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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 2026**

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 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 audited consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 March 2026 (the “**2025 Annual Year**”), together with the comparative figures for the year ended 31 March 2025 (the “**2024 Annual Year**”).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 RMB'000	2025 RMB'000
Revenue	6	50,456	134,576
Cost of sales		(32,391)	(105,952)
Gross profit		18,065	28,624
Other income and gains, net	7	6,180	5,464
Selling and marketing expenses		(22,943)	(30,643)
Administrative expenses		(14,024)	(15,723)
Research and development expenses		(12,163)	(18,426)
Finance costs	8	(9,639)	(9,177)
Net reversal of impairment loss on trade and other receivables and contract assets		10,266	4,178
Impairment loss on intangible assets	13	(84)	(3,855)
Impairment loss on interest in an associate	16	—	(17,450)
Share of results of associates	16	(11,752)	26,462
Loss before income tax		(36,094)	(30,546)
Income tax credit	9	—	—
Loss for the year	10	(36,094)	(30,546)

	Notes	2026 RMB'000	2025 RMB'000
Other comprehensive (loss)/income			
<i>Item that may be subsequently reclassified to profit or loss:</i>			
Exchange difference arising on the translation of a foreign operation		<u>(2,359)</u>	<u>1,297</u>
Total comprehensive loss for the year		<u>(38,453)</u>	<u>(29,249)</u>
Loss for the year attributable to:			
Owners of the Company		(35,760)	(28,001)
Non-controlling interests		<u>(334)</u>	<u>(2,545)</u>
		<u>(36,094)</u>	<u>(30,546)</u>
Total comprehensive loss for the year attributable to:			
Owners of the Company		(38,119)	(26,704)
Non-controlling interests		<u>(334)</u>	<u>(2,545)</u>
		<u>(38,453)</u>	<u>(29,249)</u>
Loss per share (expressed in RMB cents per share)	11		
Basic		<u>(5.78)</u>	<u>(4.53)</u>
Diluted		<u>(5.78)</u>	<u>(4.53)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2026

	Notes	2026 RMB'000	2025 RMB'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		169	188
Intangible assets	13	1,831	2,785
Goodwill	14	—	—
Interest in a joint venture	15	—	—
Interests in associates	16	10,676	22,428
Financial assets at fair value through profit or loss (“FVTPL”)	17	1,397	8,753
		14,073	34,154
Current assets			
Inventories		24,440	38,097
Trade and other receivables	18	159,946	190,119
Contract assets	19.1	6,149	7,962
Restricted bank deposits	20	2,771	2,376
Cash and cash equivalents	20	77,177	141,021
		270,483	379,575
Current liabilities			
Trade and other payables	21	205,647	239,746
Contract liabilities	19.2	28,608	31,593
Interest-bearing borrowings	22	124,745	178,381
		359,000	449,720
Net current liabilities		(88,517)	(70,145)
Total assets less current liabilities		(74,444)	(35,991)
Net liabilities		(74,444)	(35,991)

	2026	2025
	RMB'000	RMB'000
EQUITY		
Share capital	43	43
Reserves	<u>(74,487)</u>	<u>(39,157)</u>
Equity attributable to owners of the Company	(74,444)	(39,114)
Non-controlling interests	<u>—</u>	<u>3,123</u>
Total deficit	<u><u>(74,444)</u></u>	<u><u>(35,991)</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

1. GENERAL INFORMATION

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

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

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

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

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements of the Group has been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the “**IASB**”). 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 IFRS Accounting Standards requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgements in the process of applying the accounting policies of the Group. Although these estimates are based on management’s best knowledge and judgements of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgements or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5 below.

Going Concern

The Group incurred a net loss of approximately RMB36,094,000 for the year ended 31 March 2026 and as of that date, the Group's current liabilities exceeded its current assets by approximately RMB88,517,000 and the Group had net liabilities of approximately RMB74,444,000. 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 2026 based on its projected cash flow forecasts. The Directors have reviewed the financial position of the Group as at 31 March 2026, including its working capital and bank and cash balances, together with the projected cash flow forecasts for the next twelve months from 31 March 2026 and the Directors consider that the Group is financially viable to continue as a going concern.

