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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2024 AND RESUMPTION OF TRADING

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the "**Directors**") of 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 announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

In this announcement, "we", "us" or "our" refers to the Company and where the context otherwise requires, the Group (as defined below).

The board of Directors (the "**Board**") of the Company is pleased to announce the consolidated financial results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 March 2024 (the "**2023 Annual Year**"), together with the comparative figures for the fifteen months ended 31 March 2023 (the "**2022/2023 Annual Period**").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	**Year ended 31 March 2024 RMB'000**	Fifteen months ended 31 March 2023 RMB'000
Revenue	6	**145,948**	260,331
Cost of sales		**(122,931)**	(205,306)
Gross profit		**23,017**	55,025
Other income	7	**1,631**	39,793
Selling and marketing expenses		**(54,410)**	(59,443)
Administrative expenses		**(18,406)**	(37,476)
Research and development expenses		**(24,998)**	(19,553)
Finance costs	8	**(8,433)**	(10,286)
Net impairment loss on trade and other receivables and contract assets		**(35,378)**	(20,536)
Reversal of impairment loss/(impairment loss) on property, plant and equipment	14	**3,024**	(12,124)
Impairment loss on intangible assets	15	**(29,536)**	(23,518)
Impairment loss on interest in an associate	19	**(12,481)**	(16,743)
Share of results of associates	19	**(3,286)**	(2,291)
Loss before income tax		**(159,256)**	(107,152)
Income tax credit/(expense)	9	**8,580**	(1,595)
Loss for the year/period	10	**(150,676)**	(108,747)

	Notes	Year ended 31 March 2024 RMB'000	Fifteen months ended 31 March 2023 RMB'000
Other comprehensive (loss)/income			
Item that may be subsequently reclassified to profit or loss:			
Exchange difference arising on the translation of a foreign operation		**(269)**	11,983
Total comprehensive loss for the year/period		**(150,945)**	(96,764)
Loss for the year/period attributable to:			
Owners of the Company		**(147,396)**	(111,010)
Non-controlling interests		**(3,280)**	2,263
		(150,676)	(108,747)
Total comprehensive loss for the year attributable to:			
Owners of the Company		**(147,665)**	(99,027)
Non-controlling interests		**(3,280)**	2,263
		(150,945)	(96,764)
Loss per share (expressed in RMB cents per share)	11		
Basic		**(23.84)**	(17.95)
Diluted		**(23.84)**	(17.95)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2024

	Notes	**2024**	2023
		RMB'000	RMB'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	14	**—**	1,544
Intangible assets	15	**9,290**	58,790
Goodwill	16	**—**	—
Interest in a joint venture	18	**—**	—
Interests in associates	19	**13,416**	29,183
Financial assets at fair value through profit or loss ("FVTPL")	20	**11,888**	13,321
		34,594	102,838
Current assets			
Inventories	21	**33,825**	18,512
Trade and other receivables	22	**289,566**	197,657
Contract assets	23	**11,799**	41,980
Restricted bank deposits	24	**1,644**	1,184
Cash and cash equivalents	24	**151,070**	185,169
		487,904	444,502
Current liabilities			
Trade and other payables	25	**313,749**	251,291
Contract liabilities	23	**18,318**	9,546
Interest-bearing borrowings	26	**193,245**	126,059
Income tax liabilities		**—**	8,580
Lease liability	28	**3,354**	4,320
		528,666	399,796
Net current (liabilities)/assets		**(40,762)**	44,706
Total assets less current liabilities		**(6,168)**	147,544

	Notes	**2024**	2023
		RMB'000	RMB'000
Non-current liability			
Lease liability	28	**574**	5,341
		574	5,341
Net (liabilities)/assets		**(6,742)**	142,203
EQUITY			
Share capital	29	**43**	43
Reserves	30	**(12,453)**	135,212
Equity attributable to owners of the Company		**(12,410)**	135,255
Non-controlling interests		**5,668**	6,948
Total (deficit)/equity		**(6,742)**	142,203

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2024

	Equity attributable to owners of the Company										
	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	Total equity RMB'000
Balance at 1 January 2022	43	(1)	600,213	30,215	(12,244)	27,165	31,278	(442,614)	234,055	4,912	238,967
Comprehensive (loss)/income for the period											
(Loss)/Profit for the period	–	–	–	–	–	–	–	(111,010)	(111,010)	2,263	(108,747)
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	–	–	–	–	11,983	–	–	–	11,983	–	11,983
Total other comprehensive income	–	–	–	–	11,983	–	–	–	11,983	–	11,983
Total comprehensive income/(loss) for the period	–	–	–	–	11,983	–	–	(111,010)	(99,027)	2,263	(96,764)
Transaction with owners											
Appropriation for statutory reserve	–	–	–	566	–	–	–	(339)	227	(227)	–
Balance at 31 March 2023	43	(1)	600,213	30,781	(261)	27,165	31,278	(553,963)	135,255	6,948	142,203

	Equity attributable to owners of the Company										
	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	Total equity RMB'000
Balance at 31 March 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 other comprehensive loss	–	–	–	–	(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)

* These reserves comprise the Group's reserves of RMB12,453,000 (31 March 2023: RMB135,212,000) in the consolidated statement of financial position as at 31 March 2024.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	**Year ended 31 March 2024 RMB'000**	Fifteen months ended 31 March 2023 RMB'000
OPERATING ACTIVITIES			
Loss before income tax		**(159,256)**	(107,152)
Adjustments for:			
Depreciation of property, plant and equipment		**996**	7,901
Amortisation of intangible assets		**16,292**	37,682
Interest income		**(3,959)**	(6,766)
Finance costs		**8,433**	10,286
Net impairment loss on trade and other receivables and contract assets		**35,387**	20,536
(Reversal of allowance)/allowance for inventories		**(2,608)**	4,695
(Reversal of impairment)/impairment loss on property, plant and equipment		**(3,024)**	12,124
Impairment loss on intangible assets		**29,536**	23,518
Written off on development cost		**5,958**	—
Impairment loss on interest in an associate		**12,481**	16,743
Bad debts recovered		**—**	(2,368)
Gain on deemed disposal of partial interest in an associate		**—**	(2,782)
Loss/(gain) on lease modification		**971**	(1,055)
Gain on transfer of intangible assets		**—**	(6,300)
Fair value loss/(gain) on financial assets at FVTPL		**1,433**	(5,849)
Net foreign exchange gains		**221**	—
Share of results of associates	19	**3,286**	2,291

	Notes	Year ended 31 March 2024 RMB'000	Fifteen months ended 31 March 2023 RMB'000
OPERATING CASH FLOWS BEFORE WORKING CAPITAL CHANGES		**(53,853)**	3,504
(Increase)/decrease in inventories		**(12,444)**	14,593
Increase in trade and other receivables		**(62,789)**	(44,794)
Decrease in contract assets		**7,132**	4,580
Increase in trade and other payables		**3,843**	24,966
Increase/(decrease) in contract liabilities		**8,772**	(3,872)
CASH USED IN OPERATING ACTIVITIES		**(109,339)**	(1,023)
Income tax refunded		**—**	3
NET CASH USED IN OPERATING ACTIVITIES		**(109,339)**	(1,020)
INVESTING ACTIVITIES			
Interest received		**3,959**	4,806
Purchase of property, plant and equipment		**(494)**	(2,510)
Addition in development costs through internal development		**(2,286)**	(33,363)
Capital contribution to an associate		**—**	(9,237)
(Increase)/decrease in amount due from a joint venture		**(6,727)**	2,989
(Increase)/decrease in amounts due from related parties		**(29,008)**	1,466
(Increase)/decrease in amounts due from associates		**(4,197)**	1,047
Decrease in loan and interest receivables		**—**	202,072
Release of time deposits with original maturities exceeding three months		**—**	8,500
(Increase)/decrease in restricted bank deposits		**(460)**	886
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES		**(39,213)**	176,656

