.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022
(Expressed in Hong Kong dollars)

4 REVENUE AND SEGMENT INFORMATION *(Continued)*

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

	Six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
At a point of time:		
Media services income	20,414	23,473
Sales of books	996	1,331
Performance income	30	23,272
	21,440	48,076
Over time:		
Media services income	1,545	–
	22,985	48,076

5 EXPENSES BY NATURE

Expenses included in cost of sales, selling and distribution expenses and administrative expenses are analysed as follows:

	Six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Cost of production	12,626	28,576
Cost of inventories	527	331
Inventories written off	809	–
Employee benefit expenses, including Directors' emoluments	11,284	15,451
Depreciation of property, plant and equipment	414	375
Depreciation of right-of-use assets	669	630
Auditor's remuneration	390	540
Professional fees	679	536
Royalties	92	29
Others	1,178	983
Total cost of sales, selling and distribution expenses and administrative expenses	28,668	47,451

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

(Expressed in Hong Kong dollars)

6 INCOME TAX EXPENSE

	Six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Current income tax — Hong Kong	45	386
Deferred income tax	—	(25)
Income tax expense	45	361

Hong Kong profits tax is levied at progressive rate at 8.25% (six months ended 30 September 2021: 8.25%) on the estimated assessable profits arising in or derived from Hong Kong for the year below HK\$2,000,000, and thereafter at a fixed rate at 16.5% (six months ended 30 September 2021: 16.5%).

7 (LOSS)/EARNINGS PER SHARE

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

	Six months ended 30 September	
	2022 (unaudited)	2021 (unaudited)
(Loss)/profit attributable to owners of the Company during the period (HK\$'000)	(4,786)	1,923
Weighted average number of ordinary shares in issue	270,000,000	270,000,000
Basic (loss)/earnings per share (Hong Kong cents)	(1.77)	0.71

The Company did not have any potential dilutive shares throughout the periods, and accordingly, diluted (loss)/earnings per share is same as the basic (loss)/earnings per share.

8 DIVIDEND

The Board of Directors did not declare the payment of an interim dividend in respect of the six months ended 30 September 2022 (six months ended 30 September 2021: nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022
(Expressed in Hong Kong dollars)

9 TRADE RECEIVABLES

	As at 30 September 2022 HK\$'000 (unaudited)	As at 31 March 2022 HK\$'000 (audited)
Trade receivables	10,633	7,533
Less: provision for impairment of trade receivables	(1,698)	(860)
	8,935	6,673

The carrying amounts of trade receivables approximated their fair values. The carrying amounts of the trade receivables were denominated in HK\$.

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

	As at 30 September 2022 HK\$'000 (unaudited)	As at 31 March 2022 HK\$'000 (audited)
Within 2 months	6,373	3,578
2 to 4 months	1,238	894
4 to 6 months	845	678
Over 6 months	2,177	2,383
	10,633	7,533

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

(Expressed in Hong Kong dollars)

10 TRADE PAYABLES

	As at 30 September 2022 HK\$'000 (unaudited)	As at 31 March 2022 HK\$'000 (audited)
Trade payables	1,405	723

The carrying amounts of trade payables approximated their fair values. The carrying amounts of the trade payables were denominated in HK\$.

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

	As at 30 September 2022 HK\$'000 (unaudited)	As at 31 March 2022 HK\$'000 (audited)
Within 1 month	1,213	542
1 to 2 months	167	4
2 to 3 months	25	174
Over 3 months	-	3
	1,405	723

11 RELATED PARTY TRANSACTIONS

The Group has the following significant transactions with related parties during the period:

- (a) The emoluments of directors and other members of key management were HK\$2,357,000 (six months ended 30 September 2021: HK\$3,353,000).
- (b) At 30 September 2022, amounts due to associates were HK\$1,489,000 (31 March 2022: HK\$1,489,000). The balances were non-trade in nature, unsecured, interest-free and repayable on demand.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

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

Digital Media Services

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

Revenue from the digital media services decreased from approximately HK\$23.5 million for the six months ended 30 September 2021 to approximately HK\$22.0 million for the Period, representing a decrease of approximately 6.4% which was mainly attributable to the keen competition and tightened spending of the clients. Segment loss before income tax was approximately HK\$3.0 million and HK\$2.9 million for the six months ended 30 September 2021 and 2022 respectively. The Group has continued placing effort in the digital media services segment to capture business opportunities brought by the digitalisation in the market.