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

- (a) the Group had interest-bearing borrowings of approximately RMB124,745,000 as at 31 March 2026. The Group continues to negotiate/seek opportunities with banks for the renewal of existing/inception of interest-bearing borrowings in order to secure necessary funds to meet the Group's working capital and financial requirements in the foreseeable future;
- (b) the management of the Group will closely monitor the financial position of the Group and the director of the Company has committed to provide continuous financial support to the Group to enable it to have sufficient liquidity to finance its operation;
- (c) the Group is implementing active cost saving measures to control costs through various ways to improve operating cash flows at a level sufficient to finance the working capital requirements of the Group; and
- (d) the Group is continuously expanding its product portfolio to meet new customer demands and enhance the Group's market competitiveness.

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

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Application of amendments to IFRS Accounting Standards

The Group has adopted amendments to IAS 21 Lack of Exchangeability for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

New and amendments to IFRS Accounting Standards issued but not yet effective

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

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

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

² Effective for annual periods beginning on or after 1 January 2027

³ Effective for annual periods beginning on or after a date to be determined

IFRS 18 Presentation and Disclosure in Financial Statements

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

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

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

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 2026.

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 ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in consolidated financial statement of profit or loss and other comprehensive income. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to consolidated financial statement of profit or loss and other comprehensive income or transferred to another category of equity as specified/permitted by applicable IFRS Accounting Standards.

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 Business combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- the fair values of the assets transferred
- the liabilities incurred to the former owners of the acquired business
- the equity interests issued by the group
- the fair value of any asset or liability resulting from a contingent consideration arrangement, and
- the fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- the consideration transferred,
- the amount of any non-controlling interest in the acquired entity, and
- the acquisition-date fair value of any previous equity interest in the acquired entity.

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in consolidated financial statement of profit or loss and other comprehensive income as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or as a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in consolidated financial statement of profit or loss and other comprehensive income.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in consolidated financial statement of profit or loss and other comprehensive income.

4.3 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 consolidated financial statement of profit or loss and other comprehensive income on the disposal of the related assets or liabilities, the entity reclassifies the gain or loss from equity to the consolidated statement of profit or loss and other comprehensive income (as a reclassification adjustment) when the equity method is discontinued.

4.4 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.

4.5 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.

4.6 Property, plant and equipment

Property, plant and equipment (other than cost of right-of-use assets as described in Note 4.14) 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 4.14.

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.

4.7 Goodwill

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

Set out below are the accounting policies on goodwill arising on acquisition of a subsidiary. Accounting for goodwill arising on acquisition of interest in an associate or a joint venture is set out in Note 4.3.

4.8 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 4.8(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 4.19.

(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 4.8(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.

4.9 Financial instruments

Recognition and derecognition

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

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

Financial assets

Classification and initial measurement of financial assets

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

Financial assets are classified into the following categories:

- amortised cost; or
- FVTPL.

The classification is determined by both:

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

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 and gains, net” 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 and gains, net" 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 and gains, net" 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 and gains, net" 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.

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

4.11 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.

4.12 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.

4.13 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 4.10 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.

4.14 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.

4.15 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.

4.16 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.

4.17 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.

4.18 Government grants

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

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

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

4.19 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.

4.20 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.

4.21 Borrowing costs

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

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

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

4.22 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.

4.23 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.

4.24 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 4.10. As at 31 March 2026, the carrying amounts of trade receivables, other receivables and contract assets were RMB40,124,000 (2025: RMB78,606,000) (net of ECL allowance of RMB15,860,000 (2025: RMB23,311,000)), RMB119,822,000 (2025: RMB111,513,000) (net of ECL allowance of RMB42,380,000 (2025: RMB50,492,000)) and RMB6,149,000 (2025: RMB7,962,000) (net of ECL allowance of RMB24,819,000 (2025: RMB25,715,000)), respectively. Net reversal of impairment loss on trade and other receivables and contract assets of RMB10,266,000 (2025: RMB4,178,000) has been recognised during the year ended 31 March 2026.