	Notes	Year ended 31 March 2024 RMB'000	Fifteen months ended 31 March 2023 RMB'000
FINANCING ACTIVITIES			
Interest paid	34	**(8,634)**	(9,456)
Decrease in amounts due to related parties	34	**(340)**	(26,997)
Increase in amounts due to associates	34	**29,157**	1,844
Increase in amount due to a joint venture	34	**—**	18
Increase in amount due to a director	34	**28,238**	12,965
Bank borrowings raised	34	**216,160**	128,500
Repayment of bank borrowings	34	**(142,515)**	(116,900)
Other borrowings raised	34	**—**	11,560
Repayment of other borrowings	34	**(6,459)**	(8,763)
Payment of lease liability	34	**(2,899)**	(5,085)
Interest paid for lease liability	34	**(252)**	(830)
Capital contribution by a non-controlling shareholder of a subsidiary		**2,000**	—
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES		**114,456**	(13,144)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(34,096)**	162,492
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**185,169**	22,692
Effect of foreign exchange rate changes		**(3)**	(15)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	24	**151,070**	185,169

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 march 2024

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**"), the executive director of the Company.

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

These consolidated financial statements for the year ended 31 March 2024 were approved for issue by the board of directors (the "**Board**") on 29 July 2024.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements of the Group has been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board (the "**IASB**"), International Accounting Standards ("**IASs**") 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.

The preparation of consolidated financial statements in conformity with IFRSs 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 RMB150,676,000 for the year ended 31 March 2024 and as of that date, the Group's current liabilities exceeded its current assets by approximately RMB40,762,000. 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 2024 based on its projected cash flow forecasts. The Directors have reviewed the financial position of the Group as at 31 March 2024, including its working capital and bank and cash balances, together with the projected cash flow forecasts for the next twelve months from 31 March 2024 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) 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

(b) the controlling shareholder has undertaken to provide continuous financial support to the Group to enable it to have sufficient liquidity to finance its operation.

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 liability as current assets and current liabilities respectively. The effects of these potential adjustments have not been reflected in the consolidated financial statements.

Change of financial year end date

Pursuant to the resolution of the board of directors of the Company on 30 December 2022, the Company's financial year end date has been changed from 31 December to 31 March commencing from the period from 1 January 2022 to 31 March 2023. Accordingly, the accompanying consolidated financial statements for the financial year cover a period of twelve months from 1 April 2023 to 31 March 2024. The corresponding comparative amounts shown for the consolidated statement of profit or loss and other comprehensive income, consolidated statement changes in equity, consolidated statement of cash flows and related notes cover a fifteen months period from 1 January 2022 to 31 March 2023 and therefore may not be comparable with shown for.

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 new and amendments to IFRSs issued by IASB, which are effective for the Group's financial year beginning on 1 April 2023 and relevant to the Group.

Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform – Pillar Two Model Rules
IFRS 17 (Including the June 2020 and December 2021 Amendment to IFRS 17)	Insurance Contracts

The application of the new and 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.

Amendment to IFRSs issued but not effective

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

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback[2]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current[2]
Amendments to IAS 1	Non-current Liabilities with Covenants[2]
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements[2]
Amendment to IAS 21	Lack of Exchangeability[3]

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

2 Effective for annual periods beginning on or after 1 January 2024.

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

The Directors anticipate that the application of amendments to IFRSs will have no material impact on the results and the financial position of the Group.

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 2024.

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.

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.

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.

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.

(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.

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.

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 acquire, 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.

(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.

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

<u>Classification and initial measurement of financial assets</u>

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.

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.

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.

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.

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 aforegoing, 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 fulfill its contractual cash flow obligations.

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
- 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.

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.

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.

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.

4.17 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants are deferred and recognised in consolidated statement of profit or loss and other comprehensive income over the period necessary to match them with the costs that the grants are intended to compensate.

Government grants relating to the purchase of assets are included in other payables as deferred government grants in the consolidated statement of financial position and are recognised in consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the expected lives of the related assets.

Government grants relating to income is presented in gross under "other income" in the consolidated statement of profit or loss and other comprehensive income.

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.

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.

(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".

(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/period 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.

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.

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.

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 2024, the carrying amounts of trade receivables, other receivables and contract assets were RMB99,346,000 (31 March 2023: RMB104,785,000) (net of ECL allowance of RMB36,665,000 (31 March 2023: RMB84,852,000)), RMB190,221,000 (31 March 2023: RMB92,872,000 (net of ECL allowance of RMB51,994,000 (31 March 2023: RMB44,781,000)) and RMB 11,799,000 (31 March 2023: RMB41,980,000 (net of ECL allowance of RMB27,715,000 (31 March 2023: RMB4,666,000)), respectively. Net impairment loss on trade and other receivables and contract assets of RMB35,378,000 (fifteen months ended 31 March 2023: RMB20,536,000) has been recognised during the year ended 31 March 2024.

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 2024, the carrying amount of inventories was RMB33,825,000 (31 March 2023: RMB18,512,000) (net of allowance for inventories of RMB22,286,000 (31 March 2023: RMB24,894,000)). During the year ended 31 March 2024, reversal of allowance for inventories of RMB2,608,000 (fifteen months ended 31 March 2023: allowance for inventories of RMB4,695,000) has been recognized and included in cost of sales.

(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 2024, the carrying amount of capitalised development cost included in intangible assets was Nil (31 March 2023: RMB46,305,000).

(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 2024, the carrying amounts of property, plant and equipment and intangible assets were Nil (31 March 2023: RMB1,544,000) and RMB9,290,000 (31 March 2023: RMB58,790,000), respectively. During the year ended 31 March 2024, impairment loss on property, plant and equipment of RMB781,000 (fifteen months ended 31 March 2023: 12,124,000) and intangible assets of RMB29,536,000 (fifteen months ended 31 March 2023: RMB23,518,000) have been recognised respectively.

(e) 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 2024, the Group had income tax liabilities of Nil (31 March 2023: RMB8,580,000). The details of the deferred taxation are set out in Note 27.

(f) 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 many arise. As at 31 March 2024, the carrying amount of interests in associates was RMB13,416,000 (31 March 2023: RMB29,183,000). During the year ended 31 March 2024, impairment loss of RMB12,481,000 has been recognised for the interests in associates (fifteen months ended 31 March 2023: RMB16,743,000).

(g) *Fair value determination of financial assets at FVTPL*

For the determination of the fair value of financial assets at FVTPL as at 31 March 2024, 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 2024, the fair value of financial assets at FVTPL was RMB11,888,000 (31 March 2023: RMB13,321,000).

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% (31 March 2023: 27.27%) equity interest in a private equity fund as at 31 March 2024. 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.

(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% (31 March 2023: 38.25%) equity interest in Beijing Jingqi as at 31 March 2024 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:

	Year ended 31 March 2024 RMB'000	Fifteen months ended 31 March 2023 RMB'000
Solutions	**44,478**	155,993
Services	**74,809**	65,312
Products	**26,661**	39,026
	145,948	260,331

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

	Year ended 31 March 2024 RMB'000	Fifteen months ended 31 March 2023 RMB'000
At a point in time	**71,139**	195,019
Over time	**74,809**	65,312
	145,948	260,331

Geographical information

The Group primarily operates in the PRC. As at 31 March 2024 and 31 March 2023, 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 2024, RMB24,658,000 (fifteen months ended 31 March 2023: RMB51,015,000) or 17% (fifteen months ended 31 March 2023: 20%) of the Group's revenue are generated from a single customer.