Print Media Services

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

Revenue from the print media services was approximately HK\$1.3 million and HK\$1.0 million for the six months ended 30 September 2021 and 2022 respectively. The decrease in revenue was mainly due to the reduced volume of books sold in 2022 Book Fair, Segment loss before income tax was approximately HK\$71,000 and HK\$2 million for the six months ended 30 September 2021 and 2022 respectively. During the Period, the segment loss before income tax increase was mainly attributable to the written off of the inventories of approximately HK\$0.8 million.

Other Media Services

Other media services represent events organisation and artistes management.

Revenue from the other media services was approximately HK\$23.3 million and HK\$1.5 million for the six months ended 30 September 2021 and 2022 respectively. Segment profit before income tax was approximately HK\$4.1 million for the six months ended 30 September 2021 and segment loss before income tax was approximately HK\$0.7 million for the six months ended 30 September 2022. During the Period, the turn from segment profit before income tax to segment loss before income tax was mainly attributable to the decrease in revenue as there was no performance event organized by the Group during the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Revenue of the Group decreased by approximately HK\$25.1 million or 52% from approximately HK\$48.1 million for the six months ended 30 September 2021 to approximately HK\$23.0 million for the Period. The decrease was mainly attributable to the decrease in revenue from other media services segment.

Cost of Sales

The Group's cost of sales comprises direct cost incurred for the digital media services (including staff costs and production costs), print media services (including staff costs, printing costs, cost of inventories, inventory written-off, royalties and other production costs) and other media services (including staff costs and other costs incurred during organisation of events). The cost of sales decreased to approximately HK\$19.1 million for the Period from approximately HK\$37.4 million for the six months ended 30 September 2021, representing a decrease of approximately HK\$18.3 million or 49% during the Period which was due to the decline in revenue which was mainly attributable to the decreased cost of performance event.

Gross Profit and Gross Profit Margin

For the Period, the gross profit of the Group decreased by approximately HK\$6.8 million or 64% from approximately HK\$10.7 million for the six months ended 30 September 2021 to approximately HK\$3.9 million for the Period which was dropped in line with the reduced revenue.

The overall gross profit margin of the Group was approximately 22.2% and 16.8% for the six months ended 30 September 2021 and 2022, respectively.

Selling and Distribution Expenses

Selling and distribution expenses mainly consist of staff costs, advertising and promotion expenses and others. Selling and distribution expenses of the Group was approximately HK\$1.8 million and HK\$1.6 million for the six months ended 30 September 2021 and 2022 respectively, representing a decrease by approximately HK\$0.2 million or 11.1%.

Administrative Expenses

Administrative expenses of the Group decreased from approximately HK\$8.2 million for the six months ended 30 September 2021 to approximately HK\$8.0 million for the Period.

Finance Costs/Income, net

Finance costs/income, net represented deposit bank interest income received, offset by costs to related to lease liabilities. The finance cost, net was approximately HK\$28,000 and HK\$29,300 for the six months ended 30 September 2021 and 2022 respectively.

(Loss)/profit before Income Tax

During the six months ended 30 September 2021 and 2022, the profit before income tax was approximately HK\$2.3 million and the loss before income tax was approximately HK\$4.7 million respectively. During the Period, the turn profit before income tax to loss before income tax was mainly due to the combined effect of (i) the decrease in segment result of other media services by approximately HK\$4 million; (ii) additional provision for impairment losses on trade receivables of HK\$0.6 million; and (iii) the written off of inventories of approximately HK\$0.8 million.

Income Tax Expenses

The income tax expenses were approximately HK\$0.4 million and HK\$45,000 for the six months ended 30 September 2021 and 2022 respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES

During the Period, the Group's operation and capital requirements were financed principally through the operating activities. As at 31 March 2022 and 30 September 2022, the Group had net current assets of approximately HK\$65.9 million and HK\$59.6 million, respectively, including bank balances and cash of approximately HK\$64.3 million and HK\$54.6 million respectively. The Group's current ratio (current assets divided by current liabilities) decreased from approximately 7.2 times as at 31 March 2022 to approximately 7.0 times as at 30 September 2022. Such decrease was mainly due to the decrease in cash and cash equivalents for the Period. The Group's gearing ratio as at 31 March 2022 and 30 September 2022 was calculated based on the total debt divided by the total equity as at the respective dates and multiplied by 100%. As at 30 September 2022, the Group's gearing ratio was nil (31 March 2022: nil).

