



CHINA DIGITAL VIDEO HOLDINGS LIMITED

中國數字視頻控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock code:8280

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2024
ANNUAL REPORT

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This report, for which the directors (the “Directors”) of China Digital Video Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the 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

Mr. GUO Langhua (*Chairman and Chief Executive Officer*)
(*appointed on 3 February 2025*)

Mr. PANG Gang (*President*)

Mr. LIU Baodong

Ms. CAO Lingyi (*appointed on 1 June 2024*)

Mr. ZHENG Fushuang (*resigned on 3 February 2025*)

Independent Non-executive Directors

Dr. LI Wanshou

Mr. LI Youliang

Mr. JIAN Nianqiang (*appointed on 1 June 2024*)

COMPANY SECRETARY

Mr. AU Wai Keung

AUTHORISED REPRESENTATIVES

Mr. GUO Langhua (*appointed on 3 February 2025*)

Mr. AU Wai Keung

Mr. ZHENG Fushuang (*resigned on 3 February 2025*)

COMPLIANCE OFFICER

Mr. LIU Baodong

AUDIT COMMITTEE

Mr. LI Youliang (*Chairman*)

Dr. LI Wanshou

Mr. JIAN Nianqiang (*appointed on 1 June 2024*)

REMUNERATION COMMITTEE

Mr. JIAN Nianqiang (*Chairman*) (*appointed on 1 June 2024*)

Mr. LIU Baodong

Dr. LI Wanshou

NOMINATION COMMITTEE

Mr. GUO Langhua (*Chairman*)

(*appointed on 3 February 2025*)

Dr. LI Wanshou

Mr. LI Youliang

Mr. ZHENG Fushuang (*resigned on 3 February 2025*)

REGISTERED OFFICE

P.O. Box 309

Ugland House

Grand Cayman, KY1-1104

Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room A5, 7/F

China United Plaza

1008 Tai Nan West Street

Cheung Sha Wan

Kowloon

Hong Kong

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN PRC

China Digital Video Technical Plaza

No. 131 West Fourth Ring Road N

Haidian District

Beijing

PRC

GEM STOCK CODE

8280

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Maples Fund Services (Cayman) Limited

PO Box 1093, Boundary Hall

Cricket Square

Grand Cayman, KY1-1112

Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited

Shops 1712-1716, 17th Floor

Hopewell Centre

183 Queen's Road East

Wanchai, Hong Kong

PRINCIPAL BANKERS

China Merchants Bank (West Sanhuan Branch)

China Merchants Bank (Shuangyushu Branch)

Beijing Bank (Hongxing Branch)

Bank of Ningbo (Beijing Branch)

AUDITOR

Prism Hong Kong Limited

Certified Public Accountants

Registered Public Interest Entity Auditor

LEGAL ADVISORS

As to Hong Kong Law

King & Wood Mallesons

As to Cayman Islands Law

Maples and Calder

COMPANY'S WEBSITE

www.cdv.com (*information of this website does not form part of this annual report*)



CHAIRMAN STATEMENT

On behalf of the board (the **"Board"**) of China Digital Video Holdings Limited (the **"Company"** or **"we"**), I am pleased to report to our valued shareholders and investors the results of the Company and its subsidiaries (collectively referred to as the **"Group"**) for the financial year ended 31 March 2025 (the **"2024 Annual Year"**).

OVERVIEW

Business Review

During the 2024 Annual Year, we recorded a revenue of approximately RMB134.6 million, which represents a decrease of 7.7% from the revenue of RMB145.9 million for the year ended 31 March 2024 (the **"2023 Annual Year"**). We recorded a loss of RMB31.7 million for the 2024 Annual Year as compared to a loss of RMB150.7 million for the 2023 Annual Year.

Future Prospects

As the leading digital video technology solution and service company in the TV broadcasting in China, we will actively adapt to the market development and technological progress. We plan to continue to develop and invest in innovative products and businesses by leveraging our core digital video technology. We will continuously consolidate and expand existing technology, market and brand advantage and endeavor to optimize and improve the efficiency of existing products and reduce costs. We will also proactively seek potential business opportunities that will broaden our sources of income and enhance value to the shareholders.

Appreciation

I would like to take this opportunity to express my heartfelt gratitude to the fellow members of the Board, and on behalf of the Board, the management and entire staff of the Group for their diligent work and contribution in the past year. Last but not least, I would like to extend my sincerest appreciation to the investors and shareholders of the Company for their continuing confidence in and support for the Group over the years. In 2025, the business portfolio of the Group will continue to be optimised and rationalised to provide the Company's future development and business growth with a motive force. We will devote our best efforts to generate encouraging returns for our supportive shareholders.

Guo Langhua

Chairman

30 June 2025



FINANCIAL HIGHLIGHTS

Our revenue decreased by 7.7% to RMB134.6 million for the 2024 Annual Year from RMB145.9 million for the 2023 Annual Year.

We recorded a loss of RMB31.7 million for the 2024 Annual Year as compared to a loss of RMB150.7 million for the 2023 Annual Year.

Our Directors did not recommend the payment of dividend for the 2024 Annual Year (2023 Annual Year: Nil).



MANAGEMENT DISCUSSIONS AND ANALYSIS

BUSINESS REVIEW

We are a leading digital video technology solution and service company in the TV broadcasting industry in China. We provide a full range of solutions, services and products to TV broadcasters and other digital video content providers to effectively assist and enhance digital video technology content in the upgrade and management works on the post-production segment which forms a critical part of the PRC TV broadcasting market. We have been at the forefront of digital video technology innovation in China. Our emphasis on developing a demand-driven and highly responsive research and development is particularly critical for us because of our focus on the solutions and services business, where the customers demand customized services. Our solutions, services and products businesses facilitate the processing, enhancement and management of digital video content at the post-production stage between the ingestion of raw content and the output of finished content. There is no significant development in the segment in which we operate.

We have established business relationships with most of the central- and provincial-level TV stations in China and with some of the provincial-level TV broadcasters in China for over 27 years. We have also served alternative broadcasting platforms, such as cable networks operators, Internet media content providers and IPTV operators. In view of the sustained losses of the Group, while we will continue with our existing principal business, we will conduct a review of our business activities for the purpose of formulating business plans and strategies for our future business development. We may explore other business opportunities and consider whether any asset disposal, asset acquisition, business rationalisation, business divestment, fund raising, restructuring of the existing business and/or business diversification will be appropriate in order to enhance our long-term growth potential.

Environmental policies and performance

The details of social responsibilities and environmental policies are set out in the section headed "Environmental, Social and Governance Report" of this annual report.

Compliance with the relevant laws and regulations

As far as the Board and management are aware, the Group has complied in all material respects with the relevant laws and regulations that have a significant impact on the businesses and operations of the Group. During the year under review, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

Relationship with employees, customers and suppliers

The Group understands the importance of maintaining a good relationship with its employees, customers and suppliers to meet its immediate, medium and long term business goals. During the year under review, there was no significant dispute between the Group and its employees, customers and suppliers.



MANAGEMENT DISCUSSIONS AND ANALYSIS

FINANCIAL REVIEW

We recorded a revenue of RMB134.6 million for the 2024 Annual Year, representing a decrease of 7.7% from RMB145.9 million for the 2023 Annual Year. We recorded a loss of RMB30.5 million in the 2024 Annual Year as compared to a loss of RMB150.7 million in the 2023 Annual Year.

Revenue

We derived revenue primarily from (i) sale of solutions; (ii) provision of services; and (iii) sale of products.

Our revenue decreased by 7.7% to RMB134.6 million for the 2024 Annual Year from RMB145.9 million for the 2023 Annual Year. The decrease was due to the negative impact from the rise of internet videos, which has subsequently led to our clients postponing its system upgrade schedule.

Cost of Sales

Our cost of sales decreased by 13.8% to RMB106.0 million for the 2024 Annual Year from RMB122.9 million for the 2023 Annual Year, as a result of the decrease in revenue.

Gross Profit and Gross Profit Margin

Our gross profit represents revenue less cost of sales. Our gross profit increased by 24.3% to RMB28.6 million for the 2024 Annual Year from RMB23.0 million for the 2023 Annual Year, primarily due to the increase in proportion of high gross profit items. Our gross profit margin increased to 21.2% for the 2024 Annual Year from 15.8% for the 2023 Annual Year.

Other Income

Our other income increased by 243.8% to RMB5.5 million for the 2024 Annual Year from RMB1.6 million for the 2023 Annual Year, primarily due to the revenue generated from early termination of lease liabilities, which was absent in the 2023 Annual Year.

Selling and Marketing Expenses

Our selling and marketing expenses decreased by 43.8% to RMB30.6 million for the 2024 Annual Year as compared to RMB54.4 million for 2023 Annual Year, primarily due to the decrease in compensations to the sales staff.

Administrative Expenses

Our administrative expenses decreased by 14.7% to RMB15.7 million for the 2024 Annual Year as compared to RMB18.4 million for the 2023 Annual Year, remaining relatively stable.

Research and Development Expenses

Our research and development expenses decreased by 26.4% to RMB18.4 million for the 2024 Annual Year as compared to RMB25.0 million for the 2023 Annual Year, primarily due to the decrease in staff costs caused by decrease of personnel .

Finance Costs

Our finance costs increased by 9.5% to RMB9.2 million for the 2024 Annual Year from RMB8.4 million for the 2023 Annual Year, primarily due to the increase in the effective interest rate of borrowings.

Net (Reversal of Impairment Loss)/Impairment Loss on Trade and Other Receivables and Contract Assets

Our net impairment loss on trade and other receivables and contract assets recorded to reversal impairment loss of RMB4.2 million for the 2024 Annual Year as compared to the impairment loss of RMB35.4 million for the 2023 Annual Year. The adjustment was primarily due to the decrease in the expected credit loss on trade and other receivables and contract assets.

Loss before Income Tax

As a result of the foregoing factors, we recorded a loss before income tax of RMB30.5 million and RMB159.3 million for the 2024 Annual Year and the 2023 Annual Year, respectively.

Income Tax Credit

We recorded income tax credit of RMB nil for the 2024 Annual Year (2023 Annual Year: income tax credit of RMB8.6 million).

Loss for the Period

As a result of the foregoing factors, we recorded a loss of RMB30.5 million for the 2024 Annual Year as compared to a loss of RMB150.1 million for the 2023 Annual Year.

Dividend

The Directors did not recommend the payment of a final dividend for the 2024 Annual Year (2023 Annual Year: Nil).



MANAGEMENT DISCUSSIONS AND ANALYSIS

ANALYSIS ON AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ITEMS

Non-current Assets

As at 31 March 2025, our non-current assets amounted to RMB34.2 million (2024: RMB34.6 million), primarily consisting of intangible assets of RMB2.8 million (2024: RMB9.3 million), property, plant and equipment of RMB0.2 million (2024: Nil), financial assets at fair value through profit or loss of RMB8.8 million (2024: RMB11.9 million) and interests in associates of RMB22.4 million (2024: RMB13.4 million). Our intangible assets mainly represent our intellectual properties, patents, trademarks and licenses related to our products and all direct costs incurred in the development of software products. Our interests in associates represent our interests in associates, namely, Beijing Yue Ying Technology Co., Ltd. (北京悦影科技有限公司), Beijing Meicam Network Technology Co, Ltd. (北京美攝網絡科技有限公司), Beijing Xin'aote Smart Sport Innovation Development Co., Ltd. (北京新奧特智慧體育創新發展有限公司), Tuteng Shijie (Guangzhou) Digital Technology Limited Company (圖騰視界(廣州)數字科技有限公司) ("**Tuteng Shijie**"), Xin'aote Fujian Culture Technology Co. Ltd. (新奧特(福建)文化科技有限公司), Beijing Jinsong Chuangyi Technology Co., Ltd. (北京錦頌創逸技術科技有限公司) ("**Beijing Jinsong**"), Beijing Xin'aote Sports Media Co., Ltd. (北京新奧特體育傳媒有限公司).

Current Assets

As at 31 March 2025, our current assets amounted to RMB379.6 million (2024: RMB487.9 million), primarily consisting of inventories of RMB38.1 million (2024: 33.8 million) trade and other receivables of RMB190.1 million (2024: RMB289.6 million), cash and cash equivalents of RMB141.0 million (2024: RMB151.1 million) and contract assets of RMB8.0 million (2024: RMB11.8 million).

Current Liabilities

As at 31 March 2025, our current liabilities amounted to RMB449.8 million (2024: RMB528.7 million), primarily consisting of trade and other payables of RMB239.8 million (31 March 2024: RMB313.7 million), interest-bearing bank borrowings of RMB178.4 million (2024: RMB193.2 million) and contract liabilities of RMB31.6 million (2024: RMB18.3 million). Contract liabilities of the Group mainly arose from the advance payments made by customers while the underlying products or services were yet to be provided.

Non-current Liabilities

As at 31 March 2025, our non-current liabilities, consisting of lease liability and non-current portion of the bank borrowing, amounted to Nil (2024: RMB0.6 million).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 March 2025, the current assets of the Group amounted to RMB379.6 million, including RMB190.1 million in trade and other receivables and RMB141.0 million in cash and cash equivalents. Current liabilities of the Group amounted to RMB449.8 million, of which RMB239.8 million were trade and other payables and RMB178.4 million were interest-bearing bank borrowings. As at 31 March 2025, the interest-bearing bank and other borrowings were denominated in Renminbi bearing fixed and floating interest rates.

The gearing ratio of the Group (calculated as total bank and other borrowings divided by total equity) was not applicable as at 31 March 2025 (31 March 2024: not applicable).

During the 2024 Annual Year, we did not employ any financial instrument for hedging purposes.

COMMITMENTS

As at 31 March 2025, we had short-term lease commitments in respect of rented office and various residential properties of RMB2.0 million (2024: RMB0.2 million).

MATERIAL ACQUISITION AND DISPOSAL

We had no material acquisition and disposal of subsidiaries and affiliated companies during the 2024 Annual Year.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS AND EXPECTED SOURCE OF FUNDING

We do not have plans for material investments or acquisition of capital assets.

FOREIGN CURRENCY RISK

Our subsidiaries mainly operate in the PRC and the majority of our transactions are settled in Renminbi except for certain bank balances which are denominated in U.S. dollars. Foreign currency risk arises when commercial transactions and recognized assets and liabilities are denominated in a currency that is not either the Company's or our subsidiaries' functional currency. As at 31 March 2025, we did not have significant foreign currency risk from our operations. During the 2024 Annual Year, we did not enter into any arrangements to hedge against any fluctuation in foreign currency.



MANAGEMENT DISCUSSIONS AND ANALYSIS

CHARGE ON ASSETS

As at 31 March 2025, we had restricted and pledged deposits of RMB2.4 million (2024: RMB1.6 million) held in banks for the purpose of contract related deposits or payments, guarantees issued for trade finance facilities and security of bank borrowings.

HUMAN RESOURCES

As at 31 March 2025, we had 205 full-time employees and 11 dispatched workers (31 March 2024: 264 full-time employees and 42 dispatched workers). The remuneration package of the employees includes salary, sales commission, bonus and other cash subsidies. For the 2024 Annual Year and the 2023 Annual Year, the remuneration expense, including both capitalized and expensed, was approximately RMB52.5 million and RMB67.7 million, respectively. In general, employees' salaries are determined based on individual performance, qualification, position and seniority. We place strong emphasis on recruiting skilled personnel. We typically recruit talents from universities and technical schools and conduct annual reviews to assess our employees' performance and determine their salary, bonus and promotion. We also place a strong emphasis on providing training to our employees in order to enhance their technical and product knowledge as well as comprehension of industry quality standards.

CONTINGENT LIABILITIES

As at 31 March 2025, we did not have any material contingent liabilities (31 March 2024: Nil). We are not currently involved in any material legal proceedings, nor are we aware of any proceedings or potential material legal proceedings.

OUTLOOK

Our long-term objective is to become a leading integrated digital video technology, service and media company in China. To achieve this goal, we will continue to (a) gain market share by offering solutions based on latest industry trends and expanding customer base; (b) create recurring and high margin revenue streams by further strengthening and developing our service business; (c) further develop and invest in innovative products and businesses; and (d) selectively pursue strategic investments and acquisitions.

Gain market share by offering solutions based on latest industry trends and expanding customer base

We expect that the next phase of system expansions and upgrades in the post-production market will be driven by (i) transition to a cloud computing platform for digital video content delivery; (ii) media convergence; (iii) continuing upgrades to high definition standard; and (iv) upgrades to a 4K ultra-high definition standard. We plan to capture the opportunities presented by these industry trends through:

- adding new functions to our customized solutions to meet the diverse and growing business requirements and technological sophistication of our customer base;
- assisting our existing customers in system expansions and upgrades to capture a larger portion of their incremental technological capital expenditures as new projects emerge; and
- leveraging existing customer relationships and cross-selling to departments within existing customers who do not currently use our products.

In addition, leveraging our core strengths in high-end post-production technology, we will seek to penetrate the mid-tier market of professional users by developing products that meet their demands.

Create recurring and high margin revenue streams by further strengthening and developing our service business

We plan to increase revenue streams generated from our service business, which represents recurring revenue, by focusing on high margin areas. To that end, we plan to transition our CreaStudio multi-camera recording and editing service from primarily recording and editing video footages for entertainment TV shows to jointly producing and operating entertainment media contents together with media rights holders using the footage captured by our CreaStudio systems, which we believe can generate consistent and high margin revenue. As part of the joint production, we plan to enter into agreements with the relevant media rights holders regarding the use of their media contents. We also strive to further enhance the quality and capabilities of our other services and to further develop new services that generate recurring and high profit margin.

Further develop and invest in innovative products and businesses

We plan to continue to develop and invest in innovative products and businesses by leveraging our core digital video technology. We intend to apply our key technology to the platforms of telecom operators by strengthening the cooperation with telecom operators. In particular, we will seek cooperation with first-tier telecom operators such as China Mobile and China Unicom.



MANAGEMENT DISCUSSIONS AND ANALYSIS

Selectively pursue strategic investments and acquisitions

We believe that the TV broadcasting post-production industry in China today is fragmented and ripe for consolidation. We intend to continue to actively explore strategic investment and acquisition opportunities to increase the depth and breadth of our portfolio of solutions, services and products in order to maintain our market leadership. The suitable opportunities we intend to pursue include:

- cutting-edge digital video technology in international markets to further enhance our core technology, as well as technology that will help us capture key industry trends, such as big data, cloud computing and 4K ultra-high definition standard;
- smaller domestic competitors with attractive niche customer base to further expand our customer reach; and
- investment opportunities in which we have a significant stake and are able to leverage our core technology.



BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Guo Langhua (郭朗華), aged 58, is an executive Director and serves as the chairman of the Board, the chief executive officer of the Group, the chairman and member of the Nomination Committee and authorised representative. Mr. Guo was appointed to the Board on 3 February 2025.

Mr. Guo has been serving as the chief strategic advisor of the Company since June 2018. From January 2008 to June 2018, Mr. Guo served as the vice chairman of the Board, an executive Director and compliance officer of the Company.

From September 2022 to August 2023, Mr. Guo was an executive director of Peking University Resources (Holdings) Company Limited (北大資源(控股)有限公司), a company listed on the Stock Exchange (stock code: 0618) which is principally engaged in real estate development and commercial real estate operations.

Mr. Guo has been the vice-chairman of Xin'aote Investment Group Co., Ltd. (新奧特投資集團有限公司), since May 2021, where he was primarily responsible for strategic planning. Mr. Guo was the vice chairman of China Digital Video (Beijing) Limited (新奧特(北京)視頻技術有限公司) ("CDV WFOE"), the Company's principal operating PRC subsidiary, during the period from 2008 to 2018. From January 2015 to June 2021, Mr. Guo has served as the president of Xinxin Holding Co., Ltd (信心控股有限公司), where he was primarily responsible for the evaluation, improvement and monitoring of the company's management and operation.

Mr. Guo graduated from Wuhan University (武漢大學) with a bachelor's degree in economy in June 1988 and obtained a master's degree in business administration from China Europe International Business School (中歐國際工商學院) in October 2003.

Mr. Guo did not hold directorship in any listed public company in the last three years.



BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT

Mr. Pang Gang (龐剛), aged 45, is an executive Director and the president of the Company. He has approximately 20 years of experience in the broadcasting industry. He is currently a director of CDV WFOE, a director of ZhengQi (Beijing) Video Technology Co., Ltd. (北京正奇聯訊科技有限公司), a wholly-owned subsidiary of the Company, the vice-chairman of Beijing International Cloud Broadcasting Technology Co., Ltd. (北京國際雲轉播科技有限公司). He had previously served as the general manager of Xin'aote Silicon Valley Video Technology Co., Ltd. (新奧特矽穀視頻技術有限公司) and the executive president of CDV WFOE. Mr. Pang was appointed to the Board on 2 February 2021.

Mr. Pang obtained a bachelor's degree in engineering at Anshan Normal University (鞍山師範學院), and a master's degree in engineering at Beijing University of Posts and Telecommunications (北京郵電大學). He was awarded the "Outstanding Individual Award in Science and Technology Innovation* (科技創新優秀個人獎)" in the 2019 CRTA Science and Technology Innovation Awards.

Mr. Pang did not hold directorship in any listed public company in the last three years.

Mr. Liu Baodong (劉保東), aged 61, is an executive Director. He is primarily responsible for the overall management and operation of the Group. Mr. Liu was appointed to the Board on 16 February 2007 and is a member of the remuneration committee of the Company.

From 2004 to 2008, Mr. Liu was the general manager of Xin'aote Silicon Valley Video Technology Co., Ltd., a predecessor company of the Group, where he was responsible for the overall management and operation of the company.

Mr. Liu worked at Sanycom Technology Co., Ltd. (三一通訊技術有限公司) (principally engaged in the communication equipment manufacturing) as the deputy general manager and later the general manager from 2001 to 2004. During the period from 1999 to 2001, Mr. Liu was the project manager and product manager of Nortel Networks Holdings (Canada) (北電網路集團(加拿大)), a multinational telecommunications and data networking equipment manufacturer. Prior to that, Mr. Liu spent two years serving as a senior engineer and project manager for Motorola (Canada) (principally engaged in inventing, building and delivering mobile devices) from 1997 to 1999.

Mr. Liu graduated from Northwestern Polytechnic University (西北工業大學) with a bachelor's degree in automation control in July 1983 and was awarded a master's degree and a Ph.D. degree in applied computer science from University of Brussels (Vrije Universiteit Brussel) (比利時布魯塞爾大學) in September 1996. He also received a master's degree of business administration from China Europe International Business School (中歐國際工商學院) in September 2007.

Mr. Liu did not hold directorship in any listed public company in the last three years.



BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT

Ms. Cao Lingyi (曹令一), aged 62, is an executive Director. Ms. Cao was appointed to the Board on 1 June 2024.

Ms. Cao has worked within our Group since 1994. From 1994 to 2007, she served in various management roles within our Group's predecessor companies, such as Beijing Xin'aote Electronic Company Ltd (北京市新奧特電子有限公司) and Beijing Newauto Group Co., Ltd. (北京新奧特集團有限公司). Since 2007 and up until present, Ms. Cao has served as the senior vice president of China Digital Video (Beijing) Limited (新奧特(北京)視訊技術有限公司), a subsidiary of the Company.

Ms. Cao obtained her bachelor's degree in philosophy from Beijing Normal University (北京師範大學) in July 1985 and later obtained an EMBA degree from the School of Economics and Management, Tsinghua University (清華大學經濟管理學院) in 2005 in the PRC.

Ms. Cao did not hold directorship in any listed public company in the last three years.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Li Wanshou, aged 61, is an independent non-executive Director of the Company. He was appointed to the Board on 28 June 2018. He is a member of the audit committee, the remuneration committee and the nomination committee of the Company.

Dr. Li is currently the founder and chairman of the board of Synergetic Innovation Fund Management Co., Limited (協同創新基金管理有限公司). Dr. Li has over 26 years' experience in the venture capital industry. He was the former president of Shenzhen Capital Group Co., Limited (深圳市創新投資集團有限公司). Dr. Li obtained his doctoral degree in economics from the Chinese Academy of Social Sciences Graduate School (中國社會科學院研究生院) and another doctoral degree in management from Xi'an Jiaotong University (西安交通大學). He also obtained a master's degree in sociology from Sun Yat-Sen University (中山大學) and a bachelor's degree in philosophy from Wuhan University (武漢大學). Dr. Li obtained a number of honors and awards including "Outstanding Achievement Award" issued by the National Development and Reform Commission, 2009-2011 China's top ten venture capitalists issued by Zero2IPO Partners, the Forbes China best venture capitalists, and "the venture capitalists most deserved to be presented to the whole world" jointly issued by the Russian global partner BBS and the National Development and Reform Commission. Dr. Li also serves as the honorary president of Chinese Equity Investors Alliance, the vice director of Huaxia New Supply-side Economics Research Institute, the vice director of China Centre for Promotion of SME Development, the vice director of China Overseas-Educated Scholars Development Foundation, the director of the Equity Investment Center of Sun Yat-Sen University and the Enterprise Tutor of Newhuadu Business School. Dr. Li is also a visiting professor of each of the Chinese Academy of Social Sciences Graduate School, the graduate school of Tsinghua University and the graduate school of Wuhan University.

Saved as disclosed above, Dr. Li did not hold any directorships in any public listed companies in the last three years.



BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT

Mr. Li Youliang, aged 60, is an independent non-executive Director of the Company. He was appointed to the Board on 1 March 2023. He is the chairman of the audit committee and a member of the nomination committee.

Mr. Li has extensive accounting and managing experience in state ministries, financial institutions and state-owned enterprises in the PRC. He served as a general manager of the capital operations department and the responsible officer of the management department of China Far East International Trading Corporation in China* (中國遠東國際貿易總公司), which is a wholly-owned subsidiary of the State Council of the PRC (中華人民共和國國務院) since October 2009.

Mr. Li obtained his bachelor's degree in finance and accounting from Zhongnan University of Economics and Law* (中南財經政法大學) (formerly known as Zhongnan University of Finance and Economics* (中南財經大學)) in the PRC in July 1987.

Mr. Li did not hold directorships in any listed public companies in the last three years.

Mr. Jian Nianqiang, aged 58, is an independent non-executive Director of the Company. He was appointed to the Board on 1 June 2024. He is the chairman of the remuneration committee and a member of the audit committee.

Mr. Jian has been serving as the chairman of the board and is the actual controller of Beijing Zunfeng Investment Co., Ltd* (北京尊豐投資有限公司) since 2003. From 1991 to 2003, Mr. Jian held senior management roles at Shenzhen Huihua Group Co., Ltd* (深圳匯華集團有限公司) and at Beijing Huikai Group Co., Ltd* (北京匯凱集團有限公司).

Mr. Jian obtained both his master's degree and doctorate degree in economics from Wuhan University (武漢大學) in July 1991 and in 2006, respectively.

Mr. Jian did not hold directorships in any listed public companies in the last three years.

Save as disclosed in this section, each of our Directors confirmed that he/she does not have any relationship with other Directors, senior management or controlling shareholders of the Company and none of the Directors is involved in the events mentioned in Rule 17.50(2) of the GEM Listing Rules.

SENIOR MANAGEMENT

Mr. Guo Langhua (郭朗華), aged 58, is the chairman of the Board, the chief executive officer of the Group, an executive Director, the chairman and member of the Nomination Committee and authorised representative. His biographical details are set out under the paragraph headed "Executive Directors" above.