7. OTHER INCOME

	Year ended 31 March 2024 RMB'000	Fifteen months ended 31 March 2023 RMB'000
Other revenue		
Interest income	**3,959**	6,766
Value-added tax ("**VAT**") refunds (Note (a))	**3,345**	7,264
	7,304	14,030
Other net (loss)/ income		
Bad debts recovered	**—**	2,368
Fair value (loss)/gain on financial assets at FVTPL	**(1,433)**	5,849
Government grants (Note (b))	**2,421**	6,384
Gain on transfer of intangible assets (Note 19 (b))	**—**	6,300
(Loss)/gain on lease modification	**(971)**	1,055
Gain on deemed disposal partial interest in an associate (Note 19(c))	**—**	2,782
Written off on development costs	**(5,958)**	—
Others	**268**	1,025
	(5,673)	25,763
	1,631	39,793

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 2024 and the fifteen months ended 31 March 2023.

(b) Government grants for the year ended 31 March 2024 and the fifteen months ended 31 March 2023 mainly relate to cash subsidies in respect of operating and developing activities and such cash subsidies are received from the governments. The government grants are either unconditional grants or grants with conditions having been satisfied.

8. FINANCE COSTS

	Year ended 31 March 2024 RMB'000	Fifteen months ended 31 March 2023 RMB'000
Interest expenses on:		
– Interest-bearing borrowings	**8,181**	9,456
– Lease liability	**252**	830
	8,433	10,286

9. INCOME TAX (CREDIT)/EXPENSE

	Year ended 31 March 2024 RMB'000	Fifteen months ended 31 March 2023 RMB'000
Current tax - PRC Enterprise Income Tax ("**EIT**")		
– current year/period	**—**	1,595
– over-provision in priors years	**(8,580)**	—
	(8,580)	1,595

Notes:

(a) Hong Kong Profits Tax

Hong Kong Profits Tax rate is calculated at 16.5% (year ended 31 March 2023: 16.5%) of the estimated assessable profit for the year 31 March 2024. During the year ended 31 March 2024 and the fifteen months ended 31 March 2023, 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% (fifteen months ended 31 March 2023: 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 year ended 31 March 2024 and the fifteen months ended 31 March 2023.

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:

	Year ended 31 March 2024 RMB'000	Fifteen months ended 31 March 2023 RMB'000
Loss before income tax	**(159,256)**	(107,152)
Tax on loss before income tax, calculated at the rates applicable to profits in the tax jurisdictions concerned	**(37,106)**	(22,479)
Tax effect on non-deductible expenses	**11,043**	12,395
Tax effect on preferential tax rates applicable to certain subsidiaries	**13,088**	8,709
Tax effect on tax loss and deductible temporary differences not recognised	**15,123**	5,057
Tax effect on the Super Deduction (as defined below) in research and development activities	**(2,148)**	(2,087)
Over provision in prior years	**(8,580)**	—
	(8,580)	1,595

According to relevant laws and regulations in the PRC, enterprises engaging in research and development activities are entitled to claim 200% (fifteen months ended 31 March 2023: 175%) 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 2024 and the fifteen months ended 31 March 2023.

10. LOSS FOR YEAR/(PERIOD)

	Year ended 31 March 2024 RMB'000	Fifteen months ended 31 March 2023 RMB'000
Employee benefit expenses (including directors' emoluments disclosed in Note 13)		
Salaries, bonus and allowances	**47,072**	44,585
Retirement benefit scheme contributions (Note)	**14,891**	15,462
Severance payments	**2,953**	399
	64,916	60,446
Other items		
Auditor's remuneration	**980**	1,380
Depreciation of property, plant and equipment		
– owned assets	**996**	2,506
– right-of-use assets – office premise	**—**	5,395
Amortisation of intangible assets	**16,292**	37,682
Cost of inventories recognised an expense	**113,650**	145,575
(Reversal of)/allowance for inventories	**(2,608)**	4,695
Lease charges for short-term leases	**696**	2,236

Note: As at 31 March 2024, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (fifteen months ended 31 March 2023: 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 RMB147,396,000 (fifteen months ended 31 March 2023: RMB111,010,000) and the weighted average number of shares of 618,332,000 shares (fifteen months ended 31 March 2023: 618,332,000 shares) of the Company outstanding during the year ended 31 March 2024, excluding the treasury shares held by the Company.

(b) Diluted loss per share

For the year ended 31 March 2024 and fifteen months ended 31 March 2023, 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 2024 and the fifteen months ended 31 March 2023 is the same as the basic loss per share as all the potential ordinary shares are anti-dilutive.

12. DIVIDENDS

No dividend was paid or proposed during the year ended 31 March 2024 (fifteen months ended 31 March 2023: Nil), No dividend been proposed since the end of the reporting period (fifteen months ended 31 March 2023: 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	Salaries, allowances and benefits in kind	Retirement benefit scheme contributions	Total
	RMB'000	RMB'000	RMB'000	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 Gang (Note (ii))	600	120	127	847
Independent non-executive directors:				
Mr. Frank Christiaens (Note (v))	157	—	—	157
Mr. Li Youliang (Note (iv))	107	—	—	107
Dr. Li Wanshou	210	—	—	210
	2,314	286	193	2,793

Name of director	Fees	Salaries, allowances and benefits in kind	Retirement benefit scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Fifteen months ended 31 March 2023				
Executive directors:				
Mr. Zheng (Note (i))	736	95	44	875
Mr. Liu Baodong	734	330	105	1,169
Mr. Pang Gang (Note (ii))	750	150	145	1,045
Independent non-executive directors:				
Ms. Cao Qian (Note (iii))	199	—	—	199
Mr. Frank Christiaens (Note (v))	248	—	—	248
Mr. Li Youliang (Note (iv))	8	—	—	8
Dr. Li Wanshou	248	—	—	248
	2,923	575	294	3,792

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.

(ii) Mr. Pang Gang was appointed as an executive director of the Company on 2 February 2021.

(iii) Ms. Cao Qian resigned as an independent non-executive director of the Company on 3 January 2023.

(iv) Mr. Li Youliang was appointed as an independent non-executive director of the Company on 1 March 2023.

(v) Mr. Frank Christiaens resigned 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 2024 (fifteen months ended 31 March 2023: 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 2024 and the fifteen months ended 31 March 2023.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 March 2024 included three (for the fifteen months ended 31 March 2023: three) directors whose emoluments are reflected in the analysis presented above. The emoluments payable/paid to the remaining two (for the fifteen months ended 31 March 2023: two) individuals during the year ended 31 March 2024 are as follows:

	Year ended 31 March 2024 RMB'000	Fifteen months ended 31 March 2023 RMB'000
Salaries and other emoluments	**3,547**	1,937
Retirement benefit scheme contributions	**447**	280
	3,994	2,217

The emoluments fell within the following bands:

	Year ended 31 March 2024 RMB'000	Fifteen months ended 31 March 2023 RMB'000
Emolument bands:		
Less than HK$1,000,000, equivalent to RMB908,000 (fifteen months ended 31 March 2023: RMB846,000)	**1**	—
HK$1,000,001, equivalent to RMB908,000 (fifteen months ended 31 March 2023: RMB846,000) to HK$2,000,000, equivalent to RMB1,817,000 (fifteen months ended 31 March 2023: RMB1,693,000)	**1**	2

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 2024 and the fifteen months ended 31 March 2023.