TREASURY POLICIES

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

CAPITAL STRUCTURE

As at 30 September 2022, the Company had 270,000,000 Shares in issue. There has been no change in the capital structure of the Group since the listing of the Shares of the Company on the Main Board of the Stock Exchange (the "Listing"). The share capital of the Company only comprises ordinary shares.

MATERIAL ACQUISITIONS OR DISPOSAL OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES

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

SIGNIFICANT INVESTMENTS

During the Period, the Group did not hold any significant investments.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

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

CONTINGENT LIABILITIES

The Group did not have material contingent liabilities as at 31 March 2022 and 30 September 2022.

FOREIGN EXCHANGE EXPOSURE

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

MANAGEMENT DISCUSSION AND ANALYSIS

PLEDGE OF ASSETS

As at 31 March 2022 and 30 September 2022, none of the Group's assets were pledged.

EMPLOYEES AND REMUNERATION POLICIES

The total number of full-time employees were 77 and 77 as at 31 March 2022 and 30 September 2022, respectively. The Group's employee benefit expenses mainly included salaries, discretionary bonuses, commission, medical insurance coverage, other staff benefits and contributions to retirement schemes. For the six months ended 30 September 2021 and 2022, the Group's total employee benefit expenses (including Directors' emoluments) amounted to approximately HK\$15.5 million and HK\$11.3 million, respectively.

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

COMPARISON OF BUSINESS STRATEGIES WITH ACTUAL BUSINESS PROGRESS

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

Business strategies as stated in the Prospectus	Actual business progress up to the date of this interim report
Pursue growth through mergers and acquisitions and/or strategic alliance	Identifying potential acquisition targets which are engaged in, among others, video productions, event marketing, digital advertising and media related services and/or technology development.
Expand the customer base and business operations through sales and marketing efforts	Hired additional sales executives to support the business growth in digital media services segment. Recruited marketing staff to assist in conducting pitching activities to build up and strengthen relationship with a broader customer base. The Company focused on events organisation during the Period. Although new sales executives and marketing staff were hired, it is expected that more new sales executives and marketing staff will be hired for the growth of our digital media services.
Upgrade IT infrastructure and procure equipment with advanced technologies to facilitate production efficiency	Upgraded the internal IT system of the Group and procured new production equipment with advanced technologies. Upgrading of the TVMost website and mobile application will be fine-tuning due to rapid change of social media trends. As a result, services provider for upgrading the website and mobile application is under selection.
Strengthen the efforts in events organisation to further extend the Group's marketing channels	Held seven events in total in form of live performance since 28 March 2018 (the "Listing Date").

MANAGEMENT DISCUSSION AND ANALYSIS

USE OF PROCEEDS

The Shares have been successfully listed on the Main Board of the Stock Exchange on the Listing Date. The actual net proceeds from the Listing, after deducting commission and expenses in connection with the Listing, were approximately HK\$53.5 million (the “Actual Net Proceeds”). On 17 March 2021, the Board resolved to change the use and allocation of the unutilised Actual Net Proceeds (“Change in Allocation of Proceeds”). For further details of the Change in Allocation of Proceeds and the reasons and benefits of such change, please refer to the announcement of the Company dated 17 March 2021. The table below sets out a revised allocation and the actual use of the Actual Net Proceeds up to 30 September 2022.

Use of Actual Net Proceeds	Original allocation of Actual Net Proceeds HK\$ million	Revised allocation of Actual Net Proceeds after Change in Allocation of Proceeds HK\$ million	Actual use of the Actual Net Proceeds from Listing Date to 30 September 2022 HK\$ million	Unutilised proceeds as at 30 September 2022 HK\$ million	Expected timeline for the application of the unutilised proceeds
Pursue growth through mergers and acquisitions and/or strategic alliance	15.19	5.35	–	5.35	By 31 March 2023
Expand the customer base and business operations through sales and marketing efforts	11.72	10.70	10.70	–	By 31 March 2023
Upgrade IT infrastructure and procure equipment with advanced technologies to facilitate production efficiency	11.13	2.68	2.16	0.52	By 31 March 2023
Strengthen the efforts in events organisation to further extend the Group’s marketing channels	10.11	16.05	16.05	–	By 31 March 2023
As working capital and for general corporate purposes	5.35	18.72	18.72	–	By 31 March 2023
Total	53.50	53.50	47.63	5.87	

As at 30 September 2022, all unutilised proceeds of approximately HK\$5.9 million have been deposited into banks in Hong Kong. The Group intends to apply the unutilised proceeds as shown above and expects to fully utilise such amount by 31 March 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

As for the pursuit of growth through mergers and acquisitions and/or strategic alliance, during the period since the Listing Date and up to 30 September 2022, the Group entered into preliminary discussions with, among others, a company principally engaged in movie production and a digital advertising and media company in respect of the potential acquisition of shares of such companies. As of the date of this interim report, all of such discussions were terminated and no formal agreement was entered into in this regard. Subsequent to 30 September 2022 and up to the date of this interim report, the Group was still in the process of identifying potential acquisition targets which are engaged in, among others, video productions, event marketing, digital advertising and media related services and/or technology development.