Mr. Pang Gang (龐剛), aged 45, is an executive Director and the president of the Group. His biographical details are set out under the paragraph headed "Executive Directors" above.

Mr. Liu Baodong (劉保東), aged 61, is an executive Director. His biographical details are set out under the paragraph headed "Executive Directors" above.

Ms. Cao Lingyi (曹令一), aged 62, is an executive Director. Her biographical details are set out under the paragraph headed "Executive Directors" above.



BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT

Mr. Sun Jichuan (孫季川), aged 56, is the vice president and chief technology officer of the Company. Mr. Sun joined CDV WFOE, as a vice president and the chief technology officer in March 2008. Prior to joining the Group, Mr. Sun was a deputy general manager of Xin'aote Video, the predecessor company of the Group, from January 2005 to January 2008, where he was mainly responsible for the overall management and operation. Mr. Sun was a senior software designer of both Canada Matrox Electronic Systems Ltd (加拿大Matrox 電子系統公司) (principally engaged in designing software and hardware solutions for graphics, video, and imaging/machine vision applications) from October 2000 to December 2004 and the Research and Development Centre, Canon Australia Pty Ltd (澳大利亞佳能研發中心) (offering digital cameras speedlites, printers, faxes, scanners, video cameras, and related accessories) from September 1999 to June 2000. He was a senior software engineer in Xin'aote Electronic (北京市海澱區新奧特電子技術公司) from September 1992 to May 1997.

Mr. Sun graduated from National University of Defense Technology (國防科技大學) with a bachelor's degree in image display and identification in June 1989. Mr. Sun received his master's degree in signal and information processing from the Institute of Electronics, Chinese Academy of Science (中國科學院電子學研究所) in June 1992.

Mr. Sun did not hold directorships in any listed public companies in the last three years.

COMPANY SECRETARY

Mr. Au Wai Keung (區偉強), aged 53, is the company secretary of the Company. He was appointed as a joint company secretary on 21 August 2015 and as a company secretary on 24 September 2019. Mr. Au has extensive experience in corporate secretarial practice and has achieved various professional qualifications, including a fellow member of the Hong Kong Institute of Certified Public Accountants (香港會計師公會) in May 2015 and a fellow member of The Institute of Chartered Accountants in England and Wales (英格蘭及威爾士特許會計師協會) in August 2018. Mr. Au is currently the director of Arion & Associates Limited (亞利安會計事務所有限公司). He is now also the company secretary of China Literature Limited (閱文集團) (stock code: 772), Honworld Group Limited (老恒和釀造有限公司) (stock code: 2226) and Xin Point Holdings Limited (信邦控股有限公司) (stock code: 1571).

Mr. Au received a bachelor's degree in social science from the Chinese University of Hong Kong (香港中文大學) in December 1993 and a master's degree in business administration from the City University of Hong Kong (香港城市大學) in November 1999.

Mr. Au did not hold directorship in any listed public company in the last three years.



CORPORATE GOVERNANCE REPORT

INTRODUCTION

We are committed to achieving and maintaining high standards of corporate governance, as the Board believes that good and effective corporate governance practices are key to obtaining and maintaining the trust of the shareholders of the Company and other stakeholders, and are essential for encouraging accountability and transparency so as to sustain the success of the Group and to create long-term value for the shareholders of the Company.

CORPORATE GOVERNANCE PRACTICE

The Company has applied the principles and code provisions in the Corporate Governance Code (the “Code”) as set out in Appendix C1 to the GEM Listing Rules and in force during the 2024 Annual Year as its corporate governance practices.

In the opinion of the Board, save as disclosed below, the Company has complied with the Code from 1 April 2024 and up to the date of this annual report.

BOARD OF DIRECTORS

The Board supervises the management of the business and affairs of the Company and ensures that it is managed in the best interests of the shareholders of the Company as a whole while taking into account the interest of other stakeholders. The Board is primarily responsible for formulating the business strategy, reviewing and monitoring the business performance of the Group, approving the financial statements and annual budgets as well as directing and supervising the management of the Company. Execution of operational matters and the powers thereof are delegated to the management by the Board with clear directions. The Board is regularly provided with management update reports, which give a balanced and understandable assessment of the performance, position, recent development and prospect of the Group in sufficient details.

The Board is also responsible for the corporate governance functions under code provision A.2.1 of the Code. The Board has reviewed and discussed the corporate governance policy of the Group and is satisfied with its effectiveness.

Composition

The composition of the Board as at the date of this Corporate Governance Report is set out as follows:

Executive Directors

Mr. GUO Langhua (*Chairman and Chief Executive Officer*) (*appointed on 3 February 2025*)

Mr. PANG Gang (*President*)

Mr. LIU Baodong

Ms. CAO Lingyi

Mr. ZHENG Fushuang (*resigned on 3 February 2025*)

Independent non-executive Directors

Dr. LI Wanshou

Mr. LI Youliang

Mr. JIAN Nianqiang

BOARD DIVERSITY POLICY

The Group adopted a board diversity policy (the “**Board Diversity Policy**”). A summary of this policy, together with the measurable objectives set for implementing this policy, and the progress made towards achieving those objectives are disclosed as below.

Summary of Board Diversity Policy

The Company recognized and embraced the benefits of having a diverse Board to the quality of its performance. The Board Diversity Policy aimed to set out the approach to achieve diversity on the Board. In designing the Board’s composition, Board diversity has been considered from a number of measurable aspects including gender, age, ethnicity, knowledge and length of services. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board.

Measurable Objectives

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, nationality, professional experience, skills, knowledge and length of services. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

Implementation and Monitoring

The Nomination Committee reviews the Board’s composition under diversified perspectives, and monitors the implementation of the Board Diversity Policy annually.

Biographical details of the Directors are set out in the section headed “Biographical Details of the Directors and Senior Management” in this annual report. There is no relationship (including financial, business, family or other material/relevant relationship(s)) among members of the Board.

In compliance with Rule 5.02D of the GEM Listing Rules, Ms. CAO Lingyi, appointed on 1 June 2024 as an executive Director, and Mr. GUO Langhua, appointed on 3 February 2025 as an executive Directors, obtained the legal advice on 30 May 2024 and 1 February 2025 respectively. Both Ms. CAO Lingyi and Mr. GUO Langhua have confirmed that they understood their obligations as a Director.



CORPORATE GOVERNANCE REPORT

CHAIRMAN AND CHIEF EXECUTIVE

Code provision C.2.1 of the Code stipulates that the roles of the chairman of the board of directors and the chief executive officer of a company should be separate and should not be performed by the same individual, and that the division of responsibilities between the chairman and the chief executive officer should be clearly stated.

Mr. GUO Langhua was appointed as an executive Director with effect from 3 February 2025 and is currently serving as both the Chairman and the chief executive officer of the Company (the **"Chief Executive Officer"**). Such practice deviates from code provision C.2.1 of the Corporate Governance Code. The Board believes that vesting the roles of both the Chairman and the Chief Executive Officer in the same person can facilitate the execution of the Group's business strategies and boost the effectiveness of its operation. The Board is comprised of four executive Directors and three independent non-executive Directors, which is appropriately structured to ensure that there is a balance of power to provide sufficient checks to protect the interests of the Company and its shareholders. Therefore, the Board considers that the deviation from code provision C.2.1 of the Corporate Governance Code is appropriate in such circumstance.

TERMS OF APPOINTMENT AND RE-ELECTION OF DIRECTORS

The Company has executed an appointment letter with Dr. LI Wanshou for a period of three years commencing from 28 June 2024, an appointment letter with Mr. LI Youliang for a period of three years commencing from 1 March 2023, and an appointment letter with Mr. JIAN Nianqiang for a period of three years commencing from 1 June 2024.

Mr. LIU Baodong has entered into a service contract with the Company for a period of three years commencing from 22 May 2022, which may be terminated by not less than three months' notice in writing served by either party on the other. Mr. PANG Gang has entered into a service contract with the Company for a period of three years commencing from 2 February 2024, which may be terminated by not less than three months' notice in writing served by either party on the other. Ms. Cao Lingyi has entered into a service contract with the Company for a period of three years commencing from 1 June 2024, which may be terminated by not less than three months' notice in writing served by either party on the other. Mr. GUO Langhua has entered into a service contract with the Company for a period of three years commencing from 3 February 2025, which may be terminated by not less than three months' notice in writing served by either party on the other or payment in lieu of notice.

In accordance with the Company's articles of association (the **"Articles of Association"**), Mr. GUO Langhua, Dr. LI Wanshou, Ms. CAO Lingyi and Mr. JIAN Nianqiang shall retire from office by rotation at the 2025 annual general meeting and, being eligible, offer themselves for re-election.

CONFIRMATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each independent non-executive Director an annual confirmation of his/her independence, and the Company considers all the independent non-executive Directors' independence in accordance with each and every guideline set out in Rule 5.09 of the GEM Listing Rules.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings regarding Directors' securities transactions as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Among other things, the Company periodically issues notices to the Directors reminding them of the general prohibition on dealing in the Company's listed securities during the blackout periods before the publication of announcements of financial results of the Group.

Having made specific enquiry with all Directors, all Directors confirmed that they have complied with the required standards of dealings from 1 April 2024 and up to the date of this annual report.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company has arranged appropriate insurance coverage in respect of legal action against the Directors and senior management of the Group in the course of execution of their duties in good faith. The insurance coverage is reviewed on an annual basis.

DIRECTORS' TRAINING AND PROFESSIONAL DEVELOPMENT

Every Director keeps abreast of responsibilities as a director of the Company and of the conduct, business activities and development of the Company.

The Directors are aware of the requirement under code provision C.1.4 of the Code regarding continuous professional development. The Company encourages and supports all Directors (including the Directors whose term of office falls within the 2024 Annual Year), namely Mr. GUO Langhua (appointed on 3 February 2025), Mr. PANG Gang, Mr. LIU Baodong, Ms. CAO Lingyi, Mr. ZHENG Fushuang (resigned on 3 February 2025), Dr. LI Wanshou, Mr. LI Youliang and Mr. JIAN Nianqiang, to receive training and encourages their continuous professional development, so as to develop and keep abreast of their knowledge and skills better and serve the Company more efficiently. The Company offers training opportunities for all the Directors from time to time.

During the 2024 Annual Year, all Directors have participated in continuing professional development by attending training courses organised by the Company and reading relevant materials on topics related to corporate governance and regulatory matters.



CORPORATE GOVERNANCE REPORT

BOARD COMMITTEE

The Board has established three Board committees, namely, the remuneration committee (the **"Remuneration Committee"**), the nomination committee (the **"Nomination Committee"**) and the audit committee (the **"Audit Committee"**), for overseeing particular aspects of the Company's affairs. All Board committees have been established with defined written terms of reference, which are posted on the GEM's website www.hkgem.com and the Company's website at www.cdv.com. All the Board committees should report to the Board on their decisions or recommendations made.

The practices, procedures and arrangements in conducting meetings of Board committees are in line with, so far as practicable, those of the board meetings set out above.

All Board committees are provided with sufficient resources to perform their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstance, at the Company's expense.

The Board is responsible for performing the corporate governance duties set out in the Code which included developing and reviewing the Company's policies and practices on corporate governance, training and continuous professional development of Directors, and reviewing the Company's compliance with the code provisions in the Code and disclosures in this annual report.

Remuneration Committee

The Remuneration Committee was established on 23 May 2016. The chairman of the Remuneration Committee is Mr. JIAN Nianqiang, our independent non-executive Director, and other members include Dr. LI Wanshou, our independent non-executive Director and Mr. LIU Baodong, our executive Director. The written terms of reference of the Remuneration Committee are posted on the GEM website and the Company's website.

The Remuneration Committee has been charged with the responsibility of making recommendations to the Board on the appropriate policy and structures for all aspects of Directors' and senior management's remuneration. The Remuneration Committee considers factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration. The Remuneration Committee has reviewed the remuneration packages and emoluments of Directors and senior management and considered that they are fair and reasonable during the 2024 Annual Year.

Nomination Committee

The Nomination Committee was established on 23 May 2016. The chairman of the Nomination Committee is Mr. GUO Langhua, our chairman and executive Director, and other members include Dr. LI Wanshou and Mr. LI Youliang, our independent non-executive Directors. The written terms of reference of the Nomination Committee are posted on the GEM website and on the Company's website.

The primary duties of the Nomination Committee are to review and assess the composition of the Board and the independence of the independent non-executive Directors and make recommendations to the Board on appointment of new directors of the Company and develop and formulate relevant procedures for the nomination and appointment of Directors. In recommending candidates for appointment to the Board, the Nomination Committee considers candidates on merit against objective criteria and with due regards to the benefits of diversity on the Board.

In designing the Board's composition, Board diversity has been considered from a number of perspectives, including but not limited to gender, age, cultural and educational background, industry experience, technical and professional skills and/or qualifications, knowledge, length of services and time to be devoted as a director. The Company will also take into account factors relating to its own business model and specific needs from time to time. The ultimate decision is based on merit and contribution that the selected candidates will bring to the Board.

The Nomination Committee shall assess whether any vacancy on the Board has been created or is expected on a regular basis or as required. In the selection and nomination for new Directors, the Nomination Committee identifies the key attributes that an incoming Director should have, based on attributes of the existing Board and the requirements of the Group. The Nomination Committee utilizes various methods for identifying potential candidates, including recommendations from the members of the Board, management, and professional search firms. All potential candidates are evaluated by the Nomination Committee based on their qualifications. The potential candidates will go through a shortlisting process. Interviews are then set up with the shortlisted candidates for the Nomination Committee to assess them before a decision is made. New Directors are appointed by way of a board resolution, after the Nomination Committee has approved their nominations.

During the 2024 Annual Year, the Nomination Committee reviewed the policy and procedure for the nomination and appointment of new Directors, reviewed the Board's nomination policy and diversity policy and the measurable objectives that the Board has set for implementing such policy and assessed the independence of the independent non-executive Directors.

Audit Committee

The Audit Committee was established on 23 May 2016. The chairman of the Audit Committee is Mr. LI Youliang, our independent non-executive Director, and other members include Dr. LI Wanshou and Mr. JIAN Nianqiang, our independent non-executive Directors. The written terms of reference of the Audit Committee are posted on the GEM website and on the Company's website.

The primary duties of the Audit Committee are mainly to monitor the integrity of the financial information, ensure compliance with accounting standards and play an active role in overseeing the reporting process, internal control procedures and risk management system, effectiveness of the internal audit function, audit plan and relationship with external auditor and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Company has complied with Rule 5.28 of the GEM Listing Rules in that at least one of the members of the Audit Committee (which must comprise a minimum of three members and must be chaired by an independent non-executive Director) is an independent non-executive Director who possesses appropriate professional qualifications or accounting related financial management expertise.

The Group's consolidated financial statements for the 2024 Annual Year, the risk management and the internal control system and the effectiveness of the Company's internal audit function have been reviewed by the Audit Committee, and the Audit Committee is of the opinion that such results complied with the applicable standards, the GEM Listing Rules and other applicable legal requirements and that adequate disclosures had been made.

CORPORATE GOVERNANCE REPORT

ATTENDANCE RECORDS OF MEETINGS

During the 2024 Annual Year, the Board held 4 meetings at which the operating results of the Company were considered and discussed. During the 2024 Annual Year, the Audit Committee, the Remuneration Committee and the Nomination Committee held 2, 1 and 1 meeting(s), respectively.

Members	Meetings attended/meetings held during the 2024 Annual Year				
	Board	Audit Committee	Remuneration Committee	Nomination Committee	2024 Annual General Meeting
Executive Directors					
Mr. GUO Langhua (appointed on 3 February 2025)	0/0	—	—	0/0	0/0
Mr. PANG Gang	4/4	—	—	—	1/1
Mr. LIU Baodong	4/4	—	1/1	—	1/1
Ms. CAO Lingyi (appointed on 1 June 2024)	3/3	—	—	—	1/1
Mr. ZHENG Fushuang (resigned on 3 February 2025)	4/4	—	—	1/1	1/1
Independent non-executive Directors					
Dr. LI Wanshou	4/4	2/2	1/1	1/1	0/1
Mr. LI Youliang	4/4	2/2	—	1/1	1/1
Mr. JIAN Nianqiang (appointed 1 June 2024)	3/3	2/2	0/0	—	1/1

The notice of the forthcoming annual general meeting and related circular will be despatched to the Shareholders in due course.

REMUNERATION POLICY FOR DIRECTORS AND SENIOR MANAGEMENT MEMBERS

The remunerations of the Directors and senior management members are determined based on their working experience, industry expertise, education background and skills as well as the Group's own performance and operating results with reference to the remuneration policies of other companies in our industry and prevailing market rates. Directors and employees also participate in performance incentive arrangements relating to the performance of the Group and individuals.

Particulars regarding key management personnel, including amounts paid to the Directors as required to be disclosed pursuant to Chapter 18 and Appendix C1 of the GEM Listing Rules are set out in note 13 to the consolidated financial statements in this annual report.

During the 2024 Annual Year, the annual remuneration of the members of the senior management is set out below:

	Number of individuals	
	2024 Annual Year	2023 Annual Year
Nil - HK\$1,000,000	4	4
HK\$1,000,001 - HK\$1,500,000	1	1

COMPANY SECRETARY

Mr. AU Wai Keung ("Mr. Au") is the company secretary of the Company. Mr. Au has informed the Company that his training covering corporate governance and accounting matters satisfied the requirements under Rule 5.15 of the GEM Listing Rules during the 2024 Annual Year. The Company considers that the training of Mr. Au is in compliance with the requirements under Rule 5.15 of the GEM Listing Rules during the 2024 Annual Year.

Mr. Au's primary contact person at the Company is Mr. Guo Langhua, an executive Director.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance and the GEM Listing Rules. The Directors have selected appropriate accounting policies and applied them consistently; made judgements and estimates that are prudent and reasonable, and have prepared the consolidated financial statements on a going concern basis. The Directors' responsibilities for the preparation of the financial statements and the auditors' responsibilities are set out in the Auditors' Report in this annual report.

INDEPENDENT AUDITOR'S REMUNERATION

Prism Hong Kong Limited is appointed as the external auditor of the Company for the 2024 Annual Year. For the 2024 Annual Year, the emoluments paid or payable for the audit and non-audit services provided by Prism were as follows:

	Amount (RMB)
Audit services	980,000



CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT AND INTERNAL CONTROL

Overview

The Board recognises that constant changes taking place in the business environment call for periodic reviews of the system of risk management and internal controls. Well-managed internal controls enable effective and efficient operations, ensure the reliability of internal and external reporting and assist in the compliance with applicable laws and regulations.

The Board recognises that it has overall responsibility for the Group's system of risk management and internal controls and for reviewing its effectiveness. Pursuant to the Group's framework, senior management is primarily responsible for designing and implementing the policies and procedures of risk management internal controls, while the Board and the Audit Committee oversee the actions of senior management and review the effectiveness of the controls previously established on an annual basis in respect of the financial year. The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

Factors and conditions which cause risks hindering the achievement of business objectives are identified and categorised. Risks are analysed on the likelihood of occurrences and are prioritised based on the likelihood and impact levels of risks. Control activities are designed to cope with risks identified.

The Company's internal audit function is performed by our finance department, which reports directly to the Chief Executive Officer and has direct access to the chairman of the Audit Committee. Our finance department has unrestricted access to review all aspects of the Group's business activities. The tasks of finance department in respect of its internal audit functions include; (i) review and report on internal and operational controls; (ii) follow-up on the suggestions made by external auditor; and (iii) special review of areas of concern identified by senior management. Throughout the 2024 Annual Year, our finance department continually monitors various operational aspects of the Group's business activities and issues monthly compliance reports to senior management covering those activities. The Company considers the risk management and internal control systems are effective and adequate.

The Company's employees are expected to conduct themselves with honesty, integrity and respect. Each core business division has its own operating manual which specifically outlines the respective division's operating procedures. Failure to comply with these standards or procedures may result in disciplinary action, including dismissal from employment.

To comply with its obligations under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the GEM Listing Rules, the Company has established an internal policy to govern the procedures and internal controls for the handling and dissemination of inside information with reference to the "Guidelines on Disclosure of Inside Information" issued by the Securities and Futures Commission.

To prohibit mishandling of inside information, the Group assigns the roles and responsibilities on handling and management of information with different nature to appropriate personnel. All employees are required to follow the code of conduct in staff handbook to prevent unauthorized use, discussion, sharing and disclosure of unpublished information. In addition, all Board members who are aware of or privy to inside information are bound by the code of conduct regarding securities transactions. Confidentiality of information is maintained through certain ways including dissemination of information to specified personnel on a need-to-know basis, entering into confidentiality agreements for significant negotiations or when it is necessary to provide inside information to external professional parties, and review of all presentation materials in advance before releasing to media and analysts.

The Group's identification, analysis, review and reporting process of inside information are set up in the internal policy to guide the handling and dissemination of inside information. For any potential inside information which comes to the attention of one or more of its officer, it is escalated promptly, timely and on a structured flow to the Board for review and matching against the sensitivity list to decide and approve if it is inside information which requires disclosure. Inside information is disseminated to the public as soon as reasonably practicable in an equal and timely manner.

CORPORATE GOVERNANCE FUNCTIONS

The Board has adopted the corporate governance functions with written terms of reference to assist the Board to perform the corporate governance functions of the Group. The main responsibility of the Board to perform the corporate governance functions includes:

- To formulate and review the Company's corporate governance policy and practices;
- To review and oversee the training and continuous professional development of the Directors and senior management;
- To review and oversee the policy and practices of the Company in the compliance of law and regulatory requirements;
- To formulate, review and oversee the Codes of Conduct for employees and Directors and Compliance Manual (if any); and
- To review the Company's compliance of the Corporate Governance Code and make disclosure in the Corporate Governance Report.

During the 2024 Annual Year, the Board had fulfilled the duties mentioned above.



CORPORATE GOVERNANCE REPORT

SIGNIFICANT CHANGES IN CONSTITUTIONAL DOCUMENTS

There had been no changes in the constitutional documents of the Company during the 2024 Annual Year.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company has adopted a shareholder communication policy with the objective of ensuring that the shareholders of the Company and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company. The shareholder's communication policy is reviewed on an annual basis. The Company has conducted a review of the implementation and effectiveness of the shareholder's communication policy during the 2024 Annual Year. To promote effective communication, the Company has maintained several channels to communicate with the shareholders as follows:

- (i) corporate communications such as annual reports, interim reports, quarterly reports and circulars are issued in printed form and are available on the GEM website at www.hkgem.com and the Company's website at www.cdv.com;
- (ii) periodic announcements are made through the Stock Exchange and published on the respective websites of the Stock Exchange and the Company;
- (iii) corporate information is made available on the Company's website;
- (iv) annual and extraordinary general meetings provide a forum for the shareholders to make comments and exchange views with the Directors and senior management; and
- (v) the Hong Kong share registrar of the Company serves the shareholders in respect of share registration, dividend payments and related matters.

The Company keeps on promoting investor relations and enhancing communication with the existing shareholders and potential investors. It welcomes suggestions from investors, shareholders and the public. Enquires to the Board or the Company may be sent by post to the Company Secretary, Mr. AU Wai Keung, at the Company's principal place of business in Hong Kong as follows:

The Company Secretary
China Digital Video Holdings Limited
Room A5, 7/F
China United Plaza
1008 Tai Nan West Street
Cheung Sha Wan
Kowloon
Hong Kong

SHAREHOLDERS' RIGHTS

As one of the measures to safeguard shareholders' interest and rights, separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual directors, for shareholders' consideration and voting. All resolutions put forward at shareholders' meeting will be voted by poll pursuant to the GEM Listing Rules and the poll voting results will be posted on the GEM website and the Company's website after the relevant shareholders' meeting.

Extraordinary general meeting may be convened by the Board on requisition of shareholders holding not less than one-tenth of the paid up capital of the Company or by such shareholders who made the requisition (the "**Requisitionists**") (as the case may be) pursuant to the Articles of Association. Such requisition must state the object of business to be transacted at the meeting and must be signed by the Requisitionists and deposited at the registered office of the Company or the Company's principal place of business in Hong Kong. Shareholders should follow the requirements and procedures as set out in such article for convening an extraordinary general meeting. Shareholders may put forward proposals with general meeting of the Company by sending the same to the Company at the principal office of the Company in Hong Kong. Shareholders and investors may send written enquiries or requests to the Company (including requests for putting forward proposals at shareholders' meetings) as follows:

Address: China Digital Video Technical Plaza, No. 131 West Fourth Ring Road N, Haidian District, Beijing, PRC
(For the attention of the investor relationship officer)
Phone: (86 10) 6258 6666
Email: ir@cdv.com



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1. INTRODUCTION

The Group believes that sustainable development is an integral part of its business and the objective which the Group has been seeking to achieve. The Group strives to be a good corporate citizen by carrying out its business in a socially responsible way. The Group aims at creating long-term values for its stakeholders and contributing to make the world a better place. The Group believes that taking adequate and effective measures to fully carry out the environmental, social and governance (“ESG”) requirements is necessary for the Group to improve its sustainable development capability. As a socially responsible corporate citizen, the Group is committed to integrating the management policies and strategies of sustainable development into all aspects of its operations. The Board takes the overall responsibility for providing direction and overseeing the development and implementation of the Group’s ESG strategies. This ESG Report (the “**ESG Report**”) outlines the Group’s commitments and strategies to sustainable development and highlights its performance in material areas which the Group considers critical.

a. Reporting Standard & Scope

This ESG Report has been prepared with reference to Appendix C2 of the GEM Listing Rules (the “**ESG Guide**”). This ESG Report covers the ESG impacts, policies and initiatives for the period from 1 April 2024 to 31 March 2025 (the “**Reporting Period**”).

The following entities were selected to be included in this ESG Report due to their significant contributions to the Group, thus making them an ideal proxy for the Group’s overall business:

- China Digital Video (Beijing) Limited
- Xin’aote Totem Technology Co., Ltd.

Additional ESG performance information including financial data and corporate governance structures can be found in other sections of this annual report.

The Group has adhered to the following reporting principles in its preparation of this ESG Report.

Materiality: The Group has identified material ESG topics relevant to its development and operation through internal review and communication with stakeholders to understand their concerns and expectations.

Quantitative: The Group accounts for and discloses KPIs in quantitative terms for proper evaluation of the effectiveness of ESG policies and actions.

Consistency: Unless otherwise stated, this ESG report adopted consistent methodologies to allow for a fair comparison of the Group’s ESG performance from time to time.

1. INTRODUCTION – *continued*

b. Materiality Assessment

To prioritise relevant sustainability areas that would have a material impact on the Group's operations and reputation, the Group has adopted a two-step process to conduct materiality assessment as more described below.

Step 1: Identification

Through industry research, the Group has identified a list of sustainability issues as relevant to the Group's business operations for the Reporting Period.

Step 2: Prioritisation

Ranking the identified topics by reference to the respective level of risk and importance to the Group and generating a list of prioritised material topics based on the Group's understanding of the stakeholders' concerns and requirements.

2. EMPLOYMENT AND LABOUR PRACTICES

The Group values its employees as its greatest asset and believes that human capital is the cornerstone of its operations. By investing in the workplace and in enhancing the skills and qualities of its employees, mutual progression and growth can be achieved.