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 2026, the carrying amount of inventories was RMB24,440,000 (2025: RMB38,097,000) (net of allowance for inventories of RMB23,147,000 (2025: RMB22,034,000)). During the year ended 31 March 2026, allowance for inventories of RMB1,113,000 (2025: reversal of allowance for inventories of RMB252,000) has been recognised 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 4.8(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 2026, the carrying amount of capitalised development cost included in intangible assets was Nil (2025: Nil).

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

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

Property, plant and equipment and intangible assets with finite useful lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, while intangible assets not yet available for use are reviewed for impairment at least annually, irrespective of whether there is any indication that they are impaired. When such a decline occurs, the carrying amount will be reduced to recoverable amounts. The recoverable amounts of the assets have been determined based on the higher of fair value less cost of disposal and value in use calculations. These calculations require the use of judgement and estimates. As at 31 March 2026, the carrying amounts of property, plant and equipment and intangible assets were RMB169,000 (2025: RMB188,000) and RMB1,831,000 (2025: RMB2,785,000), respectively. During the year ended 31 March 2026, impairment loss on property, plant and equipment of Nil (2025: Nil) and intangible assets of RMB84,000 (2025: RMB3,855,000) have been recognised respectively.

(e) Impairment assessment of interests in associates

The management of the Group determined whether interests in associates are impaired by reference to an estimation on (i) identification of indication of possible impairment; and (ii) if there is indication of impairment, the recoverable amount. Impairment loss would be identified if the recoverable amount is less than its carrying amount. The determination of the recoverable amount of the Group's interests in associates requires the Group to estimate the future cash flows expected to arise from the associates. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 March 2026, the carrying amount of interests in associates was RMB10,676,000 (2025: RMB22,428,000). During the year ended 31 March 2026, impairment loss of Nil has been recognised for the interests in associates (2025: RMB17,450,000).

(f) Fair value determination of financial assets at FVTPL

For the determination of the fair value of financial assets at FVTPL as at 31 March 2026, 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 2026, the fair value of financial assets at FVTPL was RMB1,397,000 (2025: RMB8,753,000).

(g) Current and deferred income taxes

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 2026, the Group had income tax liabilities of Nil (2025: Nil).

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 continue 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 continue 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 17, the Group held 27.27% (2025: 27.27%) equity interest in a private equity fund as at 31 March 2026. 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.

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:

	2026	2025
	RMB'000	RMB'000
Solutions	26,374	51,443
Services	19,537	40,130
Products	4,545	43,003
	<u>50,456</u>	<u>134,576</u>

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

	2026	2025
	RMB'000	RMB'000
At a point in time	30,919	94,446
Over time	19,537	40,130
	<u>50,456</u>	<u>134,576</u>

Geographical information

The Group primarily operates in the PRC. As at 31 March 2026 and 2025, 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 2026, RMB9,442,000 (2025: RMB17,735,000) or 19% (2025: 13%) of the Group's revenue are generated from a single customer.

7. OTHER INCOME AND GAINS, NET

	2026	2025
	RMB'000	RMB'000
Other income		
Interest income	3	16
Value-added tax (“VAT”) refunds (Note (a))	<u>103</u>	<u>1,285</u>
	<u>106</u>	<u>1,301</u>
Other gains, net		
Fair value loss on financial assets at FVTPL	(7,356)	(3,135)
Government grants (Note (b))	1,532	1,921
Gain on early termination of lease	—	2,271
Gain on written off of other payable	—	2,625
Gain on step acquisition of subsidiaries (Note 26)	3	—
Gain on disposal of subsidiary (Note 25)	11,488	—
Others	<u>407</u>	<u>481</u>
	<u>6,074</u>	<u>4,163</u>
	<u><u>6,180</u></u>	<u><u>5,464</u></u>

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 2026 and 2025.
- (b) Government grants in respect of operating and developing activities were received from several local government authorities. Among the government grants recognised during the year ended 31 March 2026, the entitlement of an aggregate amount of RMB107,000 (2025: RMB1,565,000) was unconditional and at the discretion of the relevant authorities, while the remaining amount of RMB1,425,000 (2025: RMB356,000) were credited to consolidated statement of profit or loss and other comprehensive income from deferred income in accordance with the fulfilment of the respective conditions attaching to the government grant.