As for the expansion of the customer base and business operations through sales and marketing efforts, since the Group had been focusing on events organisation since the Listing Date and up to 30 September 2022, less emphasis had been placed on conducting marketing activities and campaigns, and the number of sales executives and marketing staff hired by the Group during the Period was fewer than expected.

As for the upgrade of IT infrastructure and procurement of equipment with advanced technologies to facilitate production efficiency, the Company was still in discussion with various service providers in upgrading the TVMost website and mobile application as at the date of this interim report due to the rapid change in social media trends.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the Period (Six months ended 30 September 2021: nil).

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATIONS

As at 30 September 2022, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("the SFO") (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code contained in Appendix 10 of the Listing Rules, were as follows:

Name of Directors	Nature of interest	Number of Shares held <i>(Note 1)</i>	Percentage of shareholding in the Company's issued share capital
Mr. Lu Kar Ho ("Mr. Lu")	Interest in a controlled corporation	175,500,000 (L) <i>(Note 2)</i>	65.0%
	A concert party to an agreement to buy shares described in S.317(1)(a)	6,750,000 (L) <i>(Note 3)</i>	2.5%
Mr. Luk Ka Chun ("Mr. Luk")	Interest in a controlled corporation	175,500,000 (L) <i>(Note 2)</i>	65.0%
	A concert party to an agreement to buy shares described in S.317(1)(a)	6,750,000 (L) <i>(Note 3)</i>	2.5%

Notes:

- (1) The letter "L" denotes a long position in the Shares.
- (2) These shares are held by Blackpaper Limited ("Blackpaper BVI"). Blackpaper BVI is legally and beneficially owned as to 50% and 50% by Mr. Lu and Mr. Luk, respectively. Hence, each of Mr. Lu and Mr. Luk is deemed to be interested in the 175,500,000 Shares held by Blackpaper BVI under the SFO.
- (3) On 25 January 2022, Blackpaper BVI transferred 6,750,000 shares in total ("the said Shares") to Ms. Leung Hoi Yui, Mr. Chui Cheung Lam, Mr. Yuen Kam Shing and Mr. Wong Kar Wai (collectively, the "Staff"). Pursuant to the deed of concert parties dated 25 January 2022 entered into among Blackpaper BVI, Mr. Lu, Mr. Luk and the Staff, each of the Staff has undertaken to act in concert with Blackpaper BVI, Mr. Lu and Mr. Luk as one party in casting votes on all matters of the Company so long as he/she remains interested in all or any of the said Shares.

Save as disclosed above, as at 30 September 2022, none of the Directors nor chief executive of the Company has registered any interests and short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

OTHER INFORMATION

INTERESTS AND SHORT POSITIONS OF THE SUBSTANTIAL SHAREHOLDERS OF THE COMPANY AND OTHER PERSONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATIONS

So far as the Directors are aware, as at 30 September 2022, the following persons (not being Directors or chief executive of the Company) have or are deemed or taken to have an interest or short position in the Shares or the underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under Section 336 of the SFO:

Name of shareholders	Nature of interests	Number of Shares held <i>(Note 1)</i>	Percentage of shareholding in the Company's issued share capital
Blackpaper BVI	Beneficial owner	175,500,000 (L) <i>(Note 2)</i>	65.0%
	A concert party to an agreement to buy shares described in S.317(1)(a)	6,750,000 (L) <i>(Note 5)</i>	2.5%
Ms. Chan Mavis Pak Ling	Interest of spouse	182,250,000 (L) <i>(Note 3)</i>	67.5%
Ms. Chan Christine Kar Hey	Interest of spouse	182,250,000 (L) <i>(Note 4)</i>	67.5%
Mr. Chui Cheung Lam	Beneficial owner	1,687,500 (L)	0.6%
	A concert party to an agreement to buy shares described in S.317(1)(a)	180,562,500 (L) <i>(Note 5)</i>	66.9%
Ms. Leung Hoi Yui	Beneficial owner	1,687,500 (L)	0.6%
	A concert party to an agreement to buy shares described in S.317(1)(a)	180,562,500 (L) <i>(Note 5)</i>	66.9%
Mr. Wong Kai Wai	Beneficial owner	1,687,500 (L)	0.6%
	A concert party to an agreement to buy shares described in S.317(1)(a)	180,562,500 (L) <i>(Note 5)</i>	66.9%
Mr. Yuen Kam Shing	Beneficial owner	1,687,500 (L)	0.6%
	A concert party to an agreement to buy shares described in S.317(1)(a)	180,562,500 (L) <i>(Note 5)</i>	66.9%