During the Reporting Period, the Group was not aware of any non-compliance with laws and regulations that have a significant impact to the Group relating to employment and labour practices. The Group did not identify any incidents that have a significant impact to the Group relating to the use of child or forced labour.

2. EMPLOYMENT AND LABOUR PRACTICES – *continued*

a. Healthy and Safe Working Environment

The Group places great emphasis on the occupational health and safety conditions of its employees. The Group abides by the relevant occupational health and safety laws and regulations, including the Law on Work Safety of the PRC, and proactively implements national, provincial and municipal government's requirements on work safety. During the Reporting Period, the Group was not aware of any non-compliance with laws and regulations that have a significant impact to the Group relating to occupational health and workplace safety. There was no work-related fatality or lost day due to work injury during the Reporting Period. The Group seeks to eliminate any potential occupational hazards and health risks by raising the safety awareness of employees.

As employees are the most important asset and resource of the Group, the primary goal is to provide a safe and healthy working environment for the employees under reasonable and practicable conditions. The Group is committed to achieving this goal by implementing the following measures:

1. Establishing and maintaining a high standard of healthy and safe environment in each workplace;
2. Providing and maintaining in all workplaces under the Group's control a working environment which is safe and poses no threat to health;
3. Ensuring that all devices and working systems are safe and pose no threat to health;
4. Ensuring that the use, processing, storage and transportation of all items and materials are safe and pose no threat to health;
5. Providing employees with appropriate information, training and supervision when necessary to ensure the health and safety of all employees at work;
6. Providing easy accesses to workplaces which are safe and pose no threat to health;
7. Avoiding overcrowded workplaces;
8. Providing sufficient sanitation facilities and washrooms at workplaces;
9. Providing sufficient drinking water at workplaces;
10. Providing good maintenance for all floors, walls, ceilings, windows and skylights to avoid cracking risk;
11. Conducting assessments for promotion;
12. Providing sufficient first-aid kits at workplaces;
13. Ensuring effective transmission, discussion and consultation of health and safety-related matters; and
14. Supervising the implementation of safety measures.

2. EMPLOYMENT AND LABOUR PRACTICES – continued

b. Equal Employment

The Group strives to provide a harmonious, fair and equitable working environment that is conducive to the development and well-being of its employees and where all employees are treated equally and no discrimination or harassment in workplace is tolerated. In recruiting its employees, the Group abides by the relevant laws and regulations, including the Labor Law of the PRC, the Labor Contract Law of the PRC and the Implementation Regulations for the Labor Contract Law of the PRC. Equitable policies and guidelines have been established to ensure there are equal opportunities for employment and career advancement and the Group does not tolerate any form of discrimination based on the employee's sex, age, marriage status, race, religious belief or other factors irrelevant to the job. Fair and structured recruitment guidelines are also in place for talent acquisition. In general, employees' salaries are determined based on individual performance, qualification, position and seniority.

Total workforce by gender, age group and employment type

		Number of employees
Gender	Male	115
	Female	56
Age	Below 30	10
	30-50	142
	Over 50	19
Employment type	Full-time	160
	Dispatched	11

Employee turnover rate by gender and age group

		Turnover rate (both full-time and part-time employees)
Gender	Male	45%
	Female	55%
Age	Below 30	16%
	30-50	81%
	Over 50	3%

2. EMPLOYMENT AND LABOUR PRACTICES – *continued*

c. Development and Training

The professional skills and capabilities of the Group's employees are vital to its long-term success. We always encourage our staff to take ample training so that they can excel at their professional field and gain momentum in their career path. Customised training programmes were arranged for staff members at different levels and from across its divisions. Orientation training and mentoring were offered to new joiners to help them adapt to the new working environment.

The percentage of employees trained by gender and employee category during the Reporting Period:

By gender:

Male	45%
Female	20%

By employee category:

Senior management	12%
General staff	45%

The average training hours completed per employee by gender and employee category:

By gender:

Male	45
Female	23

By employee category:

Senior management	32
General staff	36

d. Labour Standards

The Group strictly prohibits the use of child and forced labour in the Group, and is totally committed to creating a work environment which respects human rights. On the basis of strictly abiding by the Labor Law of the PRC, the Law of Protection of Minors of the PRC and the Provisions on Prohibition Against the Use of Child Labor of the PRC, the Group has established reasonable employment rules to eliminate child labor and forced labor. The Group strictly complies with the relevant regulations of the following anti-discrimination ordinances. In the process of annual appraisal, the Group decides the level of salary increase and promotion opportunities based solely on the work performance, experience and skills of employees. In addition to having well-established recruitment processes requiring background checks on candidates (including examining identity card to ensure applicants are aged 18 or over) and formalised reporting procedures to address any exceptions found, the Group also performs regular reviews and inspections to detect the existence of any child or forced labour in its operations. In case of any violation of relevant regulations, the Group will immediately terminate the employment contract to prevent child labour. During the Reporting Period, the Group was not aware of any non-compliance in relation to labour standards law and regulations.

2. EMPLOYMENT AND LABOUR PRACTICES – *continued*

e. Anti-corruption

The Group upholds high standards of business ethics and has strict anti-corruption policies that employees at all levels have to follow to rule out any incidents of bribery, extortion, fraud or money laundering. The Group has anti-corruption rules which the employees must strictly adhere to. Acceptance of any form of benefits from suppliers by staff members is strictly forbidden. During the Reporting Period, the Group fully complied with all local regulations related to the prohibition of bribery, extortion, fraud, money laundering and corruption, including the Anti-unfair Competition Law of the PRC, the Anti-money Laundering Law of the PRC and the Interim Provisions on Prohibiting Commercial Bribery. During the Reporting Period, there were no legal cases regarding corrupt practices brought against the Group or its employees.

f. Whistleblowing System

The Group has established a whistleblowing system whereby employees could report genuine concern about suspected misconduct, suspicious transactions or irregularities regarding financial and compliance matters in strict confidence. The Group also conducts training from time to time to ensure that its employees understand these policies and procedures.

3. ENVIRONMENTAL PROTECTION

Although the daily business of the Group does not have significant adverse effects on the environment or natural resources, the Group seeks to achieve energy efficiency and effective waste management to minimise negative environmental impacts arising from its business operations.

The Group has taken steps to make employees aware of the necessity of reducing consumption of resources such as paper, water and fuel. Staff are also encouraged to reduce energy consumption and carbon emissions by using energy-efficient electrical appliances. The Group remains committed to providing a safe, healthy and environmentally friendly working environment in compliance with all applicable legal requirements. It also promotes environmental awareness externally, to its business partners and customers and supports corporate social responsibility initiatives in relation to environmental protection and sustainability in general. To minimise pollution and harmful emissions, the Group plans to adopt environmental policy and review the same on a regular basis or as required to ensure its relevancy and effectiveness.

During the Reporting Period, the Group did not experience any cases of non-compliance relating to environmental laws and regulations in the PRC. The Group has complied with all relevant environmental protection laws and regulations, including the Environmental Protection Law of the PRC, the Water Pollution Control Law of the PRC and the Energy Conservation Law of the PRC.

3. ENVIRONMENTAL PROTECTION – *continued*

a. Emissions

Air pollutants and GHG emissions

During the Reporting Period, air pollutants were generated from the Group's vehicle usage. The Group will continue to consider using a more environment-friendly fuel type, such as electricity or other biomass sources, in the near future to reduce carbon footprint. During the Reporting Period, the Group's vehicle usage produced approximately 2.56 tonnes of carbon emissions.

The Group believes that its continuous efforts in reducing petrol consumption will reduce its level of GHG emissions. As the Group's emissions are not material to its business operations, the Group has not yet set any emission targets.

Waste management

During the Reporting Period, the Group generated minimal non-hazardous waste, mainly including domestic waste and paper waste, and accordingly such data is not produced in this report. No hazardous waste was produced by the Group during the Reporting Period. As hazardous and non-hazardous wastes are not material to its business operations, the Group has not yet set any reduction targets.

To reduce the usage of paper, the Group's staff generally use double-sided printing. The Group is now considering making use of recycled materials, from both internal and external sources, to produce corporate stationery for internal use and documents published for external consumption, as well as items from non-paper sources, where feasible.

As the Group's principal activities involve office administration, the Group's environmental protection work mainly focuses on energy-saving at office and environment-friendly protection. The Group also encouraged its staff and business partners to consume resources in a responsible manner and reduce waste in daily life.

The Group works towards a goal of reducing its energy consumption in the course of its business operation. A number of energy conservation measures such as light zoning and maintaining the indoor temperature between 25° C and 26° C are in place. Energy saving reminder notices are posted at the office, where digital timers have also been installed to ensure more efficient use of energy.

3. ENVIRONMENTAL PROTECTION – *continued*

b. Use of Resources

During the Reporting Period, the Group's total electricity consumption was 305,410.45 Kwh and intensity per employee was 1,413.9 Kwh.

As the Group's electricity consumption is considered insignificant, the Group has not yet set any electricity efficiency targets.

c. Water Management

The Group's water consumption during the Reporting Period was mainly water used in the offices. No significant water consumed by the Group due to its business nature and accordingly such data is not produced in this report.

The Group conducts checks and maintenance on water pipes to avoid any water leakage or other issues in the water supply system on a regular basis. As water consumption is not material to its business operations, the Group has not yet set any water efficiency targets.

During the Reporting Period, the Group did not experience any issue in sourcing water.

Packaging material

As a service provider, the Group did not use any packaging material for finished products during the Reporting Period.

Environment and natural resources

During the Reporting Period, the Group did not recognise any significant impact of its activities on the environment and natural resources.

Climate change

The Group has identified and assessed the risks of climate change and developed measures to safeguard the safety of its employees, including strictly complying with the relevant extreme weather guidelines issued by the PRC government. The Group has emergency guidelines and measures to reduce damage arising from natural disasters.

During the Reporting Period, we started to identify and assess climate-related risks which can impact the long-term interests of our business and other stakeholders. However, after our assessment, climate change is not considered to be the most material issues comparatively given the Group's business nature.

4. OPERATING PRACTICES

a. Product Responsibility

The Group strives to achieve a high level of customer satisfaction by providing customers with high-quality products and services. The Group has dedicated staff who monitor and control quality, time and cost to ensure effective planning, design and construction from inception to completion. Feedback and suggestions from customers are sought to actively improve the Group's product and service offerings. Designated hotlines have been established and mechanisms are in place to address any complaints. Any complaint will be thoroughly investigated, and a formal written reply will be issued via email which sets out how the complaint will be resolved. During the Reporting Period, there was no material complaint on the Group's products and/or services. The Group treats each and every complaint seriously and attempts to prevent complaints of a similar nature from arising again. During the Reporting Period, there was no reported incident of non-compliance with laws and regulations governing health and safety or the labeling of products and services.

The Group is always committed to providing high-quality products and/or services to its customers. Its business team maintains close communication with its existing and potential customers. Whenever needed, the Group provides tailor-made integrated value-adding solutions based upon its customers' needs and wants whilst adhering to high-level safety, safeguarding and environmental protection requirements.

The Group firmly believes that the "honest and faithful" principle is a vital condition for the long-term development of the Group, therefore when producing and installing advertising signs, the Group strictly conforms to the national laws, regulations and other provisions. In the production of advertising signs, the Group firmly complies with the Advertising Law of the PRC, to avoid spreading false and fake information and to accurately, clearly and truthfully present information such as its service content, forms, quality and prices. For advertising release, the Group strictly abides by "Provisions on the Registration Administration of Outdoor Advertisements" and "Regulations on the Administration of City Appearance and Sanitation", and applies for registrations and approvals according to the laws.

Intellectual Property Rights

The Group respects and protects intellectual property rights. When designing advertising signs and labels, the Group abides by the Copyright Law of the PRC to prevent infringement of intellectual property rights of others.

The Group currently operates under its core brand "CDV". The Group has taken active steps to protect its trademarks and other intellectual property rights by making the necessary filings and registrations. To enhance the employees' awareness of preserving such intellectual property rights, the Group has implemented a set of internal intellectual property management rules in its employees' manual. The Group's employment contracts with employees also contain confidentiality provisions with respect to handling of its confidential information.

Data Protection

The Group properly manages and protects the data of its customers to ensure their privacy and confidentiality. All personal data are neatly secured and archived. The Group has policies in relation to the collection, disclosure, usage, retention, and storage of data to ensure data integrity and safety.

4. OPERATING PRACTICES – *continued*

b. Relationship with Suppliers

Suppliers play an integral role in the business of the Group. The Group firmly believes that comprehensive supply chain management is paramount to maintain the quality of the products and services of the Group, and to promote sustainable development. To protect our vital interests, the Group always selects legitimate suppliers with outstanding quality, relevant qualifications and excellent service capabilities on the basis of transparency and fairness. The performance of suppliers in discharging their environmental and social responsibilities is also one of the evaluation criteria for our suppliers. In the process of selecting suppliers, factors such as candidates' sustainable development and management strategies, labour standards, moral standards and environmental management systems are the important elements for close examination. The Group also encourages suppliers to actively assume their corporate social responsibilities by observing the regulatory requirements and business ethics in respect of business operation, marketing campaigns, social occasions and environmental obligations.

To ensure the services and products quality provided by suppliers, we evaluate our existing suppliers on a regular basis and remove those found to be in serious non-compliance or whose quality fails to meet the requirements, thereby reducing the risks associated with the supply chain. New suppliers will also be introduced according to our selection criteria to maintain the Group's sustainable development.

During the Reporting Period, the Group engaged approximately 217 suppliers in the PRC.

5. COMMUNITY CARE

The Group seeks to have positive impacts on local communities by focusing its efforts on environmental protection and community care. It also explores opportunities to give back to the community by supporting charitable or community events and by encouraging community engagement.



REPORT OF THE DIRECTORS

The Board presents the annual report together with the audited consolidated financial statements of the Group for the 2024 Annual Year.

PRINCIPAL ACTIVITIES

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of a full range of solutions, services and products to TV broadcasters and other digital video contents. There were no material changes in the nature of the Group's principal activities during the 2024 Annual Year.

PERFORMANCE OF THE GROUP'S BUSINESS

Further discussion and analysis of these activities, including a discussion of the principal risks and uncertainties facing the Group and key performance indicator in the Group's business, can be found in the section headed "Management Discussions and Analysis" in this annual report. These discussions form part of this report of the Directors.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this annual report, based on information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirm that the Company maintained the amount of public float as required under the GEM Listing Rules.

RESULTS AND APPROPRIATIONS

The results of the Group for the 2024 Annual Year are set out in the consolidated statement of comprehensive income on page 59 of this annual report.

The Board did not recommend the payment of any dividend for the 2024 Annual Year (2023 Annual Year: nil).

POLICY ON PAYMENT OF DIVIDENDS

The Company has adopted a policy on payment of dividends (the "**Dividend Policy**"), which establishes an appropriate procedure on declaring and recommending the dividend payment of the Company. The Company will declare and/or recommend the payment of dividends to the Shareholders after considering the Company's ability to pay dividends, which will depend upon, among other things, its operational results, cash flow situation, financial conditions, general business conditions and strategies.

The Board has complete discretion on whether to pay a dividend, subject to the Shareholders' approval, where applicable. Even if the Board decides to recommend and pay dividends, the form, frequency and amount will depend upon the operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors affecting the Group. The Board may also consider declaring special dividends from time to time, in addition to the interim and/or final dividends.

The Company shall review and reassess the Dividend Policy and its effectiveness on a regular basis or as required.

PURCHASE, SALE OR REDEMPTION OF THE LISTING SECURITIES OF THE COMPANY OR ANY OF ITS SUBSIDIARIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury Shares, if any) during the 2024 Annual Year. As at 31 March 2025, the Company did not hold any treasury Shares.

EVENT AFTER THE REPORTING PERIOD

There has been no event after the reporting period which would have a material impact on the Group's consolidated financial position.

DISTRIBUTABLE RESERVES OF THE COMPANY

As at 31 March 2025, the Company has reserves available for distribution to the shareholders amounted to RMB7,663,000 calculated under the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the 2024 Annual Year.

MAJOR CUSTOMERS AND SUPPLIERS

We provide our solutions, services and products to TV broadcasters, new media operators and other digital video content providers. Based on our customers' needs, we design the hardware specifications of the servers and workstations for our solutions, services and products and perform most of the system integration in-house. We procure memory modules, network equipment and third-party software from well-known third-party suppliers.

The percentage of purchases and sales for the year attributable to the Group's major suppliers and customers are as follows:

Purchases	
– the largest supplier	19.2%
– five largest suppliers in aggregate	60.4%
Sales	
– the largest customer	13%
– five largest customers in aggregate	50%

None of the Directors, their associates or any shareholders of the Company (which to the knowledge of the Directors own more than 5% of the Company's share capital) has an interest in the major customers.

None of the Directors, their associates or any shareholders of the Company (which to the knowledge of the Directors own more than 5% of the Company's share capital) has an interest in the major suppliers.

REPORT OF THE DIRECTORS

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at 31 March 2025, the interests and short positions of the Directors and 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 (Cap. 571, Laws of Hong Kong) (the "**SFO**") 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 which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange, were as follows:

Long position in the shares, underlying shares and debentures of the Company

Name of shareholder	Capacity	Number of shares or underlying shares	Approximate percentage of interest in the Company
Mr. Zheng Fushuang ¹	Founder of a discretionary trust and beneficial owner ²	223,706,278	35.49 %
Mr. GUO Langhua ³	Beneficial owner ⁴	49,257,053	7.81%
Mr. Liu Baodong	Beneficial owner ⁵	17,118,669	2.72%
Mr. Pang Gang	Beneficial owner ⁶	405,000	0.06%
Mr. Li Youliang	Beneficial owner ⁶	388,000	0.06%
Ms. Cao Lingyi ⁷	Beneficial Owner ⁶	635,000	0.10%

Notes:

1. Mr. Zheng Fushuang resigned as an executive Director on 3 February 2025.
2. Mr. Zheng Fushuang is the settlor and a beneficiary of Future Success Trust. Future Success Trust holds the entire issued share capital of ZFS Holdings Limited, which in turn holds the entire issued share capital of Wing Success Holdings Limited, the controlling shareholder of the Company. Therefore, Mr. Zheng Fushuang is deemed to be interested in the shares of the Company (the "**Shares**") held by Wing Success Holdings Limited.
3. Mr. Guo Langhua was appointed as an executive Director on 3 February 2025.
4. Mr. Guo Langhua held 46,257,053 shares and the remaining interest is the options representing 3,000,000 underlying shares upon fully exercise of such options.
5. Mr. Liu Baodong held 14,118,669 shares and the remaining interest is the options representing 3,000,000 underlying shares upon fully exercise of such options.
6. Interests in options granted pursuant to the Share Option Scheme.
7. Ms. Cao Lingyi was appointed as an executive Director on 1 June 2024.

Save as disclosed above, as at 31 March 2025, none of the Directors and chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) 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 which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange.

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

As at 31 March 2025, so far as was known to the Directors, the following persons (other than the Directors or chief executive of the Company) had, or were deemed to have, 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 were recorded in the register required to be kept by the Company under Section 336 of the SFO, or who were directly or indirectly interested in 10% or more of the number of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Long positions in the shares of the Company

Name of shareholder	Capacity	Number of shares held	Approximate percentage of interest in the Company
Mr. Zheng Fushuang	Founder of a discretionary trust and beneficial owner ¹	223,706,278	35.49 %
Wickhams Cay Trust Company Limited	Trustee and interest of controlled corporation ²	214,278,278	33.99%
ZFS Holdings Limited	Interest of controlled corporation ²	214,278,278	33.99%
Wing Success Holdings Limited	Beneficial owner ²	214,278,278	33.99%
Power Side Limited	Interest of controlled corporation ³	98,098,000	15.56%
Mr. Li Peng	Beneficial owner ³	98,098,000	15.56%

Notes:

1. Mr. Zheng Fushuang is the settlor and a beneficiary of Future Success Trust. Future Success Trust holds the entire issued share capital of ZFS Holdings Limited, which in turn holds the entire issued share capital of Wing Success Holdings Limited. Therefore, Mr. Zheng Fushuang is deemed to be interested in the Shares held by Wing Success Holdings Limited.
2. Wickhams Cay Trust Company Limited is the trustee of Future Success Trust and holds the entire issued share capital of ZFS Holdings Limited which in turn holds the entire issued share capital of Wing Success Holdings Limited. Therefore, Wickhams Cay Trust Company Limited and ZFS Holdings Limited are each deemed under the SFO to be interested in the Shares held by Wing Success Holdings Limited.
3. Mr. Li Peng is the controlling shareholder of Power Side Limited.



REPORT OF THE DIRECTORS

Save as disclosed above, as at 31 March 2025, the Directors were not aware of any other person (other than the Directors and chief executive of the Company) who had an interest or short position 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 were recorded in the register required to be kept by the Company under Section 336 of the SFO, or who was directly or indirectly interested in 10% or more of the number of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

SHARE OPTION SCHEME

On 18 May 2017, the Company adopted the Share Option Scheme which is subject to the provisions under Chapter 23 of the GEM Listing Rules. The purpose of the Share Option Scheme is to attract, retain and motivate employees, Directors and other participants, and to provide a means of compensation through the grant of options for their contribution to the growth and profits of the Group, and to allow them to participate in the future growth and profitability of the Group. The participants of the Share Option Scheme are any executive, non-executive or independent non-executive Directors or any employees (whether full-time or part-time) of the Company, or any of its subsidiaries or associated companies or any other person whom the Board considers, in its sole discretion, has contributed or will contribute to the Group. The basis of eligibility of any of the class of the participants to the grant of any options under the Share Option Scheme shall be determined by the Board from time to time on the basis of their contribution to the development and growth of the Group and any invested entity. The Share Option Scheme will end on 17 May 2027.

The Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and other share option schemes of the Company (and to which the provisions of the GEM Listing Rules are applicable) shall not exceed 10% of the aggregate of the Shares of the Company in issue on the Listing Date, being a total of 62,000,000 Shares.

The total number of Shares issued and to be issued upon exercise of the options granted to each eligible participant under the Share Option Scheme (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the Shares in issue. Any further grant of options to an eligible participant under the Share Option Scheme which would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such participant (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant exceeding the abovesaid limit shall be subject to the approval of the shareholders of the Company (the “Shareholders”) in general meeting with such participant and his associates (as defined under the GEM Listing Rules) abstaining from voting.

The amount of HK\$1.00 is payable as consideration for each grant of options under the Share Option Scheme, upon acceptance of such grant. The subscription price in respect of Shares upon exercise of options under the Share Option Scheme shall be such price as determined by the Board in its absolute discretion at the time of the grant of the relevant option (and shall be stated in the letter containing the offer of the grant of the option), but in any case the subscription price shall not be less than the higher of (a) the closing price of the Shares as stated in the daily quotation sheet of the Stock Exchange on the date of grant, which must be a business day; (b) the average closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five (5) business days immediately preceding the date of grant; and (c) the nominal value of a Share.

REPORT OF THE DIRECTORS

An option granted under the Share Option Scheme may be exercised in accordance with the terms of the Share Option Scheme at any time during the period to be determined by the Board at its absolute discretion and notified by the Board to each grantee as being the period during which an option may be exercised and in any event, such period shall not be longer than 10 years from the date upon which any particular option is granted in accordance with the Share Option Scheme.

The number of options available for grant at the beginning of the 2024 Annual Year was 517,300. The number of options available for grant at the end of the 2024 Annual Year was 517,300.

The following details the options granted (the “**Granted Options**”) pursuant to the Share Option Scheme but not yet exercised as at 31 March 2025. No options were granted, cancelled, lapsed or exercised during the 2024 Annual Year.

Grantee	Date of grant	Number of share options outstanding as at 1 April 2024	Closing Price per Share immediately prior to the date of grant	Exercise Price per Share	Exercise Period	Number of options granted during the Year ended 31 March 2025	Number of options exercised during the Year ended 31 March 2025	Number of options lapsed during the Year ended 31 March 2025	Number of options cancelled during the Year ended 31 March 2025	Number of options outstanding as at 31 March 2025	Approximate percentage of shareholding upon exercise of share options
Executive Directors											
LIU Baodong	24 May 2017	3,000,000	HK\$1.31	HK\$1.33	24 May 2017 to 17 May 2027 ²	–	–	–	–	3,000,000	0.48%
Pang Gang	24 May 2017	405,000	HK\$1.31	HK\$1.33	24 May 2017 to 17 May 2027 ²	–	–	–	–	405,000	0.06%
Guo Langhua	24 May 2017	3,000,000	HK\$1.31	HK\$1.31	24 May 2017 to 17 May 2027	–	–	–	–	3,000,000	0.48%
Cao Lingyi	24 May 2017	635,000	HK\$1.31	HK\$1.31	24 May 2017 to 17 May 2027	–	–	–	–	635,000	0.1%
Independent non-executive Directors											
LI Youliang	24 May 2017	388,000	HK\$1.31	HK\$1.33	24 May 2017 to 17 May 2027	–	–	–	–	388,000	0.06%
Other participants of the Share Option Scheme ¹	24 May 2017	54,054,700	HK\$1.31	HK\$1.33	24 May 2017 to 17 May 2027	–	–	–	–	54,054,700	8.57%
Total		61,482,700				–	–	–	–	61,482,700	9.75%

Notes:

- The options were granted on 24 May 2017. For full details of the Share Option Scheme, please refer to the circular of the Company dated 11 April 2017 regarding, among others, the adoption of the Share Option Scheme.
- The option under the Share Option Scheme were vested as follows:

On the date of grant: 40% vested

On the first anniversary of the date of grant (i.e. 24 May 2018): 30% vested

On the second anniversary of the date of grant (i.e. 24 May 2019): 30% vested



REPORT OF THE DIRECTORS

SHARE AWARD SCHEME

On 20 March 2017, the Company adopted the Share Award Scheme to recognize and reward the contribution of certain selected participants to the growth and development of the Group. The Share Award Scheme does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 23 of the GEM Listing Rules. The shares under the Share Award Scheme will be acquired by a trustee by way of subscription of new shares (whether pursuant to general mandate or specific mandate granted by the shareholders or otherwise) and/or purchase of shares from the market out of cash contributed by the Group and be held on trust for the participants until such awarded shares are vested in the relevant selected participants in accordance with the provisions of the Share Award Scheme. The administrator of the Share Award Scheme, may from time to time, at their absolute discretion, select any participant for participation in the Share Award Scheme as a selected participant.

The Company has appointed The Core Trust Company Limited as the trustee (the “Trustee”). The Trustee is an independent third party of the Company and is acting for a wide scope of participants under the Share Award Scheme.

Unless early terminated by the Board, the Share Award Scheme shall be valid and effective for a term of 10 years commencing on the adoption date of the Share Award Scheme provided that no contribution to the trust fund will be made by the Company on or after the 10th anniversary date of the adoption date of the Share Award Scheme. The remaining life of the Share Award Scheme is three years and nine months.

The maximum number of Shares which may be allocated and awarded to a selected participant under the Share Award Scheme in any 12-month period shall not exceed 1% of the issued share capital of the Company immediately preceding such allocation and award.

Vesting of the Shares will be conditional on the selected participant remaining a participant at all times from after the relevant dates of the fulfillment of the performance targets (if any) specified by the Board and on the vesting date until and on each of the relevant vesting dates and his/her execution of the relevant documents to effect the transfer from the Trustee, unless otherwise determined by the Board.