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 December 2021 and 1 January 2022						
Cost	5,356	28,763	1,715	3,185	39,949	78,968
Accumulated depreciation	(2,109)	(25,192)	(1,684)	(2,439)	(12,651)	(44,075)
Net book amount	3,247	3,571	31	746	27,298	34,893
Fifteen months ended 31 March 2023						
Opening net book amount	3,247	3,571	31	746	27,298	34,893
Additions	890	1,620	—	—	—	2,510
Lease modification	—	—	—	—	(12,552)	(12,552)
Transfer	—	(3,282)	—	—	—	(3,282)
Depreciation	(1,364)	(884)	(2)	(256)	(5,395)	(7,901)
Impairment loss	(2,773)	—	—	—	(9,351)	(12,124)
Closing net book amount	—	1,025	29	490	—	1,544

	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						
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	**—**	**—**	**—**	**—**	**—**	**—**

Depreciation charges recognised is analysed as follows:

	Year ended 31 March 2024 RMB'000	Fifteen months ended 31 March 2023 RMB'000
Selling and marketing expenses	**396**	4,326
Administrative expenses	**172**	723
Research and development expenses	**428**	2,852
	996	7,901

As at 31 March 2024 and 31 March 2023, included in the net book amount of property, plant and equipment is right-of-use asset as follows:

	As at 31 March 2024 RMB'000	As at 31 March 2023 RMB'000
Office premise	**—**	—

No addition to right-of-use asset included in property, plant and equipment during the year ended 31 March 2024 and the fifteen months ended 31 March 2023. 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 RMB3,805,000 (fifteen months ended 31 March 2023: Nil) and lease modification of RMB3,805,000 (fifteen months ended 31 March 2023: RMB12,552,000).

Due to the increased market competition and COVID-19 pandemic, the management conducted an impairment review, and determined that an impairment loss of RMB781,000 (fifteen months ended 31 March 2023: RMB12,124,000) for the year ended 31 March 2024. Further details on the impairment assessment are set out in Note 15.

During the year ended 31 March 2024, computer equipment of RMB261,000 (fifteen months ended 31 March 2023: RMB3,282,000) was transferred to inventories.

15. INTANGIBLE ASSET

	Video-related and broadcasting intellectual properties, patents, trademarks and licenses	Development costs	Total
	RMB'000	RMB'000	RMB'000
As at 1 January 2022			
Cost	312,167	17,002	329,169
Accumulated amortisation	(190,537)	—	(190,537)
Accumulated impairment	(52,005)	—	(52,005)
Net book amount	69,625	17,002	86,627
Fifteen months ended 31 March 2023			
Opening net book amount	69,625	17,002	86,627
Additions	—	33,363	33,363
Transfers	4,060	(4,060)	—
Amortisation	(37,682)	—	(37,682)
Impairment loss	(23,518)	—	(23,518)
Closing net book amount	12,485	46,305	58,790

	Video-related and broadcasting intellectual properties, patents, trademarks and licenses RMB'000	Development costs RMB'000	Total RMB'000
As at 31 March 2023 and 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			
Cost	**358,860**	**—**	**358,860**
Accumulated amortisation	**(244,511)**	**—**	**(244,511)**
Accumulated impairment	**(105,059)**	**—**	**(105,059)**
Net book amount	**9,290**	**—**	**9,290**

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

	Year ended 31 March 2024 RMB'000	Fifteen months ended 31 March 2023 RMB'000
Cost of sales	**16,292**	35,341
Selling and marketing expenses	**—**	29
Administrative expenses	**—**	46
Research and development expenses	**—**	2,266
	16,292	37,682

During the year 31 March 2024, 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 RMB 54,820,000 (31 March 2023: RMB92,934,000). The value in use calculations of these intangible assets was based on the cash flows projections covering five years with estimated growth rate of 3.0% and pre-tax discount rate of 34.4% (fifteen months ended 31 March 2023: 33.7%). 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% and pre-tax discount rate of 22.8% (fifteen months ended 31 March 2023: 29.7%). 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 RMB29,536,000 (fifteen months ended 31 March 2023: RMB23,518,000) on intangible assets and RMB781,000 (fifteen months ended 31 March 2023: RMB12,124,000) on property, plant and equipment (Note 14) were recognised during the year ended 31 March 2024.

16. GOODWILL

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

	As at 31 March 2024 RMB'000	As at 31 March 2023 RMB'000
At the beginning and end of the year/period		
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 2024 and 31 March 2023.

17. SUBSIDIARIES

Particulars of the Company's principal subsidiaries, each of which is a limited liability company, as at 31 March 2024 and 31 March 2023, 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] (新奧特 (北京) 視頻技術有限公司) ("**CDV WFOE**")	The PRC	United States dollars ("**US$**") 50,000,000 (2023: US$50,000,000)	100% (31 March 2023: 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 (2023: RMB20,000,000)	100% (31 March 2023: 100%)	Research, development and sales of video-related and broadcasting equipment and software and provision of related technical service, in the PRC
Beijing ZhengQi Network Technology Co., Ltd.[2] (北京正奇網訊科技有限公司)	The PRC	RMB8,000,000 (2023: RMB8,000,000)	100% (31 March 2023: 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	RMB450,000 (2023: RMB450,000)	60% * (31 March 2023: 60%*)	Research, development and sales of video-related and broadcasting equipment and software and provision of related technical service, in the PRC

Name of company	Country/Place of establishment	Issued and paid-up capital	Equity interest held	Principal activities and place of operation
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 (2023: RMB1,000,000)	100% (31 March 2023: 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 (2023: Nil)	100% (31 March 2023: 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 (2023: Nil)	100% (31 March 2023: Nil)	Research, development and sales of video-related and broadcasting equipment and software and provision of related technical service, in the PRC

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 these subsidiaries during the year ended 31 March 2024 and the fifteen months ended 31 March 2023 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.

18. INTEREST IN A JOINT VENTURE

	Year ended 31 March 2024 RMB'000	Fifteen months ended 31 March 2023 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
			As at 31 March 2024	As at 31 March 2023	
Beijing Jingqi (Note)	The PRC	RMB4,000,000 (2023: 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 2024 was amounted to Nil (fifteen months ended 31 March 2023: 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:

	Year ended 31 March 2024 RMB'000	Fifteen months ended 31 March 2023 RMB'000
Unrecognised share of loss of Beijing Jingqi for the year/period	**104**	570
Accumulated unrecognised share of loss of Beijing Jingqi	**2,360**	2,256

19. INTERESTS IN ASSOCIATES

	Year ended 31 March 2024 RMB'000	Fifteen months ended 31 March 2023 RMB'000
At 1 April/January	**29,183**	29,898
Addition through transfer of intangible assets (Note (b))	**—**	6,300
Gain on deemed disposal of partial interest in an associate (Note (c))	**—**	2,782
Capital contribution to an associate	**—**	9,237
Share of results of associates	**(3,286)**	(2,291)
Impairment of interest in an associate (Note (g))	**(12,481)**	(16,743)
At 31 March	**13,416**	29,183
Share of net assets	**13,416**	29,183
Goodwill	**—**	—
	13,416	29,183