OTHER INFORMATION

Notes:

- (1) The letter “L” denotes a long position in the Shares.
- (2) Blackpaper BVI is legally and beneficially owned as to 50% and 50% by Mr. Lu and Mr. Luk, respectively. Hence, each of Mr. Lu and Mr. Luk is deemed to be interested in the 175,500,000 Shares held by Blackpaper BVI under the SFO.
- (3) Ms. Chan Mavis Pak Ling is the spouse of Mr. Lu and is therefore deemed to be interested in the same number of Shares in which Mr. Lu is interested under the SFO.
- (4) Ms. Chan Christine Kar Hey is the spouse of Mr. Luk and is therefore deemed to be interested in the same number of Shares in which Mr. Luk is interested under the SFO.
- (5) On 25 January 2022, Blackpaper BVI transferred 6,750,000 shares in total (“the said Shares”) to Ms. Leung Hoi Yui, Mr. Chui Cheung Lam, Mr. Yuen Kam Shing and Mr. Wong Kar Wai (collectively, the “Staff”). Pursuant to the deed of concert parties dated 25 January 2022 entered into among Blackpaper BVI, Mr. Lu, Mr. Luk and the Staff, each of the Staff has undertaken to act in concert with Blackpaper BVI, Mr. Lu and Mr. Luk as one party in casting votes on all matters of the Company so long as he/she remains interested in all or any of the said Shares.

Save as disclosed above, as at 30 September 2022, the Directors were not aware of any other persons who had any interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under Section 336 of the SFO, and/or who are directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

SHARE OPTION SCHEME

The Company’s share option scheme (the “Share Option Scheme”) was adopted by the Company on 2 March 2018. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules.

No share options were granted since the adoption of the Share Option Scheme. During the Period, no share options under the Share Option Scheme were granted, exercised, lapsed or cancelled and there are no outstanding share options at the end of the Period.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There are no significant events affecting the Group after the Period and up to the date of this interim report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

COMPETING INTERESTS

During the Period and up to the date of this interim report, none of the Directors or the Controlling Shareholders or substantial shareholders (as defined in the Listing Rules) of the Company or their respective close associates (as defined in the Listing Rules) were considered to have any interests in a business which competed or was likely to compete, either directly or indirectly, with the business of the Group and/or caused, or was likely to cause any other conflicts of interest with the Group.

OTHER INFORMATION

NON-COMPETITION UNDERTAKING

The Company confirms that the deed of non-competition (the “Deed”) of each of Blackpaper BVI, Mr. Lu and Mr. Luk, details of which were set out in the Prospectus, has been fully complied with and enforced since the Listing Date and up to 30 September 2022.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted and complied with code provisions (the “Code Provisions”) as set out under the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Listing Rules. During the Period, the Company has complied with all Code Provisions of the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules as a code of conduct of the Company for Directors’ securities transactions. The Company has made specific enquiry of all Directors and the relevant employees regarding any non-compliance with the Model Code during the Period and they have all confirmed that they had fully complied with the required standard set out in the Model Code.

AUDIT COMMITTEE

The Company has set up an Audit Committee on 2 March 2018 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D3 of the CG Code. The Audit Committee consists of Mr. Ho Kwong Yu, Mr. Leung Ting Yuk and Mr. Leung Wai Man. Mr. Ho Kwong Yu is the chairman of the Audit Committee.

The Group’s condensed consolidated financial statements for the Period have not been audited by the auditor of the Company. The Audit Committee has reviewed the Group’s unaudited condensed consolidated financial statements for the Period.

By order of the Board of

Most Kwai Chung Limited

Iu Kar Ho

Chairman and Executive Director

Hong Kong, 29 November 2022

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

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