On 30 August 2017, 12,000,000 awarded Shares were issued by the Company to the Trustee under the Share Award Scheme. The 12,000,000 awarded Shares shall vest in the grantees subject to the vesting scale under the grant letter.

During the 2024 Annual Year, the Company neither issued new Shares nor arranged any funds to be paid to the Trustee for the purchasing of Shares of the Company from the market.

The number of awards available for grant at the beginning of the 2024 Annual Year was 18,600,000. The number of awards available for grant at the end of the 2024 Annual Year was 18,600,000.

As at the date of this annual report, the total number of Shares available for issue under the Share Award Scheme was 18,600,000 Shares, representing approximately 2.95% of the total number of issued shares (excluding treasury shares). The number of Shares that may be issued in respect of all share option scheme and share award scheme of the Company during the 2024 Annual Year divided by the weighted average number of shares of the relevant class in issue for the period is 16.29%.

COMPETING BUSINESSES

For the 2024 Annual Year, none of the Directors or controlling shareholders of the Company and their respective associates (as defined under the GEM listing Rules) had any interest in a business which competed or might compete with the business of the Group, or had any other conflict of interest with the Group.

NON-COMPETITION DEED

Mr. Zheng and Wing Success Holdings Limited (the **"Covenantors"**) entered into a deed of non-competition on 23 May 2016 in favour of the Company and its subsidiaries (the **"Non-competition Deed"**).

Pursuant to which each of the Covenantors has irrevocably, jointly and severally undertaken to the Company that he or it would not, and that his or its associates (except any member of the Group, Beijing Hermit Culture & Media Co., Ltd., Beijing Yueying Technology Co, Ltd. and CDW (Beijing) Yun Duan Technology Co., Ltd. (the **"Group Companies"**)) would not, during the restricted period set out below, directly or indirectly, either by corporate, partnership, joint venture on his or its own account or in conjunction with or on behalf of any person, firm or company, among other things, carry on, participate or be interested or engaged in or acquire or hold (in each case whether as a shareholder, partner, agent or otherwise) any business which is or may be in competition with our existing core business of research, development and sales of post-production digital video technology products, solutions and services (the **"Restricted Business"**). Details of the major terms of the Non-competition Deed was disclosed in the section headed "Relationship with Controlling Shareholders" of the Prospectus. Our Independent Board Committee has reviewed that we complied with the Non-competition Deed during the 2024 Annual Year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the laws of Cayman Islands which would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.

EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme and the Share Award Scheme as set out in this annual report, no equity-linked agreements were entered into by the Group, or existed during the 2024 Annual Year.

PERMITTED INDEMNITY PROVISION

Under the Articles of Association, the Directors shall be indemnified and secured harmless out of the assets of the Company from and against all losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices, provided that this indemnity shall not extend to any matter in respect of fraud or dishonesty which may be attached to any of them. Such permitted indemnity provision is currently in force and was in force throughout the 2024 Annual Year.



REPORT OF THE DIRECTORS

ENVIRONMENTAL POLICY AND PERFORMANCE

Our environmental policy is set out in the section headed “Environmental, Social and Governance Report – Environmental Protection” in this annual report.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board and the management are aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the 2024 Annual Year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

DONATIONS

During the 2024 Annual Year the Group did not make any charitable or other donations.

RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group recognizes that employees, customers and suppliers and business associates are key stakeholders to the Group’s success. It strives to achieve corporate sustainability through engaging its employees, providing quality products and services to its customers, collaborating with business partners (including suppliers and contractors) to deliver quality products and services and supporting our community.

DIRECTORS AND SENIOR MANAGEMENT

The Directors and senior management of the Company during the 2024 Annual Year and up to the date of this annual report were:

Executive Directors

Mr. GUO Langhua (*Chairman and Chief Executive Officer*) (*appointed on 3 February 2025*)

Mr. PANG Gang (*President*)

Mr. LIU Baodong

Ms. CAO Lingyi (*appointed on 1 June 2024*)

Mr. ZHENG Fushuang (*resigned on 3 February 2025*)

Independent non-executive Directors

Dr. LI Wanshou

Mr. LI Youliang

Mr. JIAN Nianqiang (*appointed on 1 June 2024*)

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of the Directors and senior management are set out in the section headed “Biographical Details of the Directors and Senior Management” in this annual report.

DIRECTORS’ SERVICE CONTRACTS

None of the Directors proposed for re-election at the forthcoming annual general meeting has an unexpired service contract with the Company and/or any of its subsidiaries, which is not determinable by the employing company within one year without payment of compensation, other than statutory compensation.

CONTROLLING SHAREHOLDER AND DIRECTORS’ MATERIAL INTEREST IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE COMPANY’S BUSINESS

No transactions, arrangements and contracts of significance in relation to the Group’s business to which the Company’s subsidiaries, fellow subsidiaries or its parent companies was a party and in which a Director or controlling shareholder had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during 2024 Annual Year.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

Throughout the 2024 Annual Year, the Company complied with all code provisions and, where appropriate, adopted the recommended best practices set out in the Corporate Governance Code as contained in Appendix C1 of the GEM Listing Rules and in force during the year, with the following exceptions:

Mr. GUO Langhua was appointed as an executive Director with effect from 3 February 2025 and is currently serving as both the chairman and the chief executive officer. Such practice deviates from code provision C.2.1 of the Corporate Governance Code. The Board believes that vesting the roles of both the chairman and the chief executive officer in the same person can facilitate the execution of the Group’s business strategies and boost the effectiveness of its operation. The Board is comprised of four executive Directors and three independent non-executive Directors, which is appropriately structured to ensure that there is a balance of power to provide sufficient checks to protect the interests of the Company and its shareholders. Therefore, the Board considers that the deviation from code provision C.2.1 of the Corporate Governance Code is appropriate in such circumstance.

As at the date of this report, the directors of the Board consists of one female director, and as such has achieved diversity requirements under the amended Rule 17.104 of the GEM Listing Rules.



REPORT OF THE DIRECTORS

FIVE-YEAR FINANCIAL HIGHLIGHTS

A summary of the results, assets and liabilities of the Group for the last five financial years is set out in the section headed "Five-Year Financial Summary" of this annual report.

FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSET

There was no specific plan for material investment or capital asset as at 31 March 2025.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There were no material acquisition or disposal of subsidiaries, associates and joint ventures during the 2024 Annual Year.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding Directors' securities transactions 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 made specific enquiries to all the Directors who confirmed their compliance with the required standard of dealings and the code of conduct regarding Directors' securities transactions during the 2024 Annual Year.

CONNECTED TRANSACTIONS

On 30 November 2018, CDV WFOE, an indirectly wholly-owned subsidiary of the Company entered into (i) a property lease agreement with China Digital Video Investment Group Co., Ltd. (新奥特投資集團有限公司) ("CDV Investment") (the "Previous Property Lease Agreement"); and (ii) a supply framework agreement with Beijing Newauto Group Co., Ltd. (北京新奥特集團有限公司) ("Beijing Newauto") (the "Previous Supply Framework Agreement").

As the Previous Property Lease Agreement and the Previous Supply Framework Agreement expired on 31 December 2021, on 17 May 2021, (i) CDV WFOE and CDV Investment entered into a new property lease agreement (the "New Property Lease Agreement"), which adopts substantially the same terms and conditions as the Previous Property Lease Agreement; and (ii) CDV WFOE and Beijing Newauto entered into a new supply framework agreement (the "New Supply Framework Agreement"), which adopts substantially the same terms and conditions as the Previous Supply Framework Agreement.

CDV Investment was 95% owned by Mr. Zheng Fushuang; and (ii) Beijing Newauto was 79% and 20% owned by CDV Investment and Mr. Pang Gang, respectively (As at the date of this Report, (i) CDV Investment was 6.68% and 46% owned by Mr. Guo, and Zhang Xunlong (a director of CDV WFOE, a subsidiary of the Company), respectively; and (ii) Beijing Newauto was 20% owned by Mr. Pang Gang and 80% by independent third party of the Company, respectively). As such, both CDV Investment and Beijing Newauto are connected persons of the Company, and the New Property Lease Agreement, the New Supply Framework Agreement and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 20 of the GEM Listing Rules.

Pursuant to the New Property Lease Agreement, CDV WFOE has agreed to lease certain office and warehouse premises from CDV Investment during the period from 1 January 2022 to 31 December 2024. The proposed annual caps under the New Property Lease Agreement for the years ending 31 December 2022, 2023 and 2024 are RMB11.9 million, RMB12.2 million and RMB12.5 million, respectively.

Pursuant to the New Supply Framework Agreement, Beijing Newauto has agreed to purchase solutions, products and services from CDV WFOE on an exclusive basis during the period from 1 January 2022 to 31 December 2024. The proposed annual caps under the New Supply Framework Agreement for the years ending 31 December 2022, 2023 and 2024 are RMB47.0 million, RMB54.0 million and RMB62.0 million, respectively.

The independent non-executive directors of the Company considered that during the period from 1 April 2024 to 31 March 2025, such connected transactions are: (1) in the ordinary and usual course of business of the Company; (2) on normal commercial terms or better; and (3) according to the agreements governing them on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions for the period from 1 April 2024 to 31 March 2025. The Board confirms that the auditor has issued an unqualified letter confirming the matters in accordance with Rule 20.54 of the GEM Listing Rules as being in order.

The Company confirms that the requirements under Chapter 20 of the GEM Listing Rules have been complied with in relation to the above continuing connected transactions.

For details of the above transactions, please refer to the Company's announcements and the Company's circular dated 17 May 2021, 11 June 2021 and 15 June 2021.

RELATED PARTY TRANSACTIONS

The related party transactions entered into by the Group during the 2024 Annual Year are set out in note 35(b) to the consolidated financial statements. Save as disclosed below, the Directors consider that these significant related party transactions did not fall under the definition of "connected transactions" or "continuing connected transactions" (as the case may be) in Chapter 20 of the GEM Listing Rules which are required to comply with any of the reporting, announcement or independent shareholders' approval requirements under the GEM Listing Rules.

AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS

The Audit Committee has reviewed the consolidated financial statements for the 2024 Annual Year and is of the opinion that the consolidated financial statements of the Group for the 2024 Annual Year complies with the applicable accounting standards and the GEM Listing Rules and that adequate disclosures have been made.



REPORT OF THE DIRECTORS

AUDITORS

On 12 April 2024, Grant Thornton Hong Kong Limited resigned as auditors of the Company and Prism Hong Kong Limited (formerly known as Prism Hong Kong and Shanghai Limited) was appointed by the Directors to fill the casual vacancy so arising.

The financial statements for the year ended 31 March 2025 were audited by Prism Hong Kong Limited. A resolution for the reappointment of Prism Hong Kong Limited as auditors of the Company will be proposed at the forthcoming annual general meeting.

SUBSEQUENT EVENTS TO THE REPORTING PERIOD

There has been no event after the reporting period which would have a material impact on the Group's consolidated financial position.

By order of the Board

China Digital Video Holdings Limited

Guo Langhua

Chairman

30 June 2025



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CHINA DIGITAL VIDEO HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of China Digital Video Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as, the "Group") set out on pages 59 to 155, which comprise the consolidated statement of financial position as at 31 March 2025, 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 material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (the "IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standard on Auditing ("ISAs") issued by the International Auditing and Assurance Standard Board ("IAASB"). 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "IESBA 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.

MATERIAL UNCERTAINTY RELATED TO THE GOING CONCERN

We draw attention to Note 2 to the consolidated financial statements which states that the Group incurred a net loss of RMB30,546,000 for the year ended 31 March 2025 and as of that date, the Group's current liabilities exceeded its current assets by approximately RMB70,145,000 and the Group had net liabilities of approximately RMB35,991,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 matters identified in our audit are summarised as follows:

Expected credit loss allowance on trade and other receivables and contract assets

Refer to Notes 4.9, 5.1(a), 22 and 23.1 to the consolidated financial statements.

Key audit matter	How the matter was addressed in our audit
<p>As at 31 March 2025, the Group had trade and other receivables and contract assets amounting to RMB190,119,000 and RMB7,962,000, respectively, which fall within the scope of the expected credit losses (the "ECL") model. The Group determines the ECL allowance on trade and other receivables and contract assets based on the Group's past history, existing market conditions and forward-looking information.</p> <p>We identified the ECL allowance on trade and other receivables and contract assets as a key audit matter due to its significance to the consolidated financial statements and considerable amounts of judgement and estimation being applied in the assessment of ECL rate used in the ECL model. These judgements and estimations include but not limited to the debtors' repayment history and creditworthiness, historical loss rates, and forward-looking macroeconomic factors.</p>	<p>Our audit procedures in relation to the ECL allowance on trade and other receivables and contract assets included:</p> <ul style="list-style-type: none">• We obtained an understanding of the management's ECL policy in respect of trade and other receivables and contract assets;• We reviewed the repayment history of the debtors;• We reviewed, on a sample basis, the accuracy of the ageing of the trade receivables;• We assessed the management's judgement on significant increase in credit risk;• We reviewed the historical loss rates and forward-looking macroeconomic factors in estimating the ECL rates; and• We checked, on a sample basis, the accuracy of the ECL allowance in accordance with the ECL rate applied by the Group.

KEY AUDIT MATTERS – continued

Valuation of inventories

Refer to Notes 4.10, 5.1(b) and 21 to the consolidated financial statements.

Key audit matter	How the matter was addressed in our audit
<p>As at 31 March 2025, the Group had inventories amounting to RMB38,097,000. The Group estimates the net realisable value of inventories based on the current market conditions and the historical experience.</p> <p>We identified the valuation of inventories as a key audit matter due to the significance of the balance to the consolidated financial statements and considerable amounts of judgement and estimation being applied in evaluating the net realisable value of the Group's inventories at the end of the reporting period.</p>	<p>Our procedures in relation to assessment of net realizable value of inventories included:</p> <ul style="list-style-type: none"> • We obtained an understanding of the management's internal control and assessment process of net realizable value of inventories; • We checked the system generated inventories aging analysis used by the management, on a sample basis, to the relevant supporting documents; • We evaluated the provision for impairment made by management by performing analyses on inventories holding and movement data to identify inventories with indication of slow moving or obsolescence which may require a specific provision; and • We assessed the net realizable value of the inventories by considering the current marketability and latest selling prices of the respective inventories with reference to the actual sales data post-year-end and the assumptions used by the management, to assess whether inventories are valued at the lower of cost and net realizable value.



INDEPENDENT AUDITOR'S REPORT

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

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report 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 OF THE COMPANY AND THOSE CHANGED 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 IFRS Accounting Standard and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion, solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance and 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 ISAs 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.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS – *continued*

As part of an audit in accordance with ISAs, 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 of the Company.
- Conclude on the appropriateness of the Company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose 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 change 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 change 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 change with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Prism Hong Kong Limited

Certified Public Accountants

Fan Chi Hang Stephen

Practising Certificate Number: P06144

Hong Kong, 30 June 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	6	134,576	145,948
Cost of sales		(105,952)	(122,931)
Gross profit		28,624	23,017
Other income	7	5,464	1,631
Selling and marketing expenses		(30,643)	(54,410)
Administrative expenses		(15,723)	(18,406)
Research and development expenses		(18,426)	(24,998)
Finance costs	8	(9,177)	(8,433)
Net reversal of impairment loss/(impairment loss) on trade and other receivables and contract assets		4,178	(35,378)
Reversal of impairment loss on property, plant and equipment	14	—	3,024
Impairment loss on intangible assets	15	(3,855)	(29,536)
Impairment loss on interest in an associate	19	(17,450)	(12,481)
Share of results of associates	19	26,462	(3,286)
Loss before income tax		(30,546)	(159,256)
Income tax credit	9	—	8,580
Loss for the year	10	(30,546)	(150,676)
Other comprehensive income/(loss)			
<i>Item that may be subsequently reclassified to profit or loss:</i>			
Exchange difference arising on the translation of a foreign operation		1,297	(269)
Total comprehensive loss for the year		(29,249)	(150,945)
Loss for the year attributable to:			
Owners of the Company		(28,001)	(147,396)
Non-controlling interests		(2,545)	(3,280)
		(30,546)	(150,676)
Total comprehensive loss for the year attributable to:			
Owners of the Company		(26,704)	(147,665)
Non-controlling interests		(2,545)	(3,280)
		(29,249)	(150,945)
Loss per share (expressed in RMB cents per share)	11		
Basic		(4.53)	(23.84)
Diluted		(4.53)	(23.84)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Notes	2025 RMB'000	2024 RMB'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	14	188	—
Intangible assets	15	2,785	9,290
Goodwill	16	—	—
Interest in a joint venture	18	—	—
Interests in associates	19	22,428	13,416
Financial assets at fair value through profit or loss ("FVTPL")	20	8,753	11,888
		34,154	34,594
Current assets			
Inventories	21	38,097	33,825
Trade and other receivables	22	190,119	289,566
Contract assets	23	7,962	11,799
Restricted bank deposits	24	2,376	1,644
Cash and cash equivalents	24	141,021	151,070
		379,575	487,904
Current liabilities			
Trade and other payables	25	239,746	313,749
Contract liabilities	23	31,593	18,318
Interest-bearing borrowings	26	178,381	193,245
Lease liability	28	—	3,354
		449,720	528,666
Net current liabilities		(70,145)	(40,762)
Total assets less current liabilities		(35,991)	(6,168)
Non-current liability			
Lease liability	28	—	574
		—	574
Net liabilities		(35,991)	(6,742)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Notes	2025 RMB'000	2024 RMB'000
EQUITY			
Share capital	29	43	43
Reserves	30	(39,157)	(12,453)
Equity attributable to owners of the Company		(39,114)	(12,410)
Non-controlling interests		3,123	5,668
Total deficit		(35,991)	(6,742)

The consolidated financial statements on pages 59 to 155 were approved and authorised for issue by the board of directors on 30 June 2025 and are signed on its behalf by:

Guo Langhua
Director

Pang Gang
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2025

	Equity attributable to owners of the Company									Non-	Total
	Share capital	Treasury shares*	Share premium*	Statutory reserve*	Translation reserve*	Share option reserve*	Other reserve*	Accumulated losses*	Sub-total	controlling interests	equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 April 2023	43	(1)	600,213	30,781	(261)	27,165	31,278	(553,963)	135,255	6,948	142,203
Comprehensive loss for the year											
Loss for the year	—	—	—	—	—	—	—	(147,396)	(147,396)	(3,280)	(150,676)
Other comprehensive loss for the year											
Item that may be subsequently reclassified to profit or loss:											
Exchange difference arising on translation of a foreign operation	—	—	—	—	(269)	—	—	—	(269)	—	(269)
Total comprehensive loss for the year	—	—	—	—	(269)	—	—	(147,396)	(147,665)	(3,280)	(150,945)
Transaction with owners											
Capital injection by non-controlling shareholders of a subsidiary	—	—	—	—	—	—	—	—	—	2,000	2,000
	—	—	—	—	—	—	—	—	—	2,000	2,000
Balance at 31 March 2024	43	(1)	600,213	30,781	(530)	27,165	31,278	(701,359)	(12,410)	5,668	(6,742)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2025

	Equity attributable to owners of the Company										Total equity RMB'000
	Share capital RMB'000	Treasury shares* RMB'000	Share premium* RMB'000	Statutory reserve* RMB'000	Translation reserve* RMB'000	Share option reserve* RMB'000	Other reserve* RMB'000	Accumulated losses* RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	
Balance at 1 April 2024	<u>43</u>	<u>(1)</u>	<u>600,213</u>	<u>30,781</u>	<u>(530)</u>	<u>27,165</u>	<u>31,278</u>	<u>(701,359)</u>	<u>(12,410)</u>	<u>5,668</u>	<u>(6,742)</u>
Comprehensive loss for the year											
Loss for the year	—	—	—	—	—	—	—	(28,001)	(28,001)	(2,545)	(30,546)
Other comprehensive income for the period											
Item that may be subsequently reclassified to profit or loss:											
Exchange difference arising on translation of a foreign operation	—	—	—	—	1,297	—	—	—	1,297	—	1,297
Total comprehensive income/(loss) for the year	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,297</u>	<u>—</u>	<u>—</u>	<u>(28,001)</u>	<u>(26,704)</u>	<u>(2,545)</u>	<u>(29,249)</u>
Balance at 31 March 2025	<u>43</u>	<u>(1)</u>	<u>600,213</u>	<u>30,781</u>	<u>767</u>	<u>27,165</u>	<u>31,278</u>	<u>(729,360)</u>	<u>(39,114)</u>	<u>3,123</u>	<u>(35,991)</u>

* These reserves comprise the Group's deficiency in reserves of RMB39,157,000 (2024: reserves of RMB12,453,000) in the consolidated statement of financial position as at 31 March 2025.

The notes on pages 66 to 155 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 RMB'000	2024 RMB'000
OPERATING ACTIVITIES			
Loss before income tax		(30,546)	(159,256)
Adjustments for:			
Depreciation of property, plant and equipment	14	35	996
Amortisation of intangible assets	15	2,650	16,292
Interest income	7	(16)	(3,959)
Finance costs	8	9,177	8,433
Net reversal of impairment loss/(impairment loss) on trade and other receivables and contract assets	22	(4,178)	35,387
Reversal of allowance for inventories	21	(252)	(2,608)
Reversal of impairment loss on property, plant and equipment	14	—	(3,024)
Impairment loss on intangible assets	15	3,855	29,536
Written off on development cost	7	—	5,958
Impairment loss on interest in an associate	19	17,450	12,481
Loss on lease modification	7	—	971
Gain on early termination of lease	7	(2,271)	—
Fair value loss on financial assets at FVTPL	7	3,135	1,433
Net foreign exchange gains		923	221
Share of results of associates	19	(26,462)	3,286
Government grant recognised	7	(356)	—
Gain on written off of other payable	7	(2,625)	—
OPERATING CASH FLOWS BEFORE WORKING CAPITAL CHANGES		(29,481)	(53,853)
Increase in inventories		(4,020)	(12,444)
Decrease/(increase) in trade and other receivables		82,048	(62,789)
Decrease in contract assets		5,837	7,132
(Decrease)/increase in trade and other payables		(7,450)	3,843
Increase in contract liabilities		13,275	8,772
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES		60,209	(109,339)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 RMB'000	2024 RMB'000
INVESTING ACTIVITIES			
Interest received		16	3,959
Purchase of property, plant and equipment	14	(223)	(494)
Addition in development costs through internal development		—	(2,286)
Increase in amount due from a joint venture		(2,693)	(6,727)
Decrease/(increase) in amounts due from related parties		21,337	(29,008)
Decrease/(increase) in amounts due from associates		1,133	(4,197)
Increase in restricted bank deposits		(732)	(460)
Increase in amount due from a director		(200)	—
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES		18,638	(39,213)
FINANCING ACTIVITIES			
Interest paid	34	(9,101)	(8,634)
Decrease in amounts due to related parties	34	(11,558)	(340)
(Decrease)/increase in amounts due to associates	34	(30,760)	29,157
Decrease in amount due to a joint venture	34	(18)	—
(Decrease)/increase in amount due to a director	34	(20,855)	28,238
Bank borrowings raised	34	212,000	216,160
Repayment of bank borrowings	34	(226,864)	(142,515)
Repayment of other borrowings	34	—	(6,459)
Payment of lease liability	34	(1,657)	(2,899)
Interest paid for lease liability	34	(76)	(252)
Capital contribution by a non-controlling shareholder of a subsidiary		—	2,000
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES		(88,889)	114,456
NET DECREASE IN CASH AND CASH EQUIVALENTS		(10,042)	(34,096)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		151,070	185,169
Effect of foreign exchange rate changes		(7)	(3)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	24	141,021	151,070

The notes on pages 66 to 155 are an integral part of these consolidated financial statements.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1. GENERAL INFORMATION

China Digital Video Holdings Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands. The address of the Company's principal place of business in Hong Kong is Room A5, 7/F, China United Plaza, 1008 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong. The Company's shares were listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 27 June 2016.

The Company is an investment holding company and its subsidiaries (together with the Company collectively referred to as the "Group") are principally engaged in research, development and sales of video-related and broadcasting equipment and software and provision of related technical services in the People's Republic of China (the "PRC").

In the opinion of the directors of the Company (the "Directors"), the immediate holding company and the ultimate holding company of the Company is Wing Success Holdings Limited, a company incorporated in the British Virgin Islands, while the ultimate beneficial owner of the Company is Mr. Zheng Fushuang ("Mr. Zheng").

These consolidated financial statements are presented in Renminbi ("RMB"), unless otherwise stated.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements of the Group has been prepared in accordance with IFRS Accounting Standards ("IFRSs") issued by the International Accounting Standards Board (the "IASB"), International Accounting Standards ("IASs") issued by International Accounting and Assurance Standards Board (the "IAASB") and interpretations issued by the International Accounting Standards Board. The consolidated financial statements also comply with the disclosure requirements of the Hong Kong Companies Ordinance and include the applicable disclosure requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules").

The consolidated financial statements have been prepared under the historical cost convention, except for financial assets at FVTPL, which are measured at fair value. The measurement bases are fully described in the accounting policies below.

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS – *continued*

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgements in the process of applying the accounting policies of the Group. Although these estimates are based on management's best knowledge and judgements of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgements or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5 below.

Going Concern

The Group incurred a net loss of approximately RMB30,546,000 for the year ended 31 March 2025 and as of that date, the Group's current liabilities exceeded its current assets by approximately RMB70,145,000 and the Group had net liabilities of approximately RMB35,991,000. Notwithstanding this fact, the Directors consider it is appropriate to prepare the consolidated financial statements on a going concern basis as the Group is expected to have sufficient financial resources to meet its obligation as they fall due for at least the next twelve months from 31 March 2025 based on its projected cash flow forecasts. The Directors have reviewed the financial position of the Group as at 31 March 2025, including its working capital and bank and cash balances, together with the projected cash flow forecasts for the next twelve months from 31 March 2025 and the Directors consider that the Group is financially viable to continue as a going concern.

In addition, the Group can also improve its financial position, immediate liquidity and cash flows, by adopting the following measures:

- (a) the Group had interest-bearing borrowings of approximately RMB178,381,000 as at 31 March 2025. The Group continues to negotiate/seek opportunities with banks for the renewal of existing/inception of bank borrowings in order to secure necessary funds to meet the Group's working capital and financial requirements in the foreseeable future;
- (b) the management of the Group will closely monitor the financial position of the Group and the director of the Company has committed to provide continuous financial support to the Group to enable it to have sufficient liquidity to finance its operation;
- (c) the Group is implementing active cost saving measures to control costs through various ways to improve operating cash flows at a level sufficient to finance the working capital requirements of the Group; and
- (d) the Group is continuously expanding its product portfolio to meet new customer demands and enhance the Group's market competitiveness.

Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these potential adjustments have not been reflected in the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

3. APPLICATION OF NEW AND AMENDMENTS TO IFRSs

Application of new and amendments to IFRSs

In the current period, the Group has applied for the first time the following amendments to IFRSs issued by IASB, which are effective for the Group's financial year beginning on 1 April 2024 and relevant to the Group:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the amendments to IFRSs in the current year has had no material effect on the Group's financial performance and positions for the current and prior periods and on the disclosures set out in these consolidated financial statements.