Name of company	Country/ Place of establishment	Registered/ Paid in capital	Equity interest held by the Group		Principal activities and place of operation
			As at 31 March 2024	As at 31 March 2023	
Beijing Yue Ying Technology Co., Ltd (北京悦影科技有限公司) ("**Beijing Yueying**") (Note (a))	The PRC	RMB 11,363,636 (2023: 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 (2023: 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 (2023: 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 (e))	The PRC	RMB 10,000,000 (2023: RMB 10,000,000)	**33.33%**	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 (2023: RMB33,561,000)	**29.80%**	29.80%	Mobile application development and operation in the PRC

Name of company	Country/ Place of establishment	Registered/ Paid in capital	Equity interest held by the Group		Principal activities and place of operation
			As at 31 March 2024	As at 31 March 2023	
Beijing Jinsong Chuanyi Technology Co., Ltd. (北京錦頌創逸技術科技有限公司) ("**Beijing Jinsong**") (Note (b))	The PRC	RMB9,000,000 (2023: 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 (2023: RMB10,000,000)	**29.41%**	29.41%	Development of software and provision of information system integration service in the PRC

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 profit for the year ended 31 March 2024 and the accumulated unrecognised share of loss of Beijing Yueying as at 31 March 2024 were amounted to RMB239,000 (fifteen months ended 31 March 2023: share of loss of RMB459,000) and RMB4,802,000 (31 March 2023: RMB4,563,000), 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 Beijng Jinsong resulted in an gain on transfer of intangible assets of RMB6,300,000 (Note 7) 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 a gain on deemed disposal of partial interest in an associate of RMB2,782,000 (Note 7) 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.

The share of loss of Smart Sport amounted to RMB134,000 (fifteen months ended 31 March 2023: RMB496,000) for the year ended 31 March 2024.

(f) The share of loss of Beijing Meicam amounted to RMB3,413,000 (fifteen months ended 31 March 2023: RMB5,634,000) for the year ended 31 March 2024.

(g) 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 (fifteen months ended 31 March 2023: 16,743,000) were made accordingly.

Aggregate financial information of associates that are not individually material:

	Year ended 31 March 2024 RMB'000	Fifteen months ended 31 March 2023 RMB'000
Aggregate amount of the Group's share of loss for the year/period	**(134)**	(496)
Aggregate carrying amount of the Group's interests in immaterial associates	**234**	368

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

	As at 31 March 2024 RMB'000	As at 31 March 2023 RMB'000
Current assets	**108,756**	85,422
Non-current assets	**24,278**	18,282
Current liabilities	**(66,027)**	(47,388)
Non-current liabilities	**(14,233)**	(4,583)
Net assets of the Tuteng Shijie Group	**52,774**	51,733
Attributable to:		
– owners of Tuteng Shijie Group	**53,819**	52,934
– non-controlling interests of Tuteng Shijie Group	**(1,045)**	(1,201)
	52,774	51,733

	For the year ended 31 March 2024 RMB'000	For the period from 15 March 2022 (date of establishment of Tuteng Shijie) to 31 March 2023 RMB'000
Revenue	**25,724**	94,991
Total expenses	**(24,641)**	(81,468)
Profit before income tax	**1,083**	13,523
Income tax expense	**(42)**	(501)
Profit and total comprehensive income for the period	**1,041**	13,022
Attributable to:		
– owners of Tuteng Shijie Group	**885**	13,445
– non-controlling interests of Tuteng Shijie Group	**156**	(423)
	1,041	13,022

	As at 31 March 2024 RMB'000	As at 31 March 2023 RMB'000
Total net assets of the Tuteng Shijie Group attributable to owners of Tuteng Shijie Group	**53,819**	52,934
Less: intangible assets contributed by the Group	**(9,000)**	(9,000)
	44,819	43,934
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	**13,182**	12,921

Beijing Meicam

	Year ended 31 March 2024 RMB'000	Fifteen months ended 31 March 2023 RMB'000
Current assets	**44,730**	47,274
Non-current assets	**1,919**	6,479
Current liabilities	**(4,766)**	(419)
Net assets	**41,883**	53,334
Revenue	**36,001**	51,996
Loss and other comprehensive loss for the year/period	**(11,451)**	(18,906)
Net assets	**41,883**	53,334
The Group's effective interest held	**29.80%**	29.80%
The Group's effective interest in Beijing Meicam	**12,481**	15,894
Goodwill	**—**	—
Impairment loss recognised during year	**(12,481)**	—
Carrying amount of interest in Beijing Meicam	**—**	15,894

20. FINANCIAL ASSETS AT FVTPL

	As at 31 March 2024 RMB'000	As at 31 March 2023 RMB'000
Unlisted equity investment, at fair value	**11,888**	13,321

The Group held 27.27% (31 March 2023: 27.27%) equity interest in the private equity fund as at 31 March 2024. The fair value of the Group's investment in unlisted equity investment has been measured as described in Note 36(f).

21. INVENTORIES

	As at 31 March 2024 RMB'000	As at 31 March 2023 RMB'000
Equipment and parts	**19,948**	15,778
Work-in-progress	**13,877**	2,734
	33,825	18,512

As at 31 March 2024, the carrying amount of the Group's inventories were net of allowance for inventories of RMB22,286,000 (31 March 2023: RMB24,894,000).

During the year ended 31 March 2024, reversal of allowance for inventories of RMB2,608,000 (fifteen months ended 31 March 2023: allowance for inventories of RMB4,695,000) has been recognised and included in cost of sales.

22. TRADE AND OTHER RECEIVABLES

	Notes	As at 31 March 2024 RMB'000	As at 31 March 2023 RMB'000
Trade receivables	(a)		
– third parties		**114,585**	170,327
– related parties	35(d)	**21,426**	19,310
		136,011	189,637
Less: ECL allowance	36(d)	**(36,665)**	(84,852)
		99,346	104,785
Other receivables	(b)		
Deposits, prepayments and other receivables		**28,532**	13,836
Deposits for guarantee certificate over tendering and performance		**14,899**	13,769
Loan and interest receivables		**24,251**	23,488
Advances to suppliers		**128,776**	62,270
Amounts due from related parties	35(d)	**27,505**	7,057
Amount due from a joint venture	35(d)	**7,019**	6,345
Amounts due from associates	35(d)	**6,996**	4,998
Advances to employees		**4,236**	5,890
		242,214	137,653
Less: ECL allowance	36(d)	**(51,994)**	(44,781)
		190,220	92,872
		289,566	197,657

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.

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

	As at 31 March 2024 RMB'000	As at 31 March 2023 RMB'000
Deposits for guarantee certificate over tendering and performance	**8,736**	5,286

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 (31 March 2023: 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:

	As at 31 March 2024 RMB'000	As at 31 March 2023 RMB'000
0 to 90 days	**43,169**	22,121
91 to 180 days	**19,490**	17,792
181 to 365 days	**16,155**	25,387
1 to 2 years	**12,657**	19,889
Over 2 years	**7,875**	19,596
	99,346	104,785

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 2024, 5% and 16% (31 March 2023: 6% and 21%) of trade receivables are due from the largest and top 5 customers respectively.

(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 2024, the Group has gross amounts of loan receivables and interest receivables of RMB24,251,000 (31 March 2023: RMB23,488,000) and Nil (31 March 2023: Nil), respectively, from independent third parties.

As at 31 March 2024, a credit-impaired loan receivable of RMB24,251,000 (31 March 2023: RMB23,488,000) is secured by a property, carrying fixed interest rate of 6% (31 March 2023: 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 2024, among amount due from a joint venture of RMB7,019,000 (31 March 2023: RMB6,345,000), balance of Nil (31 March 2023: RMB967,000) is trading in nature.