8. FINANCE COSTS

	2026	2025
	RMB'000	RMB'000
Interest expenses on:		
– Interest-bearing borrowings	9,639	9,101
– Lease liability	—	76
	<u>9,639</u>	<u>9,177</u>

9. INCOME TAX CREDIT

	2026	2025
	RMB'000	RMB'000
Current tax - PRC Enterprise Income Tax (“EIT”)		
– current year	—	—
– over-provision in priors years	—	—
	<u>—</u>	<u>—</u>

Notes:

(a) Hong Kong Profits Tax

Hong Kong Profits Tax rate is calculated at 16.5% (2025: 16.5%) of the estimated assessable profit for the year 31 March 2026. During the year ended 31 March 2026 and 2025, 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% (2025: 15%).

(c) PRC withholding tax

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

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

The Group is not subject to tax under other jurisdictions during the years ended 31 March 2026 and 2025.

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:

	2026	2025
	RMB'000	RMB'000
Loss before income tax	<u>(36,094)</u>	<u>(30,546)</u>
Tax on loss before income tax, calculated at the rates applicable to profits in the tax jurisdictions concerned	(7,590)	(8,559)
Tax effect on non-taxable income	(6,264)	(4,862)
Tax effect on non-deductible expenses	2,290	4,604
Tax effect on preferential tax rates applicable to certain subsidiaries	4,206	2,743
Tax effect on tax loss and deductible temporary differences not recognised	9,483	8,464
Tax effect on the Super Deduction (as defined below) in research and development activities	(2,020)	(2,390)
Utilisation of previously unrecognised tax losses	<u>(105)</u>	<u>—</u>
	<u>—</u>	<u>—</u>

According to relevant laws and regulations in the PRC, enterprises engaging in research and development activities are entitled to claim 200% (2025: 200%) of the research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year (the “**Super Deduction**”). The Group has made its best estimate for the Super Deduction to be claimed in ascertaining their assessable profits for the year ended 31 March 2026 and 2025.

10. LOSS FOR YEAR

	2026	2025
	RMB'000	RMB'000
Employee benefit expenses		
(including directors' emoluments)		
Salaries, bonus and allowances	26,967	39,838
Retirement benefit scheme contributions (Note)	7,885	10,130
Severance payments	705	389
	<u>35,557</u>	<u>50,357</u>
Other items		
Auditor's remuneration	980	980
Depreciation of property, plant and equipment	81	35
Amortisation of intangible assets	1,635	2,650
Cost of inventories recognised an expense	25,180	100,278
Allowance/(reversal of allowance) for inventories	1,113	(252)
Lease charges for short-term leases	<u>2,084</u>	<u>1,167</u>

Note: As at 31 March 2026, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2025: 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 RMB35,760,000 (2025: RMB28,001,000) and the weighted average number of shares of 618,332,000 shares (2025: 618,332,000 shares) of the Company outstanding during the year ended 31 March 2026, excluding the treasury shares held by the Company.

(b) Diluted loss per share

For the year ended 31 March 2026 and 2025, the Company has one category of potential dilutive ordinary shares, which is the 2017 Share Option Scheme. The diluted loss per share for the year ended 31 March 2026 and 2025 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 2026 (2025: Nil), No dividend been proposed since the end of the reporting period (2025: Nil).

13. INTANGIBLE ASSET

	Video-related and broadcasting intellectual properties, patents, trademarks and licenses RMB'000	Total RMB'000
As at 1 April 2024		
Cost	358,860	358,860
Accumulated amortisation	(244,511)	(244,511)
Accumulated impairment	(105,059)	(105,059)
Net book amount	<u>9,290</u>	<u>9,290</u>
Year ended 31 March 2025		
Opening net book amount	9,290	9,290
Amortisation	(2,650)	(2,650)
Impairment loss	(3,855)	(3,855)
Closing net book amount	<u>2,785</u>	<u>2,785</u>