New and amendment to IFRSs issued but not effective

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

Amendments to IAS 21	Lack of Exchangeability ¹
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual Improvements to IFRS Accounting Standards – Volume 11 ²
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
IFRS 18	Presentation and Disclosure in Financial Statements ³
IFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

¹ Effective for annual periods beginning on or after 1 January 2025.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

⁴ Effective for annual periods beginning on or after a date to be determined.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

3. APPLICATION OF NEW AND AMENDMENTS TO IFRSs – *continued*

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements (“IFRS 18”), which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and IFRS 7 Financial Instruments: Disclosures. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group’s consolidated financial statements.

Except for the impact of IFRS 18, the directors of the Company considers that the adoption of the above mentioned new and amendments are not expected to have a material impact on the Group’s consolidated financial statements in future reporting periods when they become effective.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries for the year ended 31 March 2025.

Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power over the entity, only substantive rights relating to the entity (held by the Group and others) are considered.

The Group includes the income and expenses of subsidiaries in the consolidated financial statements from the date it gains control until the date when the Group ceases to control the subsidiary.

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the consolidated financial statements. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Non-controlling interests represent the equity on a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity attributable to the owners of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income or expense for the year between non-controlling interests and 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 (ii) the previous carrying amount of the assets (including goodwill, if any) and liabilities of the subsidiary and any non-controlling interests.

In the Company's statement of financial position, subsidiaries are carried at cost less any impairment loss. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the end of the reporting period. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in the Company's statement of profit or loss and other comprehensive income.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION – *continued*

4.2 Associates and joint ventures

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

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions relating about relevant activities require the unanimous consent of the parties sharing control.

In consolidated financial statements, an investment in an associate or a joint venture is initially recognised at cost and subsequently accounted for using the equity method. Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate or joint venture recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the Group, plus any costs directly attributable to the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in consolidated statement of profit or loss and other comprehensive income in the determination of the Group's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the Group's interest in the associate or joint venture is carried at cost and adjusted for the post-acquisition changes in the Group's share of the associate or joint venture's net assets less any identified impairment loss. The consolidated statement of profit or loss and other comprehensive income for the year includes the Group's share of the post-acquisition, post-tax results of the associate or joint venture for the year, including any impairment loss on the investment in associate or joint venture recognised for the year.

Unrealised gains on transactions between the Group and its associate and joint venture are eliminated to the extent of the Group's interest in the associate or joint venture. Where unrealised losses on assets sales between the Group and its associate or joint venture are reversed on equity accounting, the underlying asset is also tested for impairment from the Group's perspective. Where the associate or joint venture uses accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made, where necessary, to conform the associate or joint venture's accounting policies to those of the Group when the associate or joint venture's financial statements are used by the Group in applying the equity method.

When the Group's share of losses in an associate or a joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. For this purpose, the Group's interest in the associate or joint venture is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or joint venture.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION – *continued*

4.2 Associates and joint ventures – *continued*

After the application of equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associate or joint venture. At the end of each reporting period, the Group determines whether there is any objective evidence that the investment in associate or joint venture is impaired. If such indications are identified, the Group calculates the amount of impairment as being the difference between the recoverable amount (i.e. higher of value in use and fair value less costs of disposal) of the associate or joint venture and its carrying amount. In determining the value in use of the investment, the Group estimates its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including cash flows arising from the operations of the associate or joint venture and the proceeds on ultimate disposal of the investment.

The Group discontinues the use of equity method from the date when it ceases to have significant influence over an associate or joint control over a joint venture. The difference between (i) the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture; and (ii) the carrying amount of the investment at the date the equity method was discontinued, is recognised in the consolidated statement of profit or loss and other comprehensive income. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would have been required if the associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by the investee would be reclassified to profit or loss on the disposal of the related assets or liabilities, the entity reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

4.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers (the "CODM") (i.e. executive directors of the Company), who are responsible for allocating resources and assessing performance of the operating segments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION – *continued*

4.4 Foreign currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company is United States dollars ("USD"). The Company's primary subsidiaries were established in the PRC and these subsidiaries considered RMB as their functional currency. As the development and operation of the Group during the years are mainly within the PRC, the Group determined to present the consolidated financial statements in RMB, unless otherwise stated.

(b) *Transactions and balance*

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the end of the reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the end of the reporting period retranslation of monetary assets and liabilities are recognised in consolidated statement of profit or loss and other comprehensive income.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated (i.e. only translated using the exchange rates at the transaction date).

(c) *Group companies*

The results and financial position of foreign operations (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting currency translation differences are recognised in other comprehensive income and accumulated in "translation reserve" in equity.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION – *continued*

4.4 Foreign currency translation – *continued*

(d) Transactions and balance

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the end of the reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the end of the reporting period retranslation of monetary assets and liabilities are recognised consolidated statement of profit or loss and other comprehensive income.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated (i.e. only translated using the exchange rates at the transaction date).

(e) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting currency translation differences are recognised in other comprehensive income and accumulated in “translation reserve” in equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION – *continued*

4.5 Property, plant and equipment

Property, plant and equipment (other than cost of right-of-use assets as described in Note 4.13) is stated at historical cost less accumulated depreciation and impairment loss, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as separate assets, 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 any component accounted for as a separate asset is derecognised when replaced. All other costs, such as repairs and maintenance, are charged to consolidated statement of profit or loss and other comprehensive income during the reporting period in which they are incurred.

Depreciation is provided to write off the cost less their residual values over their estimated useful lives, using the straight-line method, as follows:

Leasehold improvement	Shorter of remaining term of the lease and the estimated useful lives of the assets
Computer equipment	3-5 years
Furniture and office equipment	5 years
Motor vehicle	10 years

Accounting policy for depreciation of right-of-use assets is set out in Note 4.13.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gain or loss on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in consolidated statement of profit or loss and other comprehensive income.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION – *continued*

4.6 Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured at the excess of the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the Group's interest in the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

Set out below are the accounting policies on goodwill arising on acquisition of a subsidiary. Accounting for goodwill arising on acquisition of interest in an associate or a joint venture is set out in Note 4.2.

4.7 Intangible assets (other than goodwill)

(a) *Video-related and broadcasting intellectual properties, patents, trademarks and licenses*

Separately acquired video-related and broadcasting intellectual properties, patents, trademarks and licenses are initially recorded at cost and include internally generated intangible assets (i.e. capitalised development costs as detailed in Note 4.7(b)) that are available-for-use. Video-related and broadcasting intellectual properties, patents, trademarks and licenses acquired in a business combination are recognised at fair value at the acquisition date. These intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated on a straight-line basis over the shorter of their license periods or estimate useful lives (ranged from 2 to 5 years).

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring the software for their intended use. These costs are amortised over their estimated useful lives of 1 to 10 years.

The assets' amortisation methods and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Intangible assets are tested for impairment as described in Note 4.18.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION – *continued*

4.7 Intangible assets (other than goodwill) – *continued*

(b) Research and development costs

Costs associated with research activities are expensed in consolidated statement of profit or loss and other comprehensive income as they occur. Costs that are directly attributable to development activities are recognised as intangible assets provided they meet the following recognition requirements:

- (i) demonstration of technical feasibility of the prospective product for internal use or sale;
- (ii) there is intention to complete the intangible asset and use or sell it;
- (iii) the Group's ability to use or sell the intangible asset is demonstrated;
- (iv) the intangible asset will generate probable economic benefits through internal use or sale;
- (v) sufficient technical, financial and other resources are available for completion; and
- (vi) the expenditure attributable to the intangible asset can be reliably measured.

Direct costs include employee costs incurred on development activities along with an appropriate portion of relevant overheads. The costs of development of internally generated software, products or knowhow that meet the above recognition criteria are recognised as intangible assets. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and are transferred to "Video-related and broadcasting intellectual properties, patents, trademarks and licenses" (Note 4.7(a)) once the asset is available for use. Amortisation commences when the intangible assets are available for use and are calculated on a straight-line basis over its estimated useful lives (ranged from 2 to 5 years). All other development costs are expensed as incurred.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION – *continued*

4.8 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all of its risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15 Revenue from Contracts with Customers, all financial assets are initially measured at fair value, in case of a financial asset not at FVTPL, plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in consolidated statement of profit or loss and other comprehensive income.

Financial assets are classified into the following categories:

- amortised cost; or
- FVTPL

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION – *continued*

4.8 Financial instruments – *continued*

Financial assets – continued

All income and expenses relating to financial assets that are recognised in consolidated statement of profit or loss and other comprehensive income are presented within finance costs or interest income, except for the expected credit loss ("ECL") of trade and other receivables which is presented as "net impairment loss on trade and other receivables and contract assets" in the consolidated statement of profit or loss and other comprehensive income.

Subsequent measurement of financial asset

Debt investments

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

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

After initial recognition, these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in "other income" in consolidated statement of profit or loss and other comprehensive income. Discounting is omitted where the effect of discounting is immaterial. The Group's restricted bank deposits, cash and cash equivalents and trade and other receivables fall into this category of financial assets.

Equity instruments

An investment in equity securities are classified as measured at FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment, the Group makes an election to designate the investment as measured at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective.

Dividends from investment in equity instrument are recognised in consolidated statement of profit or loss and other comprehensive income when the Group's right to receive the dividends is established. Dividends are included in the "other income" in the consolidated statement of profit or loss and other comprehensive income.

The equity instruments at FVTPL are not subject to impairment assessment. Changes in the fair value of financial assets at FVTPL are recognised in "other income" in the consolidated statement of profit or loss and other comprehensive income.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION – *continued*

4.8 Financial instruments – *continued*

Financial liabilities

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables and lease liability.

Financial liabilities (other than lease liability) are initially measured at fair value, and, where applicable, adjusted for transaction costs.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in consolidated statement of profit or loss and other comprehensive income are included within "finance costs" or "other income" in the consolidated statement of profit or loss and other comprehensive income.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in consolidated statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

Offsetting financial assets and financial liabilities

Financial assets and liabilities of the Group are offset and the net amount presented in the consolidated statement of financial position when, and only when, there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION – *continued*

4.9 Impairment of financial assets and contract assets

IFRS 9's impairment requirements use forward-looking information to recognise ECL – the "ECL model". Instruments within the scope included loans and other debt-type financial assets measured at amortised cost, trade receivables and contract assets recognised and measured under IFRS 15.

The Group considers a broader range of information when assessing credit risk and measuring ECL, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("Stage 1"); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("Stage 2").

"Stage 3" would cover financial assets that have objective evidence of impairment at the end of the reporting period.

"12-month ECL" are recognised for the Stage 1 category while "lifetime ECL" are recognised for the Stage 2 category.

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade receivables and contract assets

For trade receivables and contract assets, the Group applies the simplified approach for individual customers with significant outstanding balances and other customers under provision matrix in calculating ECL and recognises a loss allowance based on lifetime ECL at the end of each reporting period. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. In calculating the ECL for other customers, the Group has established a provision matrix that is based on its historical credit loss experience and external indicators, adjusted for forward-looking factors specific to the debtors and the economic environment.

To measure the ECL under provision matrix, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the ECL rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION – *continued*

4.9 Impairment of financial assets and contract assets – *continued*

Other financial assets measured at amortised cost

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

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

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecasted adverse changes in regulatory, business, financial, economic conditions, or technological environment that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations; and
- an actual or expected significant deterioration in the operating results of the debtor.

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

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the end of each reporting period. A debt instrument is determined to have low credit risk if it has a low risk of default, the borrower has strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION – *continued*

4.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and applicable variable selling expenses. Cost, which comprises all costs of purchase and, where applicable, cost of conversion and other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the weighted average method.

4.11 Cash and cash equivalents

Cash and cash equivalents include 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 and which are subject to an insignificant risk of changes in value.

4.12 Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for the ECL in accordance with the policy set out in Note 4.9 and are reclassified to receivables when the right to the consideration has become unconditional.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

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

4.13 Leases

Definition of a lease and the Group as a lessee

At inception of a contract, the Group considers whether a contract is, or contains a lease. A lease is defined as “a contract, or part of a contract, that conveys the right to use an identified asset (the underlying asset) for a period of time in exchange for consideration”. To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION – *continued*

4.13 Leases – *continued*

Definition of a lease and the Group as a lessee – *continued*

- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct “how and for what purpose” the asset is used throughout the period of use.

For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

Measurement and recognition of leases as a lessee

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability on the consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the underlying asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any lease incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term unless the Group is reasonably certain to obtain ownership at the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicator exists.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group’s incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable payments based on an index or rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payment of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

Subsequent to initial measurement, the liability will be reduced for lease payments made and increased for interest cost on the lease liability. It is remeasured to reflect any reassessment or lease modification, or if there are changes in in-substance fixed payments.

When the lease is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION – continued

4.13 Leases – continued

Measurement and recognition of leases as a lessee – continued

The Group has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these leases are recognised as an expense in consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 month or less.

On the consolidated statement of financial position, right-of-use assets have been included in "property, plant and equipment", the same line as it presents the underlying assets of the same nature that it owns.

Refundable rental deposits paid are accounted for under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

4.14 Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

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, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION – *continued*

4.15 Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

Any transaction costs associated with the issuing of shares are deducted from share premium (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

4.16 Revenue recognition

The Group's revenue includes, separately or in combination, the sale of application solution services with equipment, the provision of consultancy services, professional services, maintenance services, customer support services, extended warranty and other services.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION – *continued*

4.16 Revenue recognition – *continued*

Further details of the Group's revenue and other income recognition policies are as follows:

(a) Solutions sales

Revenue from solution sales contracts are recognised at a point in time when the control of the goods is transferred to the customers and the relevant installation and integration services are fully performed.

The Group generally provides for warranties for repairs to any defects and does not provide extended warranties in its solution contract with customers. As such, some existing warranties in a solution contract are considered as assurance-type warranties under IFRS 15, which are accounted for under IAS 37. Retention receivables, prior to expiration of retention period, are classified as contract assets. The relevant amount of contract asset is reclassified to trade receivables when the retention period expires.

(b) Services

Services, being service-type warranties under IFRS 15, maintenance and other professional services, are provided in the form of fixed-price contracts. Sales are recognised over time by straight-line basis in the period the services are provided.

(c) Sales of products

Sale of products, including software and hardware equipment, are recognised when or as the Group transfers control of the assets to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of products.

(d) Dividend income

Dividend income is recognised when the right to receive payment is established.

(e) Interest income

Interest income is recognised on a time proportion basis using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of ECL allowance) of the asset.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION – *continued*

4.17 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 consolidated statement of profit or loss and other comprehensive income 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. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income/a deduction from the carrying amount of the relevant asset in the consolidated statement of financial position and transferred to “other income” in consolidated statement of profit or loss and other comprehensive income on a systematic and rational basis over the useful lives of the related assets.

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

4.18 Impairment of non-financial assets (other than contract assets)

(i) Goodwill arising on acquisition of a subsidiary; (ii) property, plant and equipment (including right-of-use asset); (iii) intangible assets; (iv) interests in joint ventures and associates; and (v) the Company’s interests in subsidiaries are subject to impairment testing.

Goodwill and intangible assets not yet available for use are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset’s carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset’s carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Corporate assets are allocated to individual cash generating units, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Goodwill in particular is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which the goodwill is monitored for internal management purpose and is not larger than an operating segment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION – *continued*

4.18 Impairment of non-financial assets (other than contract assets) – *continued*

Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

An impairment loss on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

4.19 Employee benefits

(a) *Retirement benefit*

Retirement benefits to employees are provided through defined contribution plans.

The group entities established in the PRC make monthly contributions to a state-sponsored defined contribution scheme for the local staff. The contributions are made at a specific percentage on the standard salary pursuant to laws of the PRC and relevant regulation issued by local social security authorities.

Contributions are recognised as an expense in consolidated statement of profit or loss and other comprehensive income as employees rendered services during the year. The Group's obligations under these plans are limited to the fixed percentage contributions payable.

(b) *Short-term employee benefits*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION – *continued*

4.19 Employee benefits – *continued*

(c) *Termination benefits*

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises costs for any related restructuring.

(d) *Bonus entitlements*

The expected cost of bonus payments is recognised as a liability when the Group has a present contractual or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonus are expected to be settled within twelve months and are measured at the amounts expected to be paid when they are settled.

(e) *Equity-settled share-based compensation transactions*

The Group operates a number of equity-settled, share-based compensation plans (including share option schemes and share award scheme), under which the entity receives services from employees as consideration for equity instruments (including share options and awarded shares) of the Group. The fair value of the services received in exchange for the grant of the equity instruments is recognised as expense.

In terms of share options and awarded shares, the total amount to be expensed is determined by reference to the fair value of the equity instruments granted including any market performance conditions; excluding the impact of any service and non-market performance vesting conditions; and including the impact of any non-vesting conditions.

Non-market performance and service conditions are included in assumptions about the number of share options and awarded shares that are expected to vest. The total expense is recognised over the vesting period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Group revises its estimates of the number of options and shares that are expected to vest based on the non-marketing performance and service conditions. The Group recognises the impact of the revision to original estimates, if any, in the consolidated statement of profit or loss and other comprehensive income, with a corresponding adjustment to equity.

When the share options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium. After the vesting date, when the vested share options are later forfeited or are still not exercised at the expiry date, the amount previously recognised in “share option reserve” will be transferred to “accumulated losses”.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION – *continued*

4.19 Employee benefits – *continued*

(f) *Share-based payment transactions among group entities*

The grant by the Company of share options and awarded shares over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the separate financial statements of the Company.

4.20 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All borrowing costs are recognised in consolidated statement of profit or loss and other comprehensive income in the year in which they are incurred.

4.21 Taxation

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the end of the reporting period. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in consolidated statement of profit or loss and other comprehensive income.

Deferred tax is calculated using the liability method on temporary differences at the end of the reporting period between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION – *continued*

4.21 Taxation – *continued*

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting consolidated statement of profit or loss and other comprehensive income. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the end of the reporting period. Changes in deferred tax assets or liabilities are recognised in consolidated statement of profit or loss and other comprehensive income, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

Current tax assets and current tax liabilities are presented in net if, and only if,

- (a) the Group has the legally enforceable right to set off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

- (a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - (i) the same taxable entity; or
 - (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION – *continued*

4.22 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or board of directors, where appropriate.

4.23 Related parties

For the purpose of these consolidated financial statements, a party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and 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 the key management personnel of the Group or of a parent of the Group.
- (b) the party is an entity and if any of the following conditions applies:
 - (i) the entity and the Group are members of the same group.
 - (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) the entity and the Group 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 employees of either 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 the 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 parent of the Group.

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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5.1 Estimation uncertainties

The Group makes accounting estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom be equal to the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) ECL allowance on trade and other receivables and contract assets

The Group makes ECL allowances on trade and other receivables and contract assets based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the ECL calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period as set out in Note 4.9. As at 31 March 2025, the carrying amounts of trade receivables, other receivables and contract assets were RMB78,606,000 (2024: RMB99,346,000) (net of ECL allowance of RMB23,311,000 (2024: RMB36,665,000)), RMB111,513,000 (2024: RMB190,221,000 (net of ECL allowance of RMB50,492,000 (2024: RMB51,994,000))) and RMB7,962,000 (2024: RMB11,799,000 (net of ECL allowance of RMB25,715,000 (2024: RMB27,715,000))), respectively. Net reversal of impairment loss on trade and other receivables and contract assets of RMB4,178,000 (2024: net impairment loss of RMB35,378,000) has been recognised during the year ended 31 March 2025.

When the actual future cash flows are different from expected, such difference will impact the carrying amount of trade and other receivables and contract assets and ECL allowance in the periods in which such estimate has been changed.

(b) Allowance for inventories

The management of the Group reviews the condition of inventories at the end of each reporting period, and makes allowance for inventories that are identified as obsolete, slow-moving or no longer recoverable or suitable for use for production or maintenance. The Group carries out the inventory review on a product-by-product basis and makes allowances by reference to the latest market prices and current market conditions. If the market condition was to deteriorate, resulting in a lower net realisable value for such inventories, additional allowances may be required. As at 31 March 2025, the carrying amount of inventories was RMB38,097,000 (2024: RMB33,825,000) (net of allowance for inventories of RMB22,034,000 (2024: RMB22,286,000)). During the year ended 31 March 2025, reversal of allowance for inventories of RMB252,000 (2024: RMB2,608,000) has been recognised and included in cost of sales.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION – *continued*

5.1 Estimation uncertainties – *continued*

(c) *Capitalisation of development costs*

Development costs are capitalised in accordance with the accounting policy for research and development costs in Note 4.7(b). Determining the amounts to be capitalised requires management of the Group to make assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits. As at 31 March 2025, the carrying amount of capitalised development cost included in intangible assets was Nil (2024: Nil).

(d) *Depreciation, amortisation and impairment assessment of property, plant and equipment and intangible assets*

Property, plant and equipment and intangible assets with finite useful lives are depreciated or amortised on a straight-line basis over the estimated useful lives of the assets, after taking into account the estimated residual value, if any. The Group reviews the estimated useful lives and residual value of the assets regularly in order to determine the amount of depreciation and amortisation expense to be recorded during each reporting period. The useful lives are based on the Group's historical experience with similar assets and taking into account anticipated technological changes. The depreciation and amortisation expense for future periods may be adjusted if there are significant changes from previous estimates.

Property, plant and equipment and intangible assets with finite useful lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, while intangible assets not yet available for use are reviewed for impairment at least annually, irrespective of whether there is any indication that they are impaired. When such a decline occurs, the carrying amount will be reduced to recoverable amounts. The recoverable amounts of the assets have been determined based on the higher of fair value less cost of disposal and value in use calculations. These calculations require the use of judgement and estimates. As at 31 March 2025, the carrying amounts of property, plant and equipment and intangible assets were RMB188,000 (2024: Nil) and RMB2,785,000 (2024: RMB9,290,000), respectively. During the year ended 31 March 2025, impairment loss on property, plant and equipment of Nil (2024: RMB781,000) and intangible assets of RMB3,855,000 (2024: RMB29,536,000) have been recognised respectively.

(e) *Impairment assessment of interests in associates*

The management of the Group determined whether interests in associates are impaired by reference to an estimation on (i) identification of indication of possible impairment; and (ii) if there is indication of impairment, the recoverable amount. Impairment loss would be identified if the recoverable amount is less than its carrying amount. The determination of the recoverable amount of the Group's interests in associates requires the Group to estimate the future cash flows expected to arise from the associates. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 March 2025, the carrying amount of interests in associates was RMB22,428,000 (2024: RMB13,416,000). During the year ended 31 March 2025, impairment loss of RMB17,450,000 has been recognised for the interests in associates (2024: RMB12,481,000).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION – *continued*

5.1 Estimation uncertainties – *continued*

(f) Fair value determination of financial assets at FVTPL

For the determination of the fair value of financial assets at FVTPL as at 31 March 2025, the management of the Group use their judgements and estimates in the underlying assumptions and data for the fair value determination of financial assets at FVTPL. The management of the Group and the independent valuer exercise judgements and estimates in selecting suitable valuation technique and unobservable input used with reference to the available market sources. Where the actual inputs are varied, a material variance on the fair value of financial assets at FVTPL may arise. As at 31 March 2025, the fair value of financial assets at FVTPL was RMB8,753,000 (2024: RMB11,888,000).

(g) Current and deferred income taxes

As detailed in Note 9, the Group is subject to income taxes in several jurisdictions. There are many transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgement is required from the Group in determining the provision for income taxes in each of these jurisdictions. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 31 March 2025, the Group had income tax liabilities of Nil (2024: Nil). The details of the deferred taxation are set out in Note 27.

5.2 Critical judgements in applying the entity's accounting policies

(a) Going concern and liquidity

As explained in Note 2 to the consolidated financial statements, the financial position of the Group indicates the existence of a material uncertainty which may cast significant doubt on the Group's ability to contain as a going concern basis. The assessment of the going concern assumptions includes making judgements by the management, at a particular point at time, about the future outcome of events or conditions which are inherently uncertain. The management considers that the Group has ability to contain as a going concern and the major conditions that may cast significant doubt about the going concern assumptions are set out in Note 2 to the consolidated financial statements.

(b) Classification of an unlisted equity investment

As detailed in Note 20, the Group held 27.27% (2024: 27.27%) equity interest in a private equity fund as at 31 March 2025. The Group classified such equity interest as financial assets at FVTPL, because the Directors considered that the Group has no contractual right to appoint representative in the investment committee and concluded that the Group is not in a position to control or exercise any significant influence over the financial and operating policies of the private equity fund or to participate in their operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION – continued

5.2 Critical judgements in applying the entity's accounting policies – continued

(c) *Classification of Beijing Jingqi Chuangzhi Technology Co., Ltd (北京精奇創智科技有限公司) ("Beijing Jingqi")*

As detailed in Note 18, the Group held 38.25% (2024: 38.25%) equity interest in Beijing Jingqi as at 31 March 2025 and classified Beijing Jingqi as the joint venture of the Group because the appointment of the sole director of Beijing Jingqi require unanimous consent from the Group and the second largest investor of Beijing Jingqi who sharing the control.

6. REVENUE AND SEGMENT INFORMATION

The Group's operating activities are attributable to a single operating and reporting segment focusing primarily on the research, development and sales of video-related and broadcasting equipment and software and provision of related technical services in the PRC. This operating segment has been identified on the basis of internal management reports reviewed by the CODM, being the executive directors of the Company. The CODM mainly reviews revenue derived from sales of products, solutions and services, which are measured in accordance with the Group's accounting policies. However, other than revenue information, no operating results and other discrete financial information is available for the assessment of performance of the respective type of revenue. In addition, the CODM reviews the overall results of the Group as a whole to make decisions about resources allocation. Accordingly, no segment information is presented.

An analysis of the Group's revenue is as follows:

	2025 RMB'000	2024 RMB'000
Solutions	51,443	44,478
Services	40,130	74,809
Products	43,003	26,661
	134,576	145,948

An analysis of the Group's timing of revenue recognition for the year is as follows:

	2025 RMB'000	2024 RMB'000
At a point in time	94,446	71,139
Over time	40,130	74,809
	134,576	145,948

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

6. REVENUE AND SEGMENT INFORMATION – *continued*

Geographical information

The Group primarily operates in the PRC. As at 31 March 2025 and 2024, substantially all of the non-current assets (other than financial instruments) of the Group were located in the PRC.

Information about major customers

During the year ended 31 March 2025, RMB17,735,000 (2024: RMB24,658,000) or 13% (2024: 17%) of the Group's revenue are generated from a single customer.

7. OTHER INCOME

	2025 RMB'000	2024 RMB'000
Other revenue		
Interest income	16	3,959
Value-added tax ("VAT") refunds (Note (a))	1,285	3,345
	1,301	7,304
Other net income/(loss)		
Fair value loss on financial assets at FVTPL	(3,135)	(1,433)
Government grants (Note (b))	1,921	2,421
Loss on lease modification	–	(971)
Gain on early termination of lease (Note 28)	2,271	–
Written off on development costs	–	(5,958)
Gain on written off of other payable	2,625	–
Others	481	268
	4,163	(5,673)
	5,464	1,631

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

7. OTHER INCOME – *continued*

Notes:

- (a) Companies which develop their own software products and have the software products registered with the relevant authorities in the PRC are entitled to a refund of VAT equivalent to the excess over 3% of the sales invoice amount paid in the month when output VAT exceeds input VAT during the year ended 31 March 2025 and 2024.
- (b) Government grants in respect of operating and developing activities were received from several local government authorities. Among the government grants recognised during the year ended 31 March 2025, the entitlement of an aggregate amount of RMB1,565,000 (2024: RMB2,421,000) was unconditional and at the discretion of the relevant authorities, while the remaining amount of RMB356,000 (2024: Nil) were credited to consolidated statement of profit or loss and other comprehensive income from deferred income in accordance with the fulfilment of the respective conditions attaching to the government grant.