As at 31 March 2024, among amounts due from associates of RMB6,996,000 (31 March 2023: RMB4,998,000), balance of RMB3,419,000 (31 March 2023: RMB1,082,000) 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).

23. CONTRACT ASSETS AND CONTRACT LIABILITIES

23.1 Contract assets

	As at 31 March 2024 RMB'000	As at 31 March 2023 RMB'000
Contract assets	**39,514**	46,646
Less: ECL allowance for contract assets	**(27,715)**	(4,666)
	11,799	41,980

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 (31 March 2023: one to two years) retention period for 5% to 10% (31 March 2023: 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:

	As at 31 March 2024 RMB'000	As at 31 March 2023 RMB'000
Contract assets	**6,474**	3,054
Less: ECL allowance for contract assets	**(320)**	(134)
	6,154	2,920

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 RMB5,578,000 (31 March 2023: RMB13,418,000) 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

	As at 31 March 2024 RMB'000	As at 31 March 2023 RMB'000
Cash at bank and on hand	**152,714**	186,353
Short-term time deposits	**—**	—
	152,714	186,353
Restricted bank deposits	**(1,644)**	(1,184)
	151,070	185,169

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 2024, included in bank balances and cash of RMB1,644,000 (31 March 2023: RMB1,184,000) 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 2024, included in cash at banks and on hand and short-term time deposits of the Group is RMB152,499,000 (31 March 2023: RMB186,070,000) 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 2024 and 31 March 2023, other than the restriction from exchange control regulations, there is no significant restriction on the Group.

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

	As at 31 March 2024 RMB'000	As at 31 March 2023 RMB'000
RMB	**152,499**	186,070
USD	**213**	206
Others	**2**	77
	152,714	186,353

25. TRADE AND OTHER PAYABLES

	Notes	As at 31 March 2024 RMB'000	As at 31 March 2023 RMB'000
Trade payables	(a)		
– third parties		**100,005**	106,648
– related parties	35(e)	**7,663**	12,061
		107,668	118,709
Other payables	(b)		
Other payables and accrued charges		**31,588**	35,495
Other tax payables		**27,510**	38,692
Staff costs and welfare accruals		**57,265**	23,014
Amounts due to related parties	35(e)	**14,031**	14,371
Amounts due to associates	35(e)	**35,671**	6,514
Amount due to a joint venture	35(e)	**18**	18
Amount due to a director	35(e)	**39,998**	12,965
Deferred income related to government grants		**—**	1,513
		206,081	132,582
		313,749	251,291

All balances are short-term in nature and hence the carrying values of the Group's trade and other payables as at 31 March 2024 and 31 March 2023 were considered to be a reasonable approximation of its fair value.

(a) Trade payables

The Group was granted by its suppliers credit periods ranging from 30 – 180 days (31 March 2023: 30 - 180 days). Based on the invoice dates, the ageing analysis of trade payables is as follows:

	As at 31 March 2024 RMB'000	As at 31 March 2023 RMB'000
0 to 90 days	**22,584**	57,044
91 to 180 days	**38,432**	9,827
181 to 365 days	**6,065**	5,450
1 to 2 years	**3,610**	11,364
2 to 3 years	**9,641**	8,076
Over 3 years	**27,336**	26,948
	107,668	118,709

(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	As at 31 March 2024 RMB'000	As at 31 March 2023 RMB'000
Non-current			
Bank borrowing, unsecured	(a)	**—**	—
Current			
Bank borrowings, unsecured	(a)	**193,245**	119,600
Other borrowings, unsecured	(b)	**—**	6,459
		193,245	126,059
		193,245	126,059

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

	As at 31 March 2024 RMB'000	As at 31 March 2023 RMB'000
Carrying amount repayable, based on the scheduled repayment dates as set out in the loan agreements:		
– within one year	**193,245**	126,059
– in the second year	**—**	—
Total carrying amount	**193,245**	126,059
Less:		
– amount due within one year	**(193,245)**	(126,059)
Carrying amount shown under non-current liabilities	**—**	-

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

(a) Bank borrowings, unsecured

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

	As at 31 March 2024 RMB'000	As at 31 March 2023 RMB'000
Cross-guarantee by Mr. Zheng and Xin'aote Investment Group Co., Ltd (新奧特投資集團有限公司) ("**CDV Investment**")	**—**	58,000
Cross-guarantee by Mr. Zheng and CDV WFOE	**8,000**	13,000
Cross-guarantee by Mr. Zheng, CDV WFOE and third parties	**18,000**	—
Cross-guarantee by Mr. Zheng, 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	**60,000**	—
Guarantee by Mr. Zheng	**4,000**	18,500
Guarantee by third parties	**43,145**	25,100
Guarantee by a non-controlling shareholder of a subsidiary	**—**	5,000
	153,245	119,600

All of the Group's banking facilities are subject to the fulfillment 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) Other borrowings, unsecured

As at 31 March 2023, the unsecured other borrowings included short-term borrowings from independent third parties, which are repayable within one year or on demand.

As at 31 March 2023, other borrowing of RMB5,000,000 was cross-guaranteed by Mr. Zheng, his spouse and CDV Investment.

(c) Effective interest rates

	Original currency	**As at 31 March 2024**	As at 31 March 2023
Bank borrowings, unsecured	RMB	**3.05% - 6.00%**	3.70% - 6.00%
Other borrowings, unsecured	RMB	**4.50% - 11.02%**	4.39% - 18.00%

27. DEFERRED TAXATION

As at 31 March 2024, 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 2024, the Group had estimated un-used tax losses of RMB296,462,000 (fifteen months ended 31 March 2023: RMB224,737,000) 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:

	As at 31 March 2024 RMB'000	As at 31 March 2023 RMB'000
2025	**1,185**	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**	—
	296,462	224,737

As at 31 March 2024 and 31 March 2023, 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.

28. LEASE LIABILITY

The following table shows the amount payable under the Group's lease liability:

	As at 31 March 2024 RMB'000	As at 31 March 2023 RMB'000
Non-current	**574**	5,341
Current	**3,354**	4,320
	3,928	9,661
Amounts payable under lease liability:		
– Due within one year	**3,354**	4,320
– Due in the second to fifth years	**574**	5,341
	3,928	9,661
Less: portion due within one year included under current liabilities	**(3,354)**	(4,320)
Portion due after one year included under non-current liabilities	**574**	5,341

	As at 31 March 2024 RMB'000	As at 31 March 2023 RMB'000
Amount recognised in consolidated statement of profit or loss and other comprehensive income:		
– Interest expenses on lease liability	**252**	830
– Expenses relating short term lease	**696**	2,236

During the year ended 31 March 2024, the total cash outflows for the leases (including short-term leases) are RMB3,847,000 (fifteen months ended 31 March 2023: RMB8,151,000).

As at 31 March 2024, the Group entered into a lease for its office premise with CDV Investment. The lease has a remaining lease term of 1.15 years (fifteen months ended 31 March 2023: 2.15 years) and is subject to fixed rental payment.

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 January 2022, 31 March 2023, 1 April 2023 and 31 March 2024, 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 January 2022, 31 March 2023, 1 April 2023 and 31 March 2024, 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 January 2022, 31 March 2023, 1 April 2023 and 31 March 2024, at US$0.00001 each	12,000,000	120	1

30. RESERVES

Details of the movements in the reserves of the Group during the year ended 31 March 2024 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.

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.

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.