8. FINANCE COSTS

	2025 RMB'000	2024 RMB'000
Interest expenses on:		
– Interest-bearing borrowings	9,101	8,181
– Lease liability	76	252
	<u>9,177</u>	<u>8,433</u>

9. INCOME TAX CREDIT

	2025 RMB'000	2024 RMB'000
Current tax - PRC Enterprise Income Tax ("EIT")		
– current year	–	–
– over-provision in priors years	–	(8,580)
	<u>–</u>	<u>(8,580)</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

9. INCOME TAX CREDIT – *continued*

Notes:

(a) Hong Kong Profits Tax

Hong Kong Profits Tax rate is calculated at 16.5% (2024: 16.5%) of the estimated assessable profit for the year 31 March 2025. During the year ended 31 March 2025 and 2024, No provision for Hong Kong Profits Tax has been made since no assessable profits has been generated by the Group.

(b) PRC EIT

Under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards, except for certain subsidiaries which obtained the "High and New Technology Enterprise" qualification with preferential tax rate of 15% (2024: 15%).

(c) PRC withholding tax

According to the relevant laws and regulations in the PRC, the Group is also liable to a 10% withholding tax on dividends to be distributed from the Group's foreign-owned enterprises in the PRC in respect of its profits generated from 1 January 2008.

Under the Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and its relevant regulations, dividends paid by a PRC resident enterprise to its direct holding company in Hong Kong will be subject to withholding tax at a reduced rate of 5% (if the Hong Kong investor is the "beneficial owner" and owns directly at least 25% of the equity interest of the PRC resident enterprise for the past twelve months before the dividends distribution).

The Group is not subject to tax under other jurisdictions during the years ended 31 March 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

9. INCOME TAX CREDIT - continued

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

	2025 RMB'000	2024 RMB'000
Loss before income tax	(30,546)	(159,256)
Tax on loss before income tax, calculated at the rates applicable to profits in the tax jurisdictions concerned	(8,559)	(37,106)
Tax effect on non-taxable income	(4,862)	(5,047)
Tax effect on non-deductible expenses	4,604	16,090
Tax effect on preferential tax rates applicable to certain subsidiaries	2,743	13,088
Tax effect on tax loss and deductible temporary differences not recognised	8,464	15,123
Tax effect on the Super Deduction (as defined below) in research and development activities	(2,390)	(2,148)
Over provision in prior years	—	(8,580)
	—	(8,580)

According to relevant laws and regulations in the PRC, enterprises engaging in research and development activities are entitled to claim 200% (2024: 200%) of the research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year (the "Super Deduction"). The Group has made its best estimate for the Super Deduction to be claimed in ascertaining their assessable profits for the year ended 31 March 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

10. LOSS FOR YEAR

	2025 RMB'000	2024 RMB'000
Employee benefit expenses (including directors' emoluments disclosed in Note 13)		
Salaries, bonus and allowances	39,838	47,072
Retirement benefit scheme contributions (Note)	10,130	14,891
Severance payments	389	2,953
	50,357	64,916
Other items		
Auditor's remuneration	980	980
Depreciation of property, plant and equipment	35	996
Amortisation of intangible assets	2,650	16,292
Cost of inventories recognised an expense	100,278	113,650
Reversal of allowance for inventories	(252)	(2,608)
Lease charges for short-term leases	1,167	696

Note: As at 31 March 2025, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2024: Nil).

11. LOSS PER SHARE

(a) Basic loss per share

Basic loss per share is calculated based on the loss attributable to owners of the Company of RMB28,001,000 (2024: RMB147,396,000) and the weighted average number of shares of 618,332,000 shares (2024: 618,332,000 shares) of the Company outstanding during the year ended 31 March 2025, excluding the treasury shares held by the Company.

(b) Diluted loss per share

For the year ended 31 March 2025 and 2024, the Company has one category of potential dilutive ordinary shares, which is the 2017 Share Option Scheme (as defined in Note 31). The diluted loss per share for the year ended 31 March 2025 and 2024 is the same as the basic loss per share as all the potential ordinary shares are anti-dilutive.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

12. DIVIDENDS

No dividend was paid or proposed during the year ended 31 March 2025 (2024: Nil), No dividend been proposed since the end of the reporting period (2024: Nil).

13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

(a) Directors' emoluments

Directors' and chief executive's emoluments, disclosed pursuant to the GEM Listing Rules, section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulations, are as below:

Name of director	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Retirement benefit scheme contributions RMB'000	Total RMB'000
Year ended 31 March 2025				
Executive directors:				
Mr. Zheng (Note (i))	638	73	38	749
Mr. Guo Langhua ("Mr. Guo") (Note (ii))	100	—	—	100
Mr. Liu Baodong	110	—	—	110
Mr. Pang Gang ("Mr. Pang")	600	120	53	773
Ms. Cao Lingyi (Note (iii))	135	—	—	135
Independent non-executive directors:				
Dr. Li Wanshou	110	—	—	110
Mr. Li Youliang	110	—	—	110
Mr. JIAN Nianqiang (Note (vi))	82	—	—	82
	1,885	193	91	2,169

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS – continued

(a) Directors' emoluments – continued

Name of director	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Retirement benefit scheme contributions RMB'000	Total RMB'000
Year ended 31 March 2024				
Executive directors:				
Mr. Zheng (Note (i))	621	78	38	737
Mr. Liu Baodong	619	88	28	735
Mr. Pang	600	120	127	847
Independent non-executive directors:				
Mr. Frank Christiaens (Note (v))	157	—	—	157
Mr. Li Youliang	107	—	—	107
Dr. Li Wanshou	210	—	—	210
	<u>2,314</u>	<u>286</u>	<u>193</u>	<u>2,793</u>

Notes:

- (i) Mr. Zheng is also the chief executive of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive. Mr. Zheng resigned as an executive director and chief executive of the Company on 3 February 2025.
- (ii) Mr. Guo was appointed as an executive director and the chief executive of the Company on 3 February 2024. His emoluments disclosed above include those for services rendered by him as the chief executive.
- (iii) Ms. Cao Lingyi was appointed as an executive director of the Company on 1 June 2024.
- (iv) Mr. JIAN Nianqiang was appointed as an independent non-executive director of the Company on 1 June 2024.
- (v) Mr. Frank Christiaens resigned as an independent non-executive director of the Company on 3 January 2024.

No emoluments were paid by the Group to any Directors as an inducement to join or upon joining the Group or as compensation for loss of office during the year ended 31 March 2025 (2024: Nil).

There were no arrangements under which a director of the Company waived or agreed to waive any emoluments during the year ended 31 March 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS – continued

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 March 2025 included two (2024: three) directors whose emoluments are reflected in the analysis presented above. The emoluments payable/paid to the remaining three (2024: two) individuals during the year ended 31 March 2025 are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, bonus and allowances	1,812	1,421
Retirement benefit scheme contributions	428	253
	<u>2,240</u>	<u>1,674</u>

The emoluments fell within the following bands:

	2025 Number of Individuals	2024
Emolument bands:		
Less than HK\$1,000,000, equivalent to RMB916,000 (2024: RMB908,000)	2	1
HK\$1,000,001, equivalent to RMB916,000 (2024: RMB908,000) to HK\$2,000,000, equivalent to RMB1,832,000 (2024: RMB1,817,000)	<u>1</u>	<u>1</u>

No emoluments were paid by the Group to any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office during the year ended 31 March 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

14. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvement RMB'000	Computer equipment RMB'000	Furniture and office equipment RMB'000	Motor vehicles RMB'000	Office premise RMB'000	Total RMB'000
As at 31 March 2023 and 1 April 2023						
Cost	6,246	24,590	1,700	2,864	27,397	62,797
Accumulated depreciation	(3,473)	(23,565)	(1,671)	(2,374)	(18,046)	(49,129)
Accumulated impairment	(2,773)	—	—	—	(9,351)	(12,124)
Closing net book amount	—	1,025	29	490	—	1,544
Year ended 31 March 2024						
Opening net book amount	—	1,025	29	490	—	1,544
Additions	—	329	—	165	—	494
Lease modification	—	—	—	—	(3,805)	(3,805)
Transfer	—	(261)	—	—	—	(261)
Depreciation	—	(586)	(8)	(402)	—	(996)
(Impairment loss)/reversal of impairment loss	—	(507)	(21)	(253)	3,805	3,024
Closing net book amount	—	—	—	—	—	—
As at 31 March 2024 and 1 April 2024						
Cost	6,246	23,169	1,700	3,029	23,592	57,736
Accumulated depreciation	(3,473)	(22,662)	(1,679)	(2,776)	(18,046)	(48,636)
Accumulated impairment	(2,773)	(507)	(21)	(253)	(5,546)	(9,100)
Closing net book amount	—	—	—	—	—	—
Year ended 31 March 2025						
Opening net book amount	—	—	—	—	—	—
Additions	—	223	—	—	—	223
Depreciation	—	(35)	—	—	—	(35)
Closing net book amount	—	188	—	—	—	188
As at 31 March 2025						
Cost	6,246	22,549	1,700	3,029	23,592	57,116
Accumulated depreciation	(3,473)	(21,904)	(1,679)	(2,776)	(18,046)	(47,878)
Accumulated impairment	(2,773)	(457)	(21)	(253)	(5,546)	(9,050)
Closing net book amount	—	188	—	—	—	188

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

14. PROPERTY, PLANT AND EQUIPMENT – continued

Depreciation charges recognised is analysed as follows:

	2025 RMB'000	2024 RMB'000
Selling and marketing expenses	15	396
Administrative expenses	5	172
Research and development expenses	15	428
	<u>35</u>	<u>996</u>

As at 31 March 2025 and 2024, included in the net book amount of property, plant and equipment is right-of-use asset as follows:

	2025 RMB'000	2024 RMB'000
Office premise	<u>—</u>	<u>—</u>

No addition to right-of-use asset included in property, plant and equipment during the year ended 31 March 2025 and 2024. The details in relation to this lease are set out in Note 28.

Due to the lease modification, the management conducted an review on the lease agreements, and recognised an reversal of impairment loss of Nil (2024: RMB3,805,000) and lease modification of Nil (2024: RMB3,805,000).

The management conducted an impairment review, and determined that an impairment loss of Nil for the year ended 31 March 2025 (2024: RMB781,000).

During the year ended 31 March 2025, computer equipment of Nil (2024: RMB261,000) was transferred to inventories.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

15. INTANGIBLE ASSET

	Video-related and broadcasting intellectual properties, patents, trademarks and licenses RMB'000	Development costs RMB'000	Total RMB'000
As at 1 April 2023			
Cost	316,227	46,305	362,532
Accumulated amortisation	(228,219)	—	(228,219)
Accumulated impairment	(75,523)	—	(75,523)
Net book amount	12,485	46,305	58,790
Year ended 31 March 2024			
Opening net book amount	12,485	46,305	58,790
Additions	—	2,286	2,286
Transfers	42,633	(42,633)	—
Amortisation	(16,292)	—	(16,292)
Written off	—	(5,958)	(5,958)
Impairment loss	(29,536)	—	(29,536)
Closing net book amount	9,290	—	9,290
As at 31 March 2024 and 1 April 2024			
Cost	358,860	—	358,860
Accumulated amortisation	(244,511)	—	(244,511)
Accumulated impairment	(105,059)	—	(105,059)
Net book amount	9,290	—	9,290
Year ended 31 March 2025			
Opening net book amount	9,290	—	9,290
Amortisation	(2,650)	—	(2,650)
Impairment loss	(3,855)	—	(3,855)
Closing net book amount	2,785	—	2,785
As at 31 March 2025			
Cost	358,860	—	358,860
Accumulated amortisation	(247,161)	—	(247,161)
Accumulated impairment	(108,914)	—	(108,914)
Net book amount	2,785	—	2,785

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

15. INTANGIBLE ASSET - continued

The development costs represented all direct costs incurred in the development of software products. Amortisation charges recognised are analysed as follows:

	2025 RMB'000	2024 RMB'000
Cost of sales	2,650	16,292
Selling and marketing expenses	—	—
Administrative expenses	—	—
Research and development expenses	—	—
	2,650	16,292

During the year 31 March 2025, due to the increased market competition resulting in the decrease in revenue of the Group, the Directors conducted an impairment review on the video-related and broadcasting intellectual properties, patents, trademarks and licenses and other corporate assets. The recoverable amount of these intangible assets and the cash generating unit containing these intangible assets and other corporate assets, determined based on the value in use calculations, were RMB48,312,000 (2024: RMB54,820,000). The value in use calculations of the cash generating unit containing these intangible assets and other corporate assets was based on the cash flows projections covering five years with estimated growth rate of 3.0% (2024: 3.0%) and pre-tax discount rate of 30.3% (2024: 34.4%). The Directors are not currently aware of any other probable changes that would necessitate changes in its key estimates.

Based on the above-mentioned recoverable amounts, impairment loss of RMB3,855,000 (2024: RMB29,536,000) on intangible assets were recognised during the year ended 31 March 2025.

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FOR THE YEAR ENDED 31 MARCH 2025

16. GOODWILL

The net carrying amount of goodwill can be analysed as follows:

	2025 RMB'000	2024 RMB'000
At the beginning and end of the year		
Gross book amount	74,220	74,220
Accumulated impairment	(74,220)	(74,220)
Net book amount	—	—

The gross carrying amount of the goodwill, together with the acquired intangible assets, resulted from the acquisition of ZhengQi (Beijing) Video Technology Co., Ltd. (北京正奇聯訊科技有限公司) ("Beijing Zhengqi") by the Group during the year ended 31 December 2013. Such goodwill, together with the acquired intangible assets, has been fully impaired as at 31 March 2025 and 2024.

17. SUBSIDIARIES

Particulars of the Company's principal subsidiaries, each of which is a limited liability company, as at 31 March 2025 and 2024, were as follows:

Name of company	Country/Place of establishment	Issued and paid-up capital	Equity interest held	Principal activities and place of operation
Directly held by the Company				
China Digital Video (Beijing) Limited ¹ (新奥特(北京)視頻技術有限公司) ("CDV WFOE")	The PRC	United States dollars ("US\$") 50,000,000 (2024: US\$50,000,000)	100% (2024: 100%)	Research, development and sales of video-related and broadcasting equipment and software and provision of related technical service, in the PRC
Indirectly held by the Company				
Beijing Zhengqi ²	The PRC	RMB20,000,000 (2024: RMB20,000,000)	100% (2024: 100%)	Research, development and sales of video-related and broadcasting equipment and software and provision of related technical service, in the PRC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

17. SUBSIDIARIES – continued

Name of company	Country/Place of establishment	Issued and paid-up capital	Equity interest held	Principal activities and place of operation
Indirectly held by the Company				
(Continued)				
Beijing ZhengQi Network Technology Co., Ltd. ² (北京正奇網訊科技有限公司)	The PRC	RMB8,000,000 (2024: RMB8,000,000)	100% (2024: 100%)	Research, development and sales of video-related and broadcasting equipment and software and provision of related technical service, in the PRC
Beijing Xin'aote Totem Technology Co., Ltd. ² (北京新奧特圖騰科技有限公司) ("Totem Technology")	The PRC	RMB2,300,000 (2024: RMB450,000)	65%* (2024: 60%*)	Research, development and sales of video-related and broadcasting equipment and software and provision of related technical service, in the PRC
Beijing Tianmei Global Technology Company Limited ² (北京天美環球科技有限公司) ("Tianmei Technology")	The PRC	RMB1,000,000 (2024: RMB1,000,000)	100%# (2024: 100%#)	Investment holding
Beijing Xinaote Digital Video Technology Center Co., Ltd (北京新奧特數字視頻技術中心有限公司)	The PRC	RMB500,000 (2024: Nil)	100% (2024: Nil)	Research, development and sales of video-related and broadcasting equipment and software and provision of related technical service, in the PRC
Beijing Xinaote Information Technology Co., Ltd (北京新奧特信息技術有限公司)	The PRC	RMB10,000,000 (2024: Nil)	100% (2024: Nil)	Research, development and sales of video-related and broadcasting equipment and software and provision of related technical service, in the PRC



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FOR THE YEAR ENDED 31 MARCH 2025

17. SUBSIDIARIES – *continued*

- ¹ Registered as a wholly foreign-owned enterprise under the PRC law
- ² Registered as a limited liability company under the PRC law
- * The Directors considered that the non-controlling interests in Totem Technology during the year ended 31 March 2025 and 2024 were not material to the Group and thus no separate financial information of these non-wholly owned subsidiaries are presented.
- # Obtained control through contractual arrangements (Note).

The English name of certain subsidiaries represented management's best effort at translating the Chinese name of these companies as no English name has been registered.

Note: Pursuant to the applicable PRC laws and regulations, foreign investors are prohibited from holding equity interest in an entity conducting radio and television program production business. In order to enable investments to be made into the restricted businesses, CDV WFOE entered into a series of contractual arrangements (the "Contractual Arrangements") with Tianmei Technology and its owner, which enable CDV WFOE and the Group to:

- exercise effective financial and operational control over Tianmei Technology;
- exercise equity holder's voting right of Tianmei Technology;
- receive substantially all of the economic interest returns generated by Tianmei Technology in consideration for the business support, technical and consulting services provided by CDV WFOE, at CDV WFOE's discretion;
- obtain an irrevocable and exclusive right to purchase all or part of equity interest in and/or assets of Tianmei Technology from its owner at a minimum purchase price permitted under the PRC laws and regulations; and
- obtain a pledge over the entire equity interest of Tianmei Technology from its owner as collateral security for all of Tianmei Technology's payments due to CDV WFOE and to secure performance of Tianmei Technology's obligations under the Contractual Arrangements.

The details of the Contractual Arrangements are set out in the announcement issued by the Company dated 13 June 2018.

The Group does not have any equity interest in Tianmei Technology. However, as a result of the Contractual Arrangements, the Group has rights to variable returns from its involvement with Tianmei Technology and has the ability to affect those returns through its power over Tianmei Technology and is considered to have control Tianmei Technology. Consequently, the Directors consider Tianmei Technology as consolidated structured entity under IFRSs. The Group has consolidated the financial position and results of Tianmei Technology in the Group's consolidated financial statements.

Nevertheless, the Contractual Arrangements may not be as effective as direct legal ownership in providing the Group with direct control over Tianmei Technology and uncertainties presented by the PRC legal system could impede the Group's beneficiary rights of the results, assets and liabilities of Tianmei Technology. The Directors, based on the advice of its legal counsel, consider that the Contractual Arrangements are in compliance with relevant PRC laws and regulations and are legally enforceable.

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FOR THE YEAR ENDED 31 MARCH 2025

18. INTEREST IN A JOINT VENTURE

	2025 RMB'000	2024 RMB'000
Carrying amount of the Group's interest in a joint venture	—	—

At the end of the reporting period, the Group had interest in the following joint venture, which is unlisted corporate entity whose quoted market price is not available and considered not material to the Group:

Name of company	Country/ Place of establishment	Registered/ Paid in capital	Equity interest held by the Group		Principal activities and place of operation
			2025	2024	
Beijing Jingqi (Note)	The PRC	RMB4,000,000 (2024: RMB4,000,000)	38.25%	38.25%	Research, development and sales of video-related and broadcasting equipment and software and provision of related technical service in the PRC

Note:

In 2018, the Group has established Beijing Jingqi with other investors and obtained 38.25% equity interest in Beijing Jingqi. The Group has classified Beijing Jingqi as a joint venture of the Group because the appointment of the sole director of Beijing Jingqi requires unanimous consent from the Group and the second largest investor of Beijing Jingqi who sharing the control.

The share of loss of Beijing Jingqi for the year ended 31 March 2025 was amounted to Nil (2024: Nil), while the remaining share of losses have been discontinued to be recognised. The amounts of unrecognised share of loss of Beijing Jingqi, extracted from the management accounts of Beijing Jingqi, both for the periods and cumulatively, are as follows:

	2025 RMB'000	2024 RMB'000
Unrecognised share of loss of Beijing Jingqi for the year	359	104
Accumulated unrecognised share of loss of Beijing Jingqi	2,719	2,360



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FOR THE YEAR ENDED 31 MARCH 2025

19. INTERESTS IN ASSOCIATES

	2025 RMB'000	2024 RMB'000
At 1 April	13,416	29,183
Share of results of associates	26,462	(3,286)
Impairment of interest in an associate (Note (g))	(17,450)	(12,481)
At 31 March	22,428	13,416
Share of net assets	22,428	13,416
Goodwill	—	—
	22,428	13,416

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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19. INTERESTS IN ASSOCIATES – continued

Name of company	Country/ Place of establishment	Registered/ Paid in capital	Equity interest held by the Group		Principal activities and place of operation
			2025	2024	
Beijing Yue Ying Technology Co., Ltd (北京悅影科技有限公司) ("Beijing Yueying") (Note (a))	The PRC	RMB 11,363,636 (2024: RMB11,363,636)	29.92%	29.92%	Development and provision of video related application in the PRC
Tuteng Shijie (Guangzhou) Digital Technology Limited Company (圖騰視界(廣州)數字科技有限公司) ("Tuteng Shijie") (Notes (b) and (c))	The PRC	RMB30,600,000 (2024: RMB 30,600,000)	29.41%	29.41%	Information systems integration service, digital cultural creative content application service, digital content production service and transmission of audio-visual programs through information networks in the PRC
Xin'aote (Fujian) Culture Technology Co., Ltd (新奧特(福建)文化科技有限公司) ("Xin'aote Fujian Culture") (Note (d))	The PRC	RMB10,000,000 (2024: RMB 10,000,000)	25.88%	25.88%	Development of software and provision of information system integration service in the PRC
Beijing Xin'aote Smart Sport Innovation Development Co., Ltd. (北京新奧特智慧體育創新發展 有限公司) ("Smart Sport") (Note (f))	The PRC	N/A (2024: RMB 10,000,000)	N/A	33.33%	Research, development and sales of video-related and broadcasting equipment and software and provision of related technical service in the PRC
Beijing Meicam Network Technology Co., Ltd (北京美攝網絡科技有限公司) ("Beijing Meicam") (Note (g))	The PRC	RMB33,561,000 (2024: RMB33,561,000)	29.80%	29.80%	Mobile application development and operation in the PRC
Beijing Jinsong Chuangyi Technology Co., Ltd. (北京錦頤創逸技術科技有限公司) ("Beijing Jinsong") (Note (b))	The PRC	RMB9,000,000 (2024: RMB9,000,000)	29.41%	29.41%	Information systems integration service, digital cultural creative content application service, digital content production service and transmission of audio-visual programs through information networks in the PRC
Beijing Xin'aote Sports Media Co., Ltd. (北京新奧特體育傳媒有限公司) ("Beijing Xin'aote Sports") (Note (e))	The PRC	RMB10,000,000 (2024: RMB10,000,000)	29.41%	29.41%	Development of software and provision of information system integration service in the PRC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

19. INTERESTS IN ASSOCIATES – *continued*

Notes:

- (a) The Group has discontinued recognising its share of loss of Beijing Yueying as the Group has no legal or constructive obligations on behalf of Beijing Yueying. The unrecognised share of loss for the year ended 31 March 2025 and the accumulated unrecognised share of loss of Beijing Yueying as at 31 March 2025 were amounted to RMB189,000 (2024: RMB239,000) and RMB4,991,000 (2024: RMB4,802,000), respectively.
- (b) On 15 March 2022, the Group and other independent third party established Tuteng Shijie and obtained 30% equity interest in Tuteng Shijie therein. The Group has classified Tuteng Shijie as an associate of the Group because the Group can exercise significance influence over Tuteng Shijie. Details are set out in the Company's announcement dated 15 March 2022.

On 22 May 2022, the Group and Tuteng Shijie entered into share transfer agreement which the Group paid up the registered capital of RMB9,000,000 in Tuteng Shijie by contributing its entire 100% equity interest in a subsidiary, Beijing Jinsong, which possessed intangible assets. On 30 May 2022, the date of the completion of the transfer of entire equity interest in Beijing Jinsong, the carrying amount of intangible assets was Nil. Such contribution of the entire equity interest in Beijing Jinsong resulted in an gain on transfer of intangible assets of RMB6,300,000 recognised in profit or loss, after eliminating the unrealised profit to the extent of the Group's interest in the associate at the date of transfer, being 30%.

- (c) On 28 June 2022, the Group and another investor entered into an investment agreement in which the investor subscribed additional registered capital of RMB600,000, representing 1.96% equity interest in Tuteng Shijie, at a cash consideration of RMB10,000,000. Such subscription has been completed on 14 September 2022, resulting in a gain on deemed disposal of partial interest in an associate of RMB2,782,000 recognised in profit or loss during the fifteen months ended 31 March 2023.
- (d) On 30 May 2022, the Group and Tuteng Shijie entered into a share transfer agreement in which the Group disposed of 49% equity interest in Xin'aote Fujian Culture held by the Group to Tuteng Shijie at a cash consideration of RMB1. Such disposal has been completed on the same date of the share transfer agreement. Prior to the disposal, Xin'aote Fujian was an associate of the Group accounted for equity method with Nil carrying amount at the date of the completion of the disposal. Such disposal did not constitute a change in classification of Xin'aote Fujian. For the year ended 31 December 2021, the unrecognised share of loss of Xin'aote Fujian Culture was immaterial, while the accumulated unrecognised share of loss of Xin'aote Fujian Culture was RMB1,230,000 as at 31 December 2021.
- (e) On 22 May 2022, Smart Sport and Tuteng Shijie entered into a share transfer agreement in which Smart Sport disposed of its 100% equity interest in Beijing Xin'aote Sports (a subsidiary of Smart Sport) to Tuteng Shijie at a cash consideration of RMB1,000. Such disposal has been completed on the same date of the share transfer agreement. Prior to the disposal, Beijing Xin'aote Sports was an associate of the Group accounted for equity method with Nil carrying amount at the date of the completion of the disposal. Such disposal did not constitute a change in classification of Beijing Xin'aote Sports.
- (f) The share of loss of Smart Sport and unrecognised share of loss of Smart Sport for the year ended 31 March 2025 were amounted RMB234,000 (2024: RMB134,000) and RMB402,000 (2024: Nil) respectively.

On 21 October 2024, Smart Sports deregistered with Nil carrying amount. No other gain or loss recognised as at 31 March 2025.

- (g) The share of profit of Beijing Meicam amounted to RMB17,450,000 (2024: loss of RMB3,413,000) for the year ended 31 March 2025.

During the year ended 31 March 2024, the financial performance of Beijing Meicam were adversely affected by the COVID-19 pandemic. The management of the Group performed an impairment assessment on Group's investment in Beijing Meicam and an impairment loss of RMB12,481,000 were made accordingly.