Movements in the number of the Company's share options under the 2017 Share Option Scheme during the year ended 31 March 2024 and the fifteen months ended 31 March 2023 are as follows:

	Year ended 31 March 2024		Fifteen months ended 31 March 2023	
	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/period	**1.33**	**4,093,000**	1.33	4,005,000
Re-designated from others	**—**	**—**	1.33	388,000
Re-designated to others	**1.33**	**(300,000)**	1.33	(300,000)
At the end of the year/period	**1.33**	**3,793,000**	1.33	4,093,000
Others				
At the beginning of the year/period	**1.33**	**57,389,700**	1.33	57,477,700
Re-designated to directors	**—**	**—**	1.33	(388,000)
Re-designated from directors	**1.33**	**300,000**	1.33	300,000
At the end of the year/period	**1.33**	**57,689,700**	1.33	57,389,700
Total				
At the beginning and at end of the year/period	**1.33**	**61,482,700**	1.33	61,482,700
Exercisable at the end of the year/period	**1.33**	**61,482,700**	1.33	61,482,700

As at 31 March 2024, the Group had 61,482,700 (31 March 2023: 61,482,700) share options outstanding under the 2017 Share Option Scheme, which represented 9.75% (31 March 2023: 9.75%) of the issued ordinary shares of the Company as at 31 March 2024.

None of the above share options were exercised during the year ended 31 March 2024 and the fifteen months ended 31 March 2023. The weighted average remaining contractual life of options outstanding as at 31 March 2024 was 3.15 years (31 March 2023: 4.15 years).

No expenses were recognised in relation to the 2017 Share Option Scheme for the year ended 31 March 2024 and the e fifteen months ended 31 March 2023 as the share options had been fully vested.

(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.

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 2024 and 31 March 2023, 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 2024 and 31 March 2023.

No shares were purchased or granted by the Company under the 2017 Share Award Scheme during the year ended 31 March 2024 and the fifteen months ended 31 March 2023.

The Group has not recognised any expense in relation to the 2017 Share Award Scheme during the year ended 31 March 2024 and the fifteen months ended 31 March 2023.

EXTRACT OF THE INDEPENDENT AUDITORS' REPORT

The section below sets out an extract of the independent auditors' report (the "**Report**") regarding the consolidated financial statements of the Group for the year ended 31 March 2024. The Report includes particulars of the material uncertainty related to going concern without qualified opinion:

OPINION

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 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("**IFRSs**") 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.

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 RMB150,676,000 for the year ended 31 March 2024 and as of that date, the Group's current liabilities exceeded its current assets by approximately RMB40,762,000. 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.

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 26 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 the 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.

FINANCIAL REVIEW

We recorded a revenue of RMB145.9 million for the 2023 Annual Year, representing a decrease of 43.9% from RMB260.3 million for the 2022/2023 Annual Period. We recorded a loss of RMB150.7 million in the 2023 Annual Year as compared to a loss of RMB108.7 million in the 2022/2023 Annual Period.

Revenue

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

Our revenue decreased by 43.9% to RMB145.9 million for the 2023 Annual Year from RMB260.3 million for the 2022/2023 Annual Period. 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 40.1% to RMB122.9 million for the 2023 Annual Year from RMB205.3 million for the 2022/2023 Annual Period, 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 decreased by 58.2% to RMB23.0 million for the 2023 Annual Year from RMB55.0 million for the 2022/2023 Annual Period, primarily due to decrease in revenue. Our gross profit margin decreased to 15.8% for the 2023 Annual Year from 21.1% for the 2022/2023 Annual Period. Despite the decrease in revenue, the fixed cost in the cost of sales did not decrease proportionally as compared to the 2022/2023 Annual Period.

Other Income

Our other income decreased by 96.0% to RMB1.6 million for the 2023 Annual Year from RMB39.8 million for the 2022/2023 Annual Period, primarily due to the decrease in software tax rebates, government subsidies and income from wealth management.

Selling and Marketing Expenses

Our selling and marketing expenses decreased by 8.4% to RMB54.4 million for the 2023 Annual Year as compared to RMB59.4 million for 2022/2023 Annual Period, primarily due to the decrease in compensations to the sales staff.

Administrative Expenses

Our administrative expenses decreased by 50.9% to RMB18.4 million for the 2023 Annual Year as compared to RMB37.5 million for the 2022/2023 Annual Period, primarily due to the decrease in labour cost as a result of the Company reducing number of employees to increase efficiency.

Research and Development Expenses

Our research and development expenses increased by 27.6% to RMB25.0 million for the 2023 Annual Year as compared to RMB19.6 million for the 2022/2023 Annual Period, primarily due to the decrease in capitalisation of research and development expenditures.

Finance Costs

Our finance costs decreased by 18.4% to RMB8.4 million for the 2023 Annual Year from RMB10.3 million for the 2022/2023 Annual Period, primarily due to the effective interest rate of borrowings.

Net Impairment Loss on Trade and Other Receivables and Contract Assets

Our net impairment loss on trade and other receivables and contract assets increased by 72.7% to RMB35.4 million for the 2023 Annual Year from RMB20.5 million for the 2022/2023 Annual Period. The increase was primarily due to the increase in the expected credit loss on trade and other receivables.

Loss before Income Tax

As a result of the foregoing factors, we recorded a loss before income tax of RMB159.3 million and RMB107.2 million for the 2023 Annual Year and the 2022/2023 Annual Period, respectively.

Income Tax Credit/Expense

We recorded income tax credit of RMB8.6 million for the 2023 Annual Year (2022/2023 Annual Period: income tax expense of RMB1.6 million).

Loss for the Period

As a result of the foregoing factors, we recorded a loss of RMB150.1 million for the 2023 Annual Year as compared to a loss of RMB108.7 million for the 2022/2023 Annual Period.

Other Comprehensive (Loss)/Income

We recorded other comprehensive loss of RMB0.3 million for the 2023 Annual Year as compared to other comprehensive income of RMB12.0 million for the 2022/2023 Annual Period, primarily due to the exchange difference arising on the translation of foreign operation.

Loss attributable to Owners of the Company

We had loss attributable to owners of the Company of RMB147.3 million for the 2023 Annual Year as compared to loss attributable to owners of the Company of RMB111.0 million for the 2022/2023 Annual Period.

Dividend

The Directors did not recommend the payment of a final dividend for the 2023 Annual Year (2022/2023 Annual Period: Nil).

ANALYSIS ON AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ITEMS

Non-current Assets

As at 31 March 2024, our non-current assets amounted to RMB34.6 million (31 March 2023: RMB102.8 million), primarily consisting of intangible assets of RMB9.3 million (31 March 2023: RMB58.8 million), property, plant and equipment of Nil (31 March 2023: RMB1.5 million), financial assets at fair value through profit or loss of RMB11.9.million (31 March 2023: RMB13.3 million) and interests in associates of RMB13.4 million (31 March 2023: RMB29.2 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. (北京悅影科技有限公司), 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 Chuanyi 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 2024, our current assets amounted to RMB487.9 million (31 March 2023: RMB444.5 million), primarily consisting of trade and other receivables of RMB289.6 million (31 March 2023: RMB197.7 million), cash and cash equivalents of RMB151.1 million (31 March 2023: RMB185.2 million) and contract assets of RMB11.8 million (31 March 2023: RMB42.0 million). In October 2023, the Company signed a master corporate responsibility statement for the Marked Product Chain of Specialized Servers for the Audiovisual Industry with Beijing Economy and Information Bureau. Pursuant to the statement, the core target is to achieve full domestication of production and broadcasting equipment. The Company, as the major corporate in the chain, intended to implement the key technologies for ultra-high-definition video IP production and broadcasting servers in the coming two years. The Company expects a large number of TV stations to implement upgrade projects based on domestic servers during this year. Hence, the Company prepaid its suppliers in order to optimize the supply cycle, and initiated the preparation of research, including testing the venue and equipment leading to an increase in prepayment for year.