During the year ended 31 March 2025, Beijing Meicam recorded profit for the year. After excluding non-recurring gains and losses, the underlying performance of Beijing Meicam resulted in a loss for the year. The management of the Group performed an impairment assessment on Group's investment in Beijing Meicam and an impairment loss of RMB17,450,000 were made accordingly.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

19. INTERESTS IN ASSOCIATES – *continued*

Aggregate financial information of associates that are not individually material:

	2025 RMB'000	2024 RMB'000
Aggregate amount of the Group's share of loss for the year	(234)	(134)
Aggregate carrying amount of the Group's interests in immaterial associates	–	234

Set out below are the summarised financial information of material associates (Tuteng Shijie Group and Beijing Meicam) which are accounted for using the equity method:

Tuteng Shijie Group

	2025 RMB'000	2024 RMB'000
Current assets	144,103	108,756
Non-current assets	16,556	24,278
Current liabilities	(56,058)	(66,027)
Non-current liabilities	(19,500)	(14,233)
Net assets of the Tuteng Shijie Group	85,101	52,774
Attributable to:		
– owners of Tuteng Shijie Group	85,258	53,819
– non-controlling interests of Tuteng Shijie Group	(157)	(1,045)
	85,101	52,774

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19. INTERESTS IN ASSOCIATES – continued

Tuteng Shijie Group – continued

	2025 RMB'000	2024 RMB'000
Revenue	139,651	25,724
Total expenses	(105,118)	(24,641)
Profit before income tax	34,533	1,083
Income tax expense	(2,206)	(42)
Profit and total comprehensive income for the year	32,327	1,041
Attributable to:		
– owners of Tuteng Shijie Group	31,439	885
– non-controlling interests of Tuteng Shijie Group	888	156
	32,327	1,041
	2025 RMB'000	2024 RMB'000
Total net assets of the Tuteng Shijie Group attributable to owners of Tuteng Shijie Group	85,258	53,819
Less: intangible assets contributed by the Group	(9,000)	(9,000)
	76,258	44,819
Proportion of ownership interests held by the Group	29.41%	29.41%
Carrying amount of the interest in the Tuteng Shijie Group in the consolidated financial statements	22,428	13,182

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

19. INTERESTS IN ASSOCIATES – continued

Beijing Meicam

	2025 RMB'000	2024 RMB'000
Current assets	103,652	44,730
Non-current assets	929	1,919
Current liabilities	(4,140)	(4,766)
Net assets	100,441	41,883
Revenue	35,254	36,001
Profit/(loss) and other comprehensive income/(loss) for the year	58,558	(11,451)
Net assets	100,441	41,883
The Group's effective interest held	29.80%	29.80%
The Group's effective interest in Beijing Meicam	29,931	12,481
Goodwill	–	–
Accumulated impairment	(29,931)	(12,481)
Carrying amount of interest in Beijing Meicam	–	–

20. FINANCIAL ASSETS AT FVTPL

	2025 RMB'000	2024 RMB'000
Unlisted equity investment, at fair value	8,753	11,888

The Group held 27.27% (2024: 27.27%) equity interest in the private equity fund as at 31 March 2025. The fair value of the Group's investment in unlisted equity investment has been measured as described in Note 36(f).

21. INVENTORIES

	2025 RMB'000	2024 RMB'000
Equipment and parts	30,051	19,948
Work-in-progress	8,046	13,877
	38,097	33,825

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

21. INVENTORIES – continued

As at 31 March 2025, the carrying amount of the Group's inventories were net of allowance for inventories of RMB22,034,000 (2024: RMB22,286,000).

During the year ended 31 March 2025, reversal of allowance for inventories of RMB252,000 (2024: RMB2,608,000) has been recognised and included in cost of sales.

22. TRADE AND OTHER RECEIVABLES

	Notes	2025 RMB'000	2024 RMB'000
Trade receivables	(a)		
– third parties		69,841	114,585
– related parties	35(d)	32,076	21,426
		101,917	136,011
Less: ECL allowance	36(d)	(23,311)	(36,665)
		78,606	99,346
Other receivables	(b)		
Deposits, prepayments and other receivables		29,641	28,532
Deposits for guarantee certificate over tendering and performance		12,239	14,899
Loan and interest receivables		24,536	24,251
Advances to suppliers		63,293	128,776
Amounts due from related parties	35(d)	14,306	27,505
Amount due from a joint venture	35(d)	5,755	7,019
Amounts due from associates	35(d)	6,502	6,996
Advances to employees		5,533	4,236
Amount due from a director	35(d)	200	–
		162,005	242,214
Less: ECL allowance	36(d)	(50,492)	(51,994)
		111,513	190,220
		190,119	289,566

The Directors of the Company considered that the fair values of trade and other receivables which are expected to be recovered within one year are not materially different from their carrying amounts because these amounts have short maturity periods on their inception.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

22. TRADE AND OTHER RECEIVABLES – continued

Included in other receivables are the following amounts that are expected to be recovered within one year:

	2025 RMB'000	2024 RMB'000
Deposits for guarantee certificate over tendering and performance	6,271	8,736

The fair values of above-mentioned other receivables which are expected to be recovered after more than one year are not materially different from their carrying amounts.

(a) Trade receivables

Invoices issued to customers are in accordance with the payment terms stipulated in the contracts and payable on issuance. Deposits are normally required upon signing of the contract. For customers with good credit history and selected large television stations in the PRC with sound financial standing, its settlement may be longer than 180 days (2024: 180 days) after issuance of invoices. Ageing analysis, based on invoice dates of the trade receivables and net of the ECL allowance the end of the reporting period, is as follows:

	2025 RMB'000	2024 RMB'000
0 to 90 days	34,434	43,169
91 to 180 days	10,941	19,490
181 to 365 days	4,590	16,155
1 to 2 years	22,773	12,657
Over 2 years	5,868	7,875
	78,606	99,346

The Group applies simplified approach for the ECL allowance prescribed by IFRS 9, which permits the use of the life-time ECL for all trade receivables. To measure the ECL allowance, trade receivables without significant outstanding balances have been grouped based on shared credit risk characteristics and the ageing.

The Group did not hold any collateral as security or other credit enhancements over the impaired trade receivables, whether determined on an individual or collective basis.

As at 31 March 2025, 12% and 40% (31 March 2024: 5% and 16%) of trade receivables are due from the largest and top 5 customers respectively.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

22. TRADE AND OTHER RECEIVABLES – *continued*

(b) Other receivables

Deposits for guarantee certificate over tendering and performance

Deposits for guarantee certificate over tendering and performance are placed with third parties for performing the contracts and the deposits are interest-free and will be returned when the contracts are completed.

Loan and interest receivable

As at 31 March 2025, the Group has gross amounts of loan receivables and interest receivables of RMB24,536,000 (2024: RMB24,251,000) from independent third parties.

As at 31 March 2025, a credit-impaired loan receivable of RMB24,536,000 (2024: RMB24,251,000) is secured by a property, carrying fixed interest rate of 6% (2024: 6%) per annum and should be wholly repayable on 30 May 2020. The Group has taken legal action against the debtor to recover such loan receivable.

Amounts due from related parties, a joint venture and associates

The amounts due are unsecured, interest-free and repayable on demand.

As at 31 March 2025, among amount due from a joint venture of RMB5,755,000 (2024: RMB7,019,000), balance of Nil (2024: Nil) is trading in nature.

As at 31 March 2025, among amounts due from associates of RMB6,502,000 (2024: RMB6,996,000), balance of RMB3,105,000 (2024: RMB3,419,000) is trading in nature.

Advances to employees

Advances to employees mainly represent advances for various expenses and deposits to be incurred in the ordinary course of business.

Details of the credit risk and impairment assessment of trade and other receivables are set out in Note 36(d).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

23. CONTRACT ASSETS AND CONTRACT LIABILITIES

23.1 Contract assets

	2025 RMB'000	2024 RMB'000
Contract assets	33,677	39,514
Less: ECL allowance	(25,715)	(27,715)
	<u>7,962</u>	<u>11,799</u>

The Group's contract assets mainly include retention receivables of solution sales contracts. Typical payment terms which impact on the amount of contract assets recognised are as follows:

The Group's solution sales contracts include payment schedules which generally require contract instalment over the contract period once certain specified milestones are reached. The Group also agrees to one to two years (2024: one to two years) retention period for 5% to 10% (2024: 5% to 10%) of the solution sales contract value. This amount is included in contract assets until the end of retention period as the Group's entitlement to this final payment is conditional on the Group's satisfactory work.

The Group applies the simplified approach to provide for the ECL prescribed by IFRS 9, which permits the use of the lifetime ECL for all contract assets. To measure the ECL, contract assets have been grouped with trade receivables based on shared credit risk characteristics and the ageing. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the expected loss rates for the contract assets.

Except for the following amount of contract assets that are expected to be recovered after more than one year, all other contract assets will be recognised as trade receivables within one year:

	2025 RMB'000	2024 RMB'000
Contract assets	5,148	6,474
Less: ECL allowance	(3,954)	(320)
	<u>1,194</u>	<u>6,154</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

23. CONTRACT ASSETS AND CONTRACT LIABILITIES – *continued*

23.2 Contract liabilities

Contract liabilities of the Group mainly arise from the advance payments made by customers while the underlying products or services are yet to be provided.

Contract liabilities outstanding at the beginning of the year amount to RMB8,214,000 (2024: RMB5,578,000) have been recognised as revenue during the period.

Unsatisfied performance obligations

The Group has elected the practical expedient for not to disclose the remaining performance obligation because the unsatisfied performance obligations as part of the contracts has original expected duration of one year or less.

24. RESTRICTED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

	2025 RMB'000	2024 RMB'000
Cash at bank and on hand	143,397	152,714
Restricted bank deposits	(2,376)	(1,644)
Cash and cash equivalents	141,021	151,070

Cash at banks carried interest at floating rates based on daily bank deposit rates. Short-term time deposits were made for varying periods of between 3 months to 12 months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates.

As at 31 March 2025, included in bank balances and cash of RMB2,376,000 (2024: RMB1,644,000) are restricted bank deposits for the purpose of contract related deposits or payments and guarantees issued for trade finance facilities.

The Group's major subsidiaries are based in the PRC and majority of their transactions are denominated in RMB. As at 31 March 2025, included in cash at banks and on hand of the Group is RMB143,304,000 (2024: RMB152,499,000) of bank balances denominated in RMB. The conversion of RMB into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. As at 31 March 2025 and 31 March 2024, other than the restriction from exchange control regulations, there is no significant restriction on the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

24. RESTRICTED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS – continued

The carrying amount of the bank balances and cash and short-term time deposits are denominated in the following currencies:

	2025 RMB'000	2024 RMB'000
RMB	143,304	152,499
USD	91	213
HKD	2	2
	143,397	152,714

25. TRADE AND OTHER PAYABLES

	Notes	2025 RMB'000	2024 RMB'000
Trade payables	(a)		
– third parties		84,059	100,005
– related parties	35(e)	15,331	7,663
		99,390	107,668
Other payables	(b)		
Other payables and accrued charges		35,825	31,588
Other tax payables		26,021	27,510
Staff costs and welfare accruals		48,573	57,265
Amounts due to related parties	35(e)	2,473	14,031
Amounts due to associates	35(e)	4,911	35,671
Amount due to a joint venture	35(e)	–	18
Amount due to a director	35(e)	–	39,998
Amount due to a shareholder	35(e)	20,059	–
Deferred government grant		2,494	–
		140,356	206,081
		239,746	313,749

All balances are short-term in nature and hence the carrying values of the Group's trade and other payables as at 31 March 2025 and 2024 were considered to be a reasonable approximation of its fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

25. TRADE AND OTHER PAYABLES – continued

(a) Trade payables

The Group was granted by its suppliers credit periods ranging from 30 – 180 days (2024: 30 – 180 days). Based on the invoice dates, the ageing analysis of trade payables is as follows:

	2025 RMB'000	2024 RMB'000
0 to 90 days	42,233	22,584
91 to 180 days	6,067	38,432
181 to 365 days	4,347	6,065
1 to 2 years	17,383	3,610
2 to 3 years	2,592	9,641
Over 3 years	26,768	27,336
	99,390	107,668

(b) Other payables

Amounts due to related parties, associates, a joint venture and a director

The amounts due are unsecured, interest-free and repayable on demand.

26. INTEREST-BEARING BORROWINGS

	Notes	2025 RMB'000	2024 RMB'000
Bank borrowings, unsecured	(a)	178,381	193,245

As at 31 March 2025 and 2024, the Group's bank borrowings were repayable as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount repayable, based on the scheduled repayment dates as set out in the loan agreements:		
– within one year	178,381	193,245

The carrying amounts of interest-bearing borrowings are considered to be a reasonable approximation of their fair values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

26. INTEREST-BEARING BORROWINGS – continued

(a) Bank borrowings, unsecured

The Group's unsecured bank borrowings were guaranteed by the followings:

	2025 RMB'000	2024 RMB'000
Cross-guarantee by Mr. Zheng and Beijing Newauto Group Co., Ltd (北京新奥特集团有限公司) ("Beijing Newauto")	10,000	—
Cross-guarantee by Mr. Zheng and CDV WFOE	10,000	8,000
Cross-guarantee by Mr. Zheng, Mr. Guo and CDV WFOE	8,000	—
Cross-guarantee by Mr. Zheng, CDV WFOE and third parties	5,000	18,000
Cross-guarantee by Mr. Zheng, China Digital Video Investment Group Co., Ltd (新奥特投资集团有限公司) ("CDV Investment") and third parties	—	500
Cross-guarantee by Mr. Zheng, CDV Investment, CDV WFOE and third parties	—	19,600
Cross-guarantee by Mr. Zheng and third parties	63,000	60,000
Guarantee by Mr. Zheng	—	4,000
Guarantee by third parties	45,281	43,145
	141,281	153,245

All of the Group's banking facilities are subject to the fulfilment of certain financial and non-financial covenants relating to certain of the Group's subsidiaries, as commonly found in lending arrangements with financial institutions. If the Group was to breach the covenants, the drawn down facilities would become repayable on demand.

The Group regularly monitors its compliance with these covenants to ensure it is up to date with the scheduled repayments of the loans and does not consider it probable that the banks will exercise its discretion to demand repayment for so long as the Group continues to meet these requirements. Further details of the Group's management of liquidity risk are set out in Note 36(e).

(b) Effective interest rates

	Original currency	2025	2024
Bank borrowings, unsecured	RMB	1.70%-6.00%	3.05% - 6.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

27. DEFERRED TAXATION

As at 31 March 2025, the Group had deductible temporary difference primarily in respect of its provision for impairment of assets. No deferred income tax asset has been recognised in relation to such temporary difference as it is not probable that taxable profit will be available against which the temporary differences can be utilised. In addition, as at 31 March 2025, the Group had estimated un-used tax losses of RMB351,707,000 (2024: RMB296,462,000) to carry forward against future taxable income. Pursuant to the relevant laws and regulations in the PRC, the estimated un-used tax losses at the end of the reporting period will expire in the following years:

	2025 RMB'000	2024 RMB'000
2025	—	1,185
2026	2,367	2,367
2027	32,597	32,597
2028	41,993	41,993
2029	3,482	3,482
2030	21,418	21,418
2031	92,697	92,697
2032	28,998	28,998
2033	71,725	71,725
2034	56,430	—
	351,707	296,462

As at 31 March 2025 and 2024, no deferred income tax liabilities has been recognised in respect of taxable temporary differences associated with undistributed earnings of subsidiaries established in the PRC because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

28. LEASE LIABILITY

The following table shares the amount payable under the Group's lease liabilities:

	2025 RMB'000	2024 RMB'000
Non-current	—	574
Current	—	3,354
	—	3,928
Amounts payable under lease liability:		
– Due within one year	—	3,354
– Due in the second to fifth years	—	574
		3,928
Less: portion due within one year included under current liabilities	—	(3,354)
Portion due after one year included under non-current liabilities	—	574
	2025 RMB'000	2024 RMB'000
Amount recognised in consolidated statement of profit or loss and other comprehensive income:		
– Interest expenses on lease liability	76	252
– Expenses relating short term leases	1,167	696

During the year ended 31 March 2025, the total cash outflows for the leases (including short-term leases) are RMB2,900,000 (2024: RMB3,847,000).

As at 31 March 2024, the Group entered into a lease for its office premise. The lease has a remaining lease term of 1.15 years and is subject to fixed rental payment. Lease liabilities of RMB2,271,000 (2024: Nil) were derecognised due to early termination of lease during the year ended 31 March 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

29. SHARE CAPITAL

A summary of the Company's issued share capital and treasury shares is as follows:

	Number of shares	Authorised share capital US\$	
Authorised:			
Ordinary shares of the Company:			
As at 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025, at US\$0.00001 each	5,000,000,000	50,000	
	Number of shares	Share capital US \$	Equivalent to RMB'000
Issued and fully paid:			
Ordinary shares of the Company:			
As at 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025, at US\$0.00001 each	630,332,000	6,303	43
	Number of treasury shares	Treasury shares US \$	Equivalent to RMB'000
Treasury shares of the Company:			
As at 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025, at US\$0.00001 each	12,000,000	120	1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

30. RESERVES

Details of the movements in the reserves of the Group during the year ended 31 March 2025 are set out in the consolidated statement of changes in equity.

(a) Share premium

Share premium represents the excess of the net proceeds from issuance of the Company's shares over its par value and any premium paid for the repurchase of shares of the Company.

(b) Statutory reserve

In accordance with the relevant laws and regulations for the companies incorporated in the PRC now comprising the Group, it is required to appropriate 10% of its annual net profit determined in accordance with China Accounting Standards for Enterprises issued by the Ministry of Finance of PRC, after offsetting any prior years' losses, to the statutory reserve. When the balance of such a reserve reaches 50% of the registered capital of the respective company, any further appropriation is at the discretion of shareholders. The statutory reserve can be used to offset prior years' losses, if any, and may be converted into share capital by issuing new shares to shareholders in proportion to their existing shareholding or by increasing the par value of the shares currently held by them, provided that the remaining balance of the reserve after such an issue is not less than 25% of registered capital. The statutory reserve is non-distributable.

(c) Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. The reserve is dealt with in accordance with the accounting policy set out in Note 4.4. The translation reserve is non-distributable.

(d) Share option reserve

Share option reserve represents the fair value of share options granted by the Company to employees recognised and is dealt with in accordance with the accounting policy set out in Note 4.19. The share option reserve is non-distributable.

(e) Other reserve

Other reserve represents (i) capital contribution from the Company's ultimate holding company by way of transferring shares to the Group's employees; and (ii) share based compensation arising from the share award scheme adopted by the Company. The other reserve is non-distributable.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

31. SHARE-BASED COMPENSATION TRANSACTIONS

(a) The Share Option Scheme adopted by the Company in 2017

Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 18 May 2017, the Company adopted a share option scheme to attract, retain and motivate employees, directors and other participants, and to provide a means of compensation through the grant of options for their contribution to the growth and profits of the Group, and to allow them to participate in the future growth and profitability of the Group (the "2017 Share Option Scheme"). The participants of the 2017 Share Option Scheme are any executive, non-executive or independent non-executive directors or any employees (whether full-time or part-time) of the Company, or any of its subsidiaries or associated companies or any other person whom the board considers, in its sole discretion, has contributed or will contribute to the Group. The 2017 Share Option Scheme will end on 17 May 2027.

The maximum number of shares which may be issued upon exercise of all options to be granted at any time under the 2017 Share Option Scheme and any other share option schemes of the Company (and to which the provisions of the GEM Listing Rules are applicable) shall not in aggregate exceed 10% of the shares of the Company in issue as at the date of adoption (the "Mandate Limit of Option Scheme"). Options lapsed in accordance with the terms of the 2017 Share Option Scheme will not be counted for the purpose of calculating the Mandate Limit of Option Scheme.

The Company may seek approval from its shareholders in general meeting for refreshing the Mandate Limit of Option Scheme under the 2017 Share Option Scheme. However, the total number of shares which may be issued upon exercise of all options to be granted under the 2017 Share Option Scheme and any other schemes of the Company under the limit as "refreshed" must not exceed 10% of the shares in issue as at the date of passing the relevant resolution to refresh such limit. Options previously granted under the 2017 Share Option Scheme and any other schemes (including those outstanding, cancelled, lapsed in accordance with the 2017 Share Option Scheme or any other schemes or exercised options) will not be counted for the purpose of calculating the Mandate Limit of Option Scheme as "refreshed". The Company may seek separate approval from its shareholders in general meeting for granting options beyond the Mandate Limit of Option Scheme provided the options in excess of the Mandate Limit of Option Scheme are granted only to eligible participants of the option scheme specifically identified by the Company before such approval is sought.

Unless approved by the shareholders, the total number of shares issued and to be issued upon exercise of the options granted to each eligible participant of the 2017 Share Option Scheme (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the shares in issue.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

31. SHARE-BASED COMPENSATION TRANSACTIONS – *continued*

(a) The Share Option Scheme adopted by the Company in 2017 – *continued*

The amount of HK\$1.00 is payable as consideration for each grant of options under the 2017 Share Option Scheme, upon acceptance of such grant. The subscription price in respect of shares upon exercise of options under the Share Option Scheme shall be such price as determined by the Board in its absolute discretion at the time of the grant of the relevant option (and shall be stated in the letter containing the offer of the grant of the option), but in any case the subscription price shall not be less than the higher of (a) closing price of the shares as stated in the daily quotation sheet of Stock Exchange on the date of grant, which must be a business day; (b) the average closing price of the shares as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the date of grant; and (c) the nominal value of a share.

Unless otherwise specified by the Board, a grantee is not required to achieve any performance target or to hold an option for a minimum period from the date of grant before any option granted under the 2017 Share Option Scheme can be exercised.

An option granted under the Share Option Scheme may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined by our Board at its absolute discretion and notified by our Board to each grantee as being the period during which an option may be exercised and in any event, such period shall not be longer than 10 years from the date upon which any particular option is granted in accordance with the Share Option Scheme.

62,000,000 options were granted under the 2017 Share Option Scheme on 24 May 2017 with estimated total fair values of RMB29,510,000.

The exercise price of the share options granted is HK\$1.33 per share. The share options are valid for a period of 10 years from 24 May 2017. Included in the 62,000,000 share options, 25,340,000 options, 18,330,000 options and 18,330,000 options will vest on the grant date, the first anniversary of the grant date and the second anniversary of the grant date respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

31. SHARE-BASED COMPENSATION TRANSACTIONS – continued

(a) The Share Option Scheme adopted by the Company in 2017 – continued

Movements in the number of the Company's share options under the 2017 Share Option Scheme during the year ended 31 March 2025 and 2024 are as follows:

	2025		2024	
	Average exercise price in HK\$ per share option	Number of share options	Average exercise price in HK\$ per share option	Number of share options
Directors				
At the beginning of the year	1.33	3,793,000	1.33	4,093,000
Re-designated from others	1.33	3,635,000	–	–
Re-designated to others	–	–	1.33	(300,000)
At the end of the year	1.33	7,428,000	1.33	3,793,000
Others				
At the beginning of the year	1.33	57,689,700	1.33	57,389,700
Re-designated to directors	1.33	(3,635,000)	–	–
Re-designated from directors	–	–	1.33	300,000
At the end of the year	1.33	54,054,700	1.33	57,689,700
Total				
At the beginning and at end of the year	1.33	61,482,700	1.33	61,482,700
Exercisable at the end of the year	1.33	61,482,700	1.33	61,482,700

As at 31 March 2025, the Group had 61,482,700 (2024: 61,482,700) share options outstanding under the 2017 Share Option Scheme, which represented 9.75% (2024: 9.75%) of the issued ordinary shares of the Company as at 31 March 2025.

None of the above share options were exercised during the year ended 31 March 2025 and 2024. The weighted average remaining contractual life of options outstanding as at 31 March 2025 was 2.15 years (2024: 3.15 years).

No expenses were recognised in relation to the 2017 Share Option Scheme for the year ended 31 March 2025 and 2024 as the share options had been fully vested.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

31. SHARE-BASED COMPENSATION TRANSACTIONS – *continued*

(b) Share Award Scheme adopted by the Company in 2017

On 20 March 2017, the Company adopted the Share Award Scheme (the “2017 Share Award Scheme”) to recognise and reward the contribution of certain selected participants to the growth and development of the Group. The Share Award Scheme does not constitute a share option scheme or an arrangement analogous to share option scheme for the purpose of Chapter 23 of the GEM Listing Rules. The shares under the Share Award Scheme will be acquired by a trustee by way of subscription of new shares (whether pursuant to general mandate or specific mandate granted by the shareholders or otherwise) and/or purchase of shares from the market out of cash contributed by the Group and be held on trust for the participants until such awarded shares are vested in the relevant selected participants in accordance with the provisions of the 2017 Share Award Scheme. The administrator of the Share Award Scheme, may from time to time, at its absolute discretion, select any participant for participation in the Share Award Scheme as a selected participant.

The Company has appointed The Core Trust Company Limited as the trustee (the “Trustee”). The Trustee is an independent third party of the Company and is acting for a wide scope of participants under the 2017 Share Award Scheme.

Unless early terminated by the Board, the 2017 Share Award Scheme shall be valid and effective for a term of 10 years commencing on the adoption date of the 2017 Share Award Scheme, provided that no contribution to the trust fund will be made by the Company on or after the 10th anniversary date of the adoption date of the 2017 Share Award Scheme.

The Board shall not make any further award of shares which will result in the number of shares awarded by the Board under the 2017 Share Award Scheme to be in excess of 8.5% of the issued share capital of the Company as at the adoption date of the 2017 Share Award Scheme unless otherwise determined by the resolution of the Board.

The maximum number of shares to be awarded under the 2017 Share Award Scheme in each financial year of the Company shall not exceed 3% of the issued share capital of the Company as at the adoption date of the 2017 Share Award Scheme.

The maximum number of shares which may be allocated and awarded to a selected participant under the 2017 Share Award Scheme in any 12-month period shall not exceed 1% of the issued share capital of the Company immediately preceding such allocation and award.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

31. SHARE-BASED COMPENSATION TRANSACTIONS – *continued*

(b) Share Award Scheme adopted by the Company in 2017 – *continued*

On each occasion when the Board instructs the Trustee to purchase shares from the market, it shall specify the maximum amount of funds to be used and the range of prices at which such shares are to be purchased. The Trustee may not incur more than the maximum amount of funds or purchase any shares at a price falling outside the range of prices so specified unless with the prior written consent of the Board.

Vesting of the shares will be conditional on the selected participant remaining a participant at all times after the relevant dates of the fulfilment of the performance targets (if any) specified by the Board and on the vesting date until and on each of the relevant vesting dates and his/her execution of the relevant documents to effect the transfer from the Trustee, unless otherwise determined by the Board.

The Trustee shall not exercise the voting rights in respect of any shares held under the trust (including but not limited to the awarded shares, the returned shares and further shares acquired out of the income derived therefrom).

Pursuant to the resolution passed at the annual general meeting of the Company held on 18 May 2017, 12,000,000 share awards were granted by the Company to the key employees of the Group under the 2017 Share Award Scheme with estimated fair value of RMB14,325,000. The fair value of the awarded shares was determined with reference to the market price of the Company's shares at the grant date. The 12,000,000 awarded shares are subject to a vesting scale in which 40%, 30% and 30% of the awarded shares shall vest on 18 May 2017, 20 March 2018 and 20 March 2019 respectively.

In 2017, the Company has issued 12,000,000 new shares to the Trustee for the 2017 Share Award Scheme and classified them as treasury shares of the Company. As at 31 March 2025 and 31 March 2024, the Group had 10,607,207 share awards vested under the 2017 Share Award Scheme, which represented 1.68% of the issued ordinary shares of the Company, while the remaining 1,392,793 shares awards related to the forfeited share awards before vested, and remained in the Trustee as at 31 March 2025 and 31 March 2024.

No shares were purchased or granted by the Company under the 2017 Share Award Scheme during the year ended 31 March 2025 and 2024.

The Group has not recognised any expense in relation to the 2017 Share Award Scheme during the year ended 31 March 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2025 RMB'000	2024 RMB'000
Non-current asset		
Interest in a subsidiary	—	—
	—	—
Current assets		
Other receivables	15,437	247
Amount due from a subsidiary	97,416	136,160
Amount due from a related party	589	—
Amount due from an associate	52	—
Cash and cash equivalents	81	204
	113,575	136,611
Current liabilities		
Other payables	18,003	13,014
Amount due to a director	11,009	38,272
	29,012	51,286
Net current assets	84,563	85,325
Net assets	84,563	85,325
EQUITY		
Share capital	43	43
Reserves (Note)	84,520	85,282
Total equity	84,563	85,325

Guo Langhua
Director

Pang Gang
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY – continued

Note: The movements of the Company's reserves are as follows:

	Treasury shares RMB'000	Share premium RMB'000	Translation reserve RMB'000	Share option reserve RMB'000	Other reserve RMB'000	Accumulated losses RMB'000	Total reserves RMB'000
As at 1 April 2023	(1)	600,213	14,514	25,365	31,278	(583,355)	88,014
Loss for the year	–	–	–	–	–	(5,506)	(5,506)
Currency translation differences	–	–	2,774	–	–	–	2,774
As at 31 March 2024 and 1 April 2024	(1)	600,213	17,288	25,365	31,278	(588,861)	85,282
Loss for the year	–	–	–	–	–	(3,689)	(3,689)
Currency translation differences	–	–	2,927	–	–	–	2,927
As at 31 March 2025	(1)	600,213	20,215	25,365	31,278	(592,550)	84,520

As at 31 March 2025, the aggregate amount of reserves available for distribution to owners of the Company was RMB7,663,000 (2024: RMB11,352,000).

33. COMMITMENTS

At the end of the reporting period, the lease commitments for short-term leases are as follows:

	2025 RMB'000	2024 RMB'000
Premises		
– Within one year	1,993	163

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Reconciliation of liabilities arising from financing activities

The table below set out the reconciliation of liabilities arising from financing activities for the year:

	Bank borrowings RMB'000	Other borrowings RMB'000	Interest payable RMB'000	Amounts due to related parties RMB'000	Amount due to a joint venture RMB'000	Amounts due to associates RMB'000	Amount due to a director RMB'000	Lease liability RMB'000	Total RMB'000
As at 1 April 2023	119,600	6,459	453	14,371	18	6,514	12,965	9,661	170,041
Financing cash inflows	216,160	—	—	549	—	59,829	28,238	—	304,776
Financing cash outflows	(142,515)	(6,459)	—	(889)	—	(30,672)	—	—	(180,535)
Capital element of lease rental paid	—	—	—	—	—	—	—	(2,899)	(2,899)
Interest element of lease rental paid	—	—	—	—	—	—	—	(252)	(252)
Interest paid	—	—	(8,634)	—	—	—	—	—	(8,634)
Non-cash change:									
- Interest accrued	—	—	8,181	—	—	—	—	252	8,433
- Decrease from lease modification	—	—	—	—	—	—	—	(2,834)	(2,834)
- Foreign exchange movements	—	—	—	—	—	—	(1,205)	—	(1,205)
As at 31 March 2024	<u>193,245</u>	<u>—</u>	<u>—</u>	<u>14,031</u>	<u>18</u>	<u>35,671</u>	<u>39,998</u>	<u>3,928</u>	<u>286,891</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS – continued

Reconciliation of liabilities arising from financing activities – continued

	Bank borrowings RMB'000	Interest payable RMB'000	Amounts due to related parties RMB'000	Amount due to a joint venture RMB'000	Amounts due to associates RMB'000	Amount due to a director RMB'000	Amount due to a shareholder RMB'000	Lease liability RMB'000	Total RMB'000
As at 1 April 2024	193,245	–	14,031	18	35,671	39,998	–	3,928	286,891
Financing cash inflows	212,000	–	–	–	–	–	–	–	212,000
Financing cash outflows	(226,864)	–	(11,558)	(18)	(30,760)	(20,855)	–	–	(290,055)
Capital element of lease rental paid	–	–	–	–	–	–	–	(1,657)	(1,657)
Interest element of lease rental paid	–	–	–	–	–	–	–	(76)	(76)
Interest paid	–	(9,101)	–	–	–	–	–	–	(9,101)
Non-cash change:									
– Interest accrued	–	9,101	–	–	–	–	–	76	9,177
– Decrease from early termination of lease	–	–	–	–	–	–	–	(2,271)	(2,271)
– Foreign exchange movements	–	–	–	–	–	916	–	–	916
– Transfer of amount due to a director to a shareholder due to the resignation of a director	–	–	–	–	–	(20,059)	20,059	–	–
As at 31 March 2025	178,381	–	2,473	–	4,911	–	20,059	–	205,824

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

35. RELATED PARTY TRANSACTIONS

The Group's accounting policies on related parties are disclosed in Note 4.23. In addition to the transactions/information disclosed elsewhere in these consolidated financial statements, during the year ended 31 March 2025 and 2024, the Group had the following material transactions and balances with related parties:

(a) During the year ended 31 March 2025, the related parties that had transactions with the Group were as follows:

Name of related parties	Relationship with the Group
Mr. Zheng	Ultimate beneficial owner of the Company
Mr. Guo	Director of the Company
Beijing Sunshine Cloud Technology Co., Ltd. (北京陽光雲視科技有限公司) ("Beijing Cloud")	Company in which Mr. Guo can exercise significant influence
Xinxin Holdings Limited (信心控股有限公司) ("Xinxin Holdings")	Company in which Mr. Guo can exercise significant influence
Beijing Newauto	Company in which Mr. Pang can exercise significant influence
CDV Investment	Controlled by Mr. Guo
Beijing Xin'aote Technology Group Co., Ltd. (北京新奧特科技集團有限公司) ("Xin'aote Technology")	Controlled by Mr. Zheng
Beijing Xin'aote Digital Media Technology Enterprise Incubator Co., Ltd. (北京新奧特數字傳媒科技企業孵化器有限公司) ("Xin'aote Incubator")	Controlled by Mr. Guo
Beijing Xiaoshuju Media Technology Co., Ltd. (北京曉數聚傳媒科技有限公司) ("Xiaoshuju Media")	Company in which Mr. Zheng can exercise significant influence
Beijing Rongshi Media Co., Ltd. (北京融視傳媒有限公司) ("Rongshi Media")	Company in which Mr. Guo can exercise significant influence
Beijing Xinxin Shengtong Technology Development Co., Ltd (北京信心晟通科技發展有限公司) ("Xinxin Shengtong")	Controlled by Mr. Guo

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

35. RELATED PARTY TRANSACTIONS – continued

- (a) During the year ended 31 March 2025, the related parties that had transactions with the Group were as follows:
(Continued)

Name of related parties	Relationship with the Group
Beijing Haimi Culture Media Co., Ltd (北京海米文化傳媒有限公司) ("Haimi Culture Media")	Other related parties
Beijing Xin'aote Sports Technology Co., Ltd (北京新奧特體育科技有限公司) ("Sports Technology")	Other related parties
Beijing Meicam	Associate
Smart Sport	Associate
Beijing Yueying	Associate
Xin'aote Fujian Culture	Associate
Tuteng Shijie	Associate
Beijing Xin'aote Sports	Associate
Beijing Jinsong	Associate
Beijing Jingqi	Joint venture

Note:

Mr. Zheng disposed his interest in Frame Link Information Technology (Nanjing) Co., Ltd. (Formally known as Xin'aote (Nanjing) Video Technology Co., Ltd) (幀聯信科(南京)技術有限公司) (前稱: 新奧特(南京)視頻技術有限公司) ("Frame Link"). Thus Frame Link ceased to be a related party.

The Group indirectly held 51% of Beijing Xin'aote Yunchuang Technology Co., Ltd. (北京新奧特雲創科技有限公司) ("**Xin'aote Yunchuang**") until CDV Investment disposed its interest in Beijing Newauto. The Group currently indirectly hold 10% of Xin'aote Yunchuang, the management determined the Group could not exercise significant influence in this Company. Thus Xin'aote Yunchuang ceased to be a related party.

Totem Vision (Beijing) Digital Technology Co., Ltd (圖騰視界(北京)數字科技有限公司) ("Tuteng Shijie (Beijing)"), one of the subsidiaries of Tuteng Shijie, deregistered during the year ended 31 March 2025. Thus Tuteng Shijie (Beijing) ceased to be a related party.

Zehui (Beijing) Technology Co., Ltd. (擇慧(北京)科技有限公司) ("Zehui"), one of the related party of the Company, deregistered during the year ended 31 March 2025. Thus Zehui ceased to be a related party.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

35. RELATED PARTY TRANSACTIONS – continued

- (b) During the year ended 31 March 2025 and 2024, the transactions with related parties of the Group, other than disclosed elsewhere in the consolidated financial statements, were as follows:

		2025 RMB'000	2024 RMB'000
Beijing Newauto	Sales of goods and provision of services*	728	5,980
CDV Investment	Rental fee and property management fee paid*(Note)	—	1,793
Xinxin Shengtong	Rental fee and property management fee paid	4,149	2,789
Beijing Jingqi	Technical development fee	3,889	1,269
Tuteng Shijie	Purchase of goods and services	23,484	110,749
Tuteng Shijie	Sales of goods	6,882	2,772
Tuteng Shijie (Beijing)	Purchase of services	—	6,683
Tuteng Shijie (Beijing)	Sales of goods	—	4
Beijing Meicam	Purchase of goods	150	137
Xin'aote Fujian Culture	Purchase of goods	2,750	—
Sports Technology	Provision of services	1,613	—
Beijing Xin'aote Sports	Sales of goods and provision of services	1,029	708
Frame link	Purchase of services	—	605
Frame link	Sales of goods and provision of services	—	558

* These related party transactions constitute continuing connected transactions as defined in Chapter 20 of the GEM Listing Rules.

Note: The amount included the interest portion on the lease liability of Nil (2024: RMB252,000) paid to CDV Investment.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

35. RELATED PARTY TRANSACTIONS – *continued*

(c) Guarantee provided by related parties

As at 31 March 2025, Mr. Zheng and Beijing Newauto have provided cross-guarantee in respect of a bank borrowing of 10,000,000 (2024: Nil) granted to the Group.

As at 31 March 2025, Mr. Zheng and CDV WFOE have provided cross-guarantee in respect of a bank borrowing of RMB10,000,000 (2024: RMB8,000,000) granted to the Group.

As at 31 March 2025, Mr. Zheng, Mr. Guo and CDV WFOE have provided cross-guarantee in respect of a bank borrowing of RMB8,000,000 (2024: Nil) granted to the Group.

As at 31 March 2025, Mr. Zheng, CDV WFOE and third parties have provided cross-guarantee in respect of the bank borrowings of RMB5,000,000 (2024: RMB18,000,000) granted to the Group.

As at 31 March 2025, Mr. Zheng, CDV Investment and third parties have provided cross-guarantee in respect of a bank borrowing of Nil (2024: RMB500,000) granted to the Group.

As at 31 March 2025, Mr. Zheng, CDV Investment, CDV WFOE and third parties have provided cross-guarantee in respect of a bank borrowing of Nil (2024: RMB19,600,000) granted to the Group.

As at 31 March 2025, Mr. Zheng and third parties have provided cross-guarantee in respect of the bank borrowings of RMB63,000,000 (2024: RMB60,000,000) granted to the Group.

As at 31 March 2025, Mr. Zheng has provided personal guarantee in respect of a bank borrowing of Nil (2024: RMB4,000,000) granted to the Group.

As at 31 March 2025, third parties have provided guarantee in respect of the bank borrowings of RMB45,281,000 (2024: RMB43,145,000) granted to the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

35. RELATED PARTY TRANSACTIONS – continued

(d) Trade and other receivables from related parties

	2025 RMB'000	2024 RMB'000
Trade receivables		
Beijing Newauto	26,081	16,982
Beijing Cloud	620	597
Xiaoshuju Media	1,290	100
Beijing Jingqi	23	4
Tuteng Shijie	3,112	3,112
Beijing Yueying	710	—
Beijing Meicam	240	307
Sports Technology	—	200
Frame Link	—	124
	32,076	21,426
Other receivables (note)		
CDV Investment	10,595	9,553
Rongshi Media	2,000	2,000
Beijing Cloud	—	768
Xinxin Holdings	824	824
Xin'aote Technology	20	20
Beijing Newauto	470	9,127
Xiaoshuju media	396	—
Xinxin Shengtong	1	1,000
Beijing Jingqi	5,755	7,019
Beijing Yueying	3,397	3,756
Beijing Meicam	1,351	1,697
Smart Sport	—	406
Tuteng Shijie	1,426	279
Beijing Jinsong	246	246
Sports Technology	82	3,300
Haimi Culture Media	—	879
Beijing Xin'aote Sports	—	613
Xin'aote Yunchuang	—	33
Mr. Guo	200	—
	26,763	41,520
	58,839	62,946

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

35. RELATED PARTY TRANSACTIONS – continued

(e) Trade and other payables to related parties

	2025 RMB'000	2024 RMB'000
Trade payables		
Xiaoshuju Media	423	–
Beijing Newauto	–	2,190
Beijing Jingqi	–	170
Tuteng Shijie	11,473	4,093
Xin'aote Fujian Culture	2,533	–
Tuteng Shijie (Beijing)	–	308
Beijing Xin'aote Sports	902	902
	15,331	7,663
Other payables (note)		
CDV Investment	879	2,876
Beijing Newauto	475	2,074
Beijing Cloud	688	958
Xin'aote Incubator	409	694
Xinxin Shengtong	22	77
Beijing Jingqi	–	18
Xin'aote Fujian Culture	–	2,877
Beijing Meicam	3,588	1,537
Beijing Xin'aote Sports	1,023	1,865
Tuteng Shijie	300	29,390
Haimi Culture Media	–	340
Tuteng Shijie (Beijing)	–	2
Frame Link	–	12
Zehui	–	7,000
Mr. Zheng	20,059	39,998
	27,443	89,718
	42,774	97,381

Note: The amounts due are unsecured, interest-free and repayable on demand.

(f) Lease liability to a related party

As at 31 March 2025, the Group has lease liability of Nil (2024: RMB3,928,000) to CDV Investment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

35. RELATED PARTY TRANSACTIONS – continued

(g) Key management personnel remuneration

Key management of the Group are members of the board of Directors and senior management of the Group. Key management personnel remuneration includes the following expenses:

	2025 RMB'000	2024 RMB'000
Fees, salaries, allowances and benefits in kind	2,995	3,517
Retirement benefit scheme contributions	224	320
	3,219	3,837

36. FINANCIAL RISK MANAGERMENTS AND FAIR VALUE MEASUREMENTS

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the senior management of the Group and approved by the Board.

(a) Categories of financial assets and liabilities

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

	2025 RMB'000	2024 RMB'000
Financial assets		
Financial assets at amortised cost		
– Trade and other receivables	121,293	139,827
– Contract assets	7,962	11,799
– Restricted bank deposits	2,376	1,644
– Cash and cash equivalents	141,021	151,070
Financial assets at FVTPL	8,753	11,888
	281,405	316,228
Financial liabilities		
Financial liabilities at amortised cost		
– Trade and other payables	162,658	228,974
– Interest-bearing borrowings	178,381	193,245
– Lease liability	–	3,928
	341,039	426,147



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

36. FINANCIAL RISK MANagements AND FAIR VALUE MEASUREMENTS – *continued*

(b) Foreign currency risk

The transactions of the Company are denominated and settled in its functional currency, USD. The majority of the assets and liabilities of the Company, were denominated in USD. The Group's subsidiaries mainly operate in the PRC and majority of the transactions are settled in RMB. Accordingly, the Group did not have significant foreign currency risk from its operations.

The Group does not hedge its foreign currency risk. However, management monitors the foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

(c) Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from its fixed-rate loan receivables, bank deposits which carry interest at effective market interest rates and interest-bearing borrowings. Borrowings bearing variable interest rates expose the Group to cash flow interest rate risk. As at 31 March 2025, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have increased/decreased the Group's loss after income tax by RMB1,784,000 (2024: decreased/increased by RMB1,932,000).

(d) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group is exposed to credit risk in relation to its cash and bank deposits, trade and other receivables and contract assets.

Trade receivables and contract assets

The Group's policy is to deal only with credit worthy counterparties. Credit terms are granted to new customers after a credit worthiness assessment by the credit control team. When considered appropriate, customers may be requested to provide proof as to their financial position. Where available at reasonable cost, external credit ratings and/or reports on customers are obtained and used. Customers who are not considered creditworthy are required to pay in advance or on delivery of goods. Payment record of customers is closely monitored. It is not the Group's policy to request collateral from its customers.

As set out in Note 4.9, in calculating the ECL allowance on trade receivables and contract assets, the Group applies simplified approach for individual customers with significant outstanding balances (i.e. state-owned enterprises) and other customers under the provision matrix sharing on similar credit risk characteristics. In considering the ECL allowance under the provision matrix, the expected loss rates are based on the payment profile of the sales in the past 36 months as well as the corresponding historical credit losses. The historical rates are adjusted to reflect current and forward-looking macroeconomic factors (including the change in the economic environment arising from the COVID-19) affecting the customer's ability to settle the amount outstanding. At the end of each reporting period, the historical default rates are updated and changes in the forward-looking estimates are analysed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

36. FINANCIAL RISK MANAGERMENTS AND FAIR VALUE MEASUREMENTS – continued

(d) Credit risk – continued

Trade receivables and contract assets – continued

Trade receivables and contract assets are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make contractual payments greater than 3 years past due from the invoice date and failure to engage with the Group on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

The Group's revenue were mainly generated from state-owned TV broadcasters and other distributors in the PRC. As at 31 March 2025 and 31 March 2024, all of the Group's trade receivables and contract assets were from customers located in the PRC. The Group has closely monitored the market trend of TV broadcasting industry and the business performance of these customers to ensure timely collection of the receivables and will consider to diversify its customers base as appropriate.

On the above basis, the ECL allowance for trade receivables and contract assets as at 31 March 2025 and 2024 was determined as follows:

	ECL rate	Gross carrying amount		Total ECL allowance
		Contract assets	Trade receivables	
		RMB'000	RMB'000	RMB'000
As at 31 March 2025				
Current to 1 year past due	7.3%-31.3%	7,453	56,132	8,157
1 to 2 years past due	14.8%-57.2%	1,621	28,862	6,955
More than 2 years past due	33.9%-66.3%	24,603	16,923	33,914
		<u>33,677</u>	<u>101,917</u>	<u>49,026</u>
As at 31 March 2024				
Current to 1 year past due	3.9%-27.3%	10,598	87,797	9,454
1 to 2 years past due	8.9%-55.8%	1,420	21,148	8,948
More than 2 years past due	27.1%-90.5%	27,496	27,066	45,978
		<u>39,514</u>	<u>136,011</u>	<u>64,380</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

36. FINANCIAL RISK MANagements AND FAIR VALUE MEASUREMENTS – continued

(d) Credit risk – continued

Trade receivables and contract assets – continued

The movement in the ECL allowance of trade receivables is as follows:

	2025 RMB'000	2024 RMB'000
Balance at the beginning of the year	36,665	84,852
(Reversal of ECL allowance)/ECL allowance recognised	(676)	5,125
Written off as uncollectible	(12,678)	(53,312)
Balance at the end of the year	23,311	36,665

The movement in the ECL allowance of contract assets is as follows:

	2025 RMB'000	2024 RMB'000
Balance at the beginning of the year	27,715	4,666
(Reversal of ECL allowance)/ECL allowance recognised	(2,000)	23,049
Balance at the end of the year	25,715	27,715

Other financial assets at amortised cost

Other financial assets at amortised cost include other receivables, restricted bank deposits and bank balances and cash. The management of the Group would make periodic collective and individual assessment on the recoverability of other receivables based on historical settlement records and past experience as well as current external information. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

36. FINANCIAL RISK MANAGERMENTS AND FAIR VALUE MEASUREMENTS – continued

(d) Credit risk – continued

Other financial assets at amortised cost – continued

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

Category	Description	Basis for recognising ECL
Stage 1: Low risk	The counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
Stage 2: Doubtful	There has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired
Stage 3: In default	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

ECL on other receivables (excluding prepayments and advances to suppliers and employees) are assessed individually and measured as either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout the reporting period.

The movements in the gross amount of other receivables are as follows:

	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Total RMB'000
As at 1 April 2023	32,006	—	33,134	65,140
Net changes on the gross amount	16,974	5,907	4,454	27,335
As at 31 March 2024 and 1 April 2024	48,980	5,907	37,588	92,475
Net changes on the gross amount	(3,927)	(5,907)	10,538	704
As at 31 March 2025	45,053	—	48,126	93,179

During the year ended 31 March 2025, there were no transfers (2024: Nil) between stages in the ECL assessment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

36. FINANCIAL RISK MANagements AND FAIR VALUE MEASUREMENTS – continued

(d) Credit risk – continued

Other financial assets at amortised cost – continued

The movements in the ECL allowance of other receivables are as follows:

	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Total RMB'000
As at 1 April 2023	14,948	—	29,833	44,781
(Reversal of ECL allowance)/ ECL allowance recognised	(6,306)	5,764	7,755	7,213
As at 31 March 2024 and 1 April 2024	8,642	5,764	37,588	51,994
(Reversal of ECL allowance)/ ECL allowance recognised	(6,276)	(5,764)	10,538	(1,502)
As at 31 March 2025	2,366	—	48,126	50,492

To manage the credit risk arising from bank balances and cash, the Group only transacts with state-owned financial institutions and reputable commercial banks which are all high-credit-quality financial institutions. The Group does not expect that there will be any significant losses from non-performance by these counterparties.

(e) 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 another financial assets. The Group is exposed to liquidity risk in respect of settlement of trade payables and its financing obligations, and also in respect of its cash flow management. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants and its relationship with its bankers and related parties to ensure that the Group maintain sufficient reserves of cash and cash equivalents and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

Analysed below is the Group's remaining contractual maturities for its non-derivative financial liabilities as at 31 March 2025 and 2024. When the creditor has a choice of when the liability is settled, the liability is included on the basis of the earliest date on when the Group can be required to pay. Where the settlement of the liability is in instalments, each instalment is allocated to the earliest period in which the Group is committed to pay.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

36. FINANCIAL RISK MANAGERMENTS AND FAIR VALUE MEASUREMENTS – continued

(e) Liquidity risk – continued

The contractual maturity analysis below is based on the undiscounted cash flows of the financial liabilities.

	Within 1 year or on demand RMB'000	Between 1 and 5 years RMB'000	Total contractual undiscounted amount RMB'000	Carrying amount RMB'000
At 31 March 2025				
Trade and other payables	162,658	—	162,658	162,658
Interest-bearing borrowings	181,008	—	181,008	178,381
	<u>343,666</u>	<u>—</u>	<u>343,666</u>	<u>341,039</u>
At 31 March 2024				
Trade and other payables	228,974	—	228,974	228,974
Interest-bearing borrowings	196,249	—	196,249	193,245
Lease liability	3,466	578	4,044	3,928
	<u>428,689</u>	<u>578</u>	<u>429,267</u>	<u>426,147</u>

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

The following table presents 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 into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets and 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 not using significant unobservable inputs.

Level 3: inputs for the asset or liability that are not based on observable market data (significant unobservable inputs).

The level in the fair value hierarchy within which the financial asset is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

36. FINANCIAL RISK MANAGERMENTS AND FAIR VALUE MEASUREMENTS – continued

(f) Fair value measurements recognised in the consolidated statement of financial position – continued

The financial assets measured at fair value in the consolidated statement of financial position on a recurring basis are grouped into the fair value hierarchy as follows:

	Level 3	
	2025 RMB'000	2024 RMB'000
Financial assets at FVTPL		
– Unlisted equity investment	8,753	11,888

During the year ended 31 March 2025 and 2024, there were no transfers amongst level 1, level 2 and level 3 in the fair value hierarchy.

The information about the fair value of unlisted equity investments categorised under Level 3 of the fair value hierarchy is described below:

	Valuation technique	Unobservable input	Range (median)	
			2025	2024
– Unlisted equity investment (Note)	Market approach and adjusted net assets approach	Discount of lack of marketability	21.1%	22.5%

Note:

With the assistance of independent professional valuer, the fair value of unlisted equity investment is determined using the market approach and net asset values adjusted for lack of marketability discount. An increase in the lack of marketability discount would decrease the fair value of the unlisted equity investments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

36. FINANCIAL RISK MANAGERMENTS AND FAIR VALUE MEASUREMENTS – continued

(f) Fair value measurements recognised in the consolidated statement of financial position – continued

The reconciliation of the carrying amounts of the Group's financial assets at FVTPL classified within Level 3 of the fair value hierarchy is as follows:

	2025 RMB'000	2024 RMB'000
Unlisted equity investment		
Fair value at the beginning of the year	11,888	13,321
Fair value loss recognised in consolidated statement of profit or loss and other comprehensive income	(3,135)	(1,433)
Fair value at the end of the year	8,753	11,888

Fair value change on unlisted equity investments is recognised in the consolidated statement of profit or loss and other comprehensive income and included under "other income" (Note 7). There have been no transfers into or out of Level 3 during the year ended 31 March 2025 (2024: Nil).

37. CAPITAL MANAGEMENT

The objectives of the Group when managing capital are to safeguard the ability of the Group in continuing as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to enhance shareholders' value in the long term.

The Group monitors capital by regularly reviewing the capital structure. As part of this review, the directors of the Company consider the cost of capital and the risks associated with the issued share capital. The Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debts. The Group's overall strategy remains unchanged from prior years.

FIVE-YEAR FINANCIAL SUMMARY

Below is the summary of audited consolidated financial statements for the relevant years/period:

	For the year ended 31 March		For the fifteen months ended 31 March	For the year ended 31 December	
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2021 RMB'000	2020 RMB'000
Revenue	134,576	145,948	260,331	249,655	312,040
Loss before income tax	(30,546)	(159,256)	(107,152)	(102,765)	(61,629)
Loss for the year/period	(30,546)	(150,676)	(108,747)	(102,765)	(69,095)
Total comprehensive loss for the year/period	(29,249)	(150,945)	(96,764)	(106,876)	(80,104)
Loss for the year/period attributable to:					
Owners of the Company	(28,001)	(147,396)	(111,010)	(104,972)	(71,060)
Non-controlling interests	(2,545)	(3,280)	2,263	2,207	1,965

	As at 31 March			As at 31 December	
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2021 RMB'000	2020 RMB'000
Total assets	413,729	522,498	547,340	652,954	848,167
Total liabilities	449,720	529,240	405,137	413,987	501,917
Net (liabilities)/assets	(35,991)	(6,742)	142,203	238,967	346,250