Current Liabilities

As at 31 March 2024, our current liabilities amounted to RMB528.7 million (31 March 2023: RMB399.8 million), primarily consisting of trade and other payables of RMB313.7 million (31 March 2023: RMB251.3 million), interest-bearing bank and other borrowings of RMB193.2 million (31 March 2023: RMB126.1 million) and contract liabilities of RMB18.3 million (31 March 2023: RMB9.5 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 2024, our non-current liabilities, consisting of lease liability and non-current portion of the bank borrowing, amounted to RMB0.6 million (31 March 2023: RMB5.3 million).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 March 2024, the current assets of the Group amounted to RMB487.9 million, including RMB289.6 million in trade and other receivables and RMB151.1 million in cash and cash equivalents. Current liabilities of the Group amounted to RMB528.7 million, of which RMB313.7 million were trade and other payables and RMB193.2 million were interest-bearing bank and other borrowings. As at 31 March 2024, 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 2024 (31 March 2023: 88.6%). The change of gearing ratio was mainly attributable to the decrease in the equity attributable to owners of the Company.

During the 2023 Annual Year, we did not employ any financial instrument for hedging purposes.

COMMITMENTS

As at 31 March 2024, we had short-term lease commitments in respect of rented office and various residential properties of RMB2.0 million (31 March 2023: RMB0.2 million).

MATERIAL ACQUISITION AND DISPOSAL

We had no material acquisition and disposal of subsidiaries and affiliated companies during the 2023 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 2024, we did not have significant foreign currency risk from our operations. During the 2023 Annual Year, we did not enter into any arrangements to hedge against any fluctuation in foreign currency.

CHARGE ON ASSETS

As at 31 March 2024, we had restricted and pledged deposits of RMB1.6 million (31 March 2023: RMB1.2 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 2024, we had 264 full-time employees and 42 dispatched workers (31 March 2023: 388 full-time employees and 38 dispatched workers). The remuneration package of the employees includes salary, sales commission, bonus and other cash subsidies. For the 2023 Annual Year and the 2022/2023 Annual Period, the remuneration expense, including both capitalized and expensed, was approximately RMB67.2 million and RMB93.8 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 2024, we did not have any material contingent liabilities (31 March 2023: 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.

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 as its corporate governance practices.

Mr. Zheng was appointed as the chief executive officer of the Company (the "**CEO**") with effect from 3 April 2018 and is currently serving as both the chairman (the "**Chairman**") and the CEO of the Company. 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 CEO 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 three 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 the Shareholders. Therefore, the Board considers that the deviation from the code provision C.2.1 of the Corporate Governance Code is appropriate in such circumstance.

In the opinion of the Board, save as disclosed in the above, the Company has complied with the Code from 1 April 2023 and up to the date of this announcement.

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 its Directors reminding them to 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.

During the 2023 Annual Year, Mr. ZHENG did not comply with Rules 5.56(a) and 5.61 of the GEM Listing Rules as he acquired an aggregate of (i) 4,030,000 shares of the Company; and (ii) 2,464,000 shares of the Company on the open market during blackout period (on 17 October 2023 and 19 October 2023) without first notifying the designated Director and obtaining a valid written acknowledgment as required under Rule 5.61 of the GEM Listing Rules. Mr. Zheng reported that the non-compliance of Rules 5.56(a) and 5.61 of the GEM Listing Rules was inadvertent and confirmed that he will act in strict compliance with Rules 5.56(a) and 5.61 of the GEM Listing Rules in the future.

The Company has immediately reminded all Directors again of the requirements of Rules 5.56(a) and 5.61 of the GEM Listing Rules and will provide additional reminders to the Directors on the commencement date of the blackout period in the future.

The Company will provide further regular training and development materials to the Directors, including but not limited to (a) the relevant GEM Listing Rules requirements; (b) enforcement case studies; and (c) the applicable topics in relation to the obligation and duties of the Directors. In light of this, the Company will also review and improve its relevant internal control procedures timely so as to reduce the risk of non-compliance of a similar nature in the future.

Save as disclosed in the above and having made specific enquiry with all Directors, all Directors confirmed that they have complied with the required standards of dealings from 1 April 2023 and up to the date of this announcement.

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 during the 2023 Annual Year.

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 are 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 review the financial information and reporting process, internal control procedures and risk management system, effectiveness of the internal audit function, audit plan and relationship with external auditors 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.

Mr. Frank CHRISTIAENS resigned as an independent non-executive Director of the Company effective on 3 January 2024. The Company was not able to locate suitable candidate by 3 April 2024. Accordingly, the Company has applied to The Stock Exchange of Hong Kong Limited for a waiver from strict compliance with Rules 5.05(1), 5.06, 5.28, 5.33, 5.34 and 5.36 of the GEM Listing Rules and an extension of time until 31 May 2024 for filling the vacancies. Company appointed Mr.Jian Nianqiang, with effect from 1 June 2024. Following the appointment of Mr. Jian as an independent non-executive Director, the Company is now in compliance with the requirements under Rules 5.05 (1), 5.28, 5.34 and 17.104 of the GEM Listing Rules. Save as the above, 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 2023 Annual Year 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.

SCOPE OF WORK OF PRISM

The financial information in respect of the Group consolidated statement of financial position, consolidated statement of profit or loss and comprehensive income and the related notes thereto for the year ended 31 March 2024 as set out in this announcement have been agreed by the Group's auditors, Prism Hong Kong Limited (formerly known as Prism Hong Kong and Shanghai Limited ("**Prism**"), to the amounts set out in the Group's draft consolidated financial statements for the period. The work performed by Prism in this respect did not constitute an assurance engagement and consequently no assurance has been expressed by Prism on this announcement.

ANNUAL GENERAL MEETING

The 2024 annual general meeting will be held on or before 30 September 2024. A notice convening the 2024 annual general meeting will be published on the website of the Stock Exchange and the Company and dispatched to the Shareholders in due course.

EVENT AFTER THE REPORTING PERIOD

There was no event after the reporting period and up to the date of this announcement which would have a material impact on the Company's financial position.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.cdv.com. The annual report of the Company for the 2023 Annual Year containing all the information required by the GEM Listing Rules will be dispatched to Shareholders and published on the above websites in due course.

RESUMPTION OF TRADING

Reference is made to the announcements of the Company dated 18 June 2024 and 19 July 2024 regarding, among other things, the delay in publication of its annual results for the year ended 31 March 2024 (the "**Annual Results**").

In light of the publication of the Annual Results, the Company has applied to resume the trading in the shares of the Company since 9:00 a.m. on Tuesday, 30 July 2024.

By Order of the Board
China Digital Video Holdings Limited
ZHENG Fushuang
Chairman

Hong Kong, 29 July 2024

As at the date of this announcement, the executive Directors are Mr. ZHENG Fushuang, Mr. PANG Gang, Mr. LIU Baodong and Ms. Cao Lingyi, and the independent non-executive Directors are Mr. Jian Nianqiang, Mr. LI Youliang and Dr. LI Wanshou.

This announcement, for which the Directors 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 of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and be posted on the website of the Company at www.cdv.com.