	Video-related and broadcasting intellectual properties, patents, trademarks and licenses RMB'000	Total RMB'000
As at 31 March 2025 and 1 April 2025		
Cost	358,860	358,860
Accumulated amortisation	(247,161)	(247,161)
Accumulated impairment	(108,914)	(108,914)
Net book amount	<u>2,785</u>	<u>2,785</u>
Year ended 31 March 2026		
Opening net book amount	2,785	2,785
Step acquisition of subsidiaries (Note 26)	765	765
Amortisation	(1,635)	(1,635)
Impairment loss	(84)	(84)
Closing net book amount	<u>1,831</u>	<u>1,831</u>
As at 31 March 2026		
Cost	359,625	359,625
Accumulated amortisation	(248,796)	(248,796)
Accumulated impairment	(108,998)	(108,998)
Net book amount	<u>1,831</u>	<u>1,831</u>

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

	2026	2025
	RMB'000	RMB'000
Cost of sales	1,507	2,650
Selling and marketing expenses	—	—
Administrative expenses	128	—
Research and development expenses	—	—
	<u>1,635</u>	<u>2,650</u>

During the year 31 March 2026, 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 RMB5,212,000 (2025: RMB48,312,000). The value in use calculations of the cash generating unit containing these intangible assets and other corporate assets was based on the cash flows projections covering five years with estimated growth rate of 3.0% (2025: 3.0%) and pre-tax discount rate of 28.1% (2025: 30.3%). 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 RMB84,000 (2025: RMB3,855,000) on intangible assets were recognised during the year ended 31 March 2026.

14. GOODWILL

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

	2026	2025
	RMB'000	RMB'000
At the beginning and end of the year		
Gross book amount	74,220	74,220
Accumulated impairment	(74,220)	(74,220)
Net book amount	<u>—</u>	<u>—</u>

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 2026 and 2025.

15. INTEREST IN A JOINT VENTURE

	2026	2025
	RMB'000	RMB'000
As at 1 April	—	—
Share of result of joint venture	—*	—
Transfer to subsidiaries upon step acquisition (Note 26)	—*	—
As at 31 March	<u>—</u>	<u>—</u>

* Less than RMB1,000

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
			2026	2025	
Beijing Jingqi (Note)	The PRC	RMB4,000,000 (2025: RMB4,000,000)	N/A	38.25%	Research, development and sales of video-related and broadcasting equipment and software and provision of related technical service in the PRC

Note:

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

The share of loss of Beijing Jingqi for the year ended 31 March 2025 was amounted to Nil, while the remaining share of losses have been discontinued to be recognised. The unrecognised share of loss for the year ended 31 March 2025 and the accumulated unrecognised share of loss of Beijing Jingqi as at 31 March 2025 were amounted to RMB359,000 and RMB2,190,000, respectively.

During the year ended 31 March 2026, the Group acquired in aggregate 61.75% issued shares of Beijing Jingqi. The Group's equity interest in Beijing Jingqi increased from 38.25% to 100%. As a result, Beijing Jingqi ceased to be a joint venture and became a wholly-owned subsidiary of the Group. Details are set out in Note 26.

16. INTERESTS IN ASSOCIATES

	2026	2025
	RMB'000	RMB'000
At 1 April	22,428	13,416
Share of results of associates	(11,752)	26,462
Impairment of interest in an associate (Note (f))	—	(17,450)
At 31 March	<u>10,676</u>	<u>22,428</u>

Name of company	Country/ Place of establishment	Registered/ Paid in capital	Equity interest held by the Group		Principal activities and place of operation
			2026	2025	
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 (2025: 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 (2025: 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 (2025: RMB 10,000,000)	25.88%	25.88%	Development of software and provision of information system integration service in the PRC
Beijing Meishe Network Technology Co., Ltd (北京美攝網絡科技有限公司) ("Beijing Meishe") (Note (f))	The PRC	RMB15,000,000 (2025: RMB33,561,000)	31.47%	29.80%	Mobile application development and operation in the PRC
Beijing Totem Chuangyi Technology Co., Ltd. (formally known as Beijing Jinsong Chuangyi Technology Co., Ltd.) (北京圖騰創逸科技 有限公司)(前稱:北京錦頌 創逸技術科技有限公司) ("Totem Chuangyi") (Note (c))	The PRC	RMB9,000,000 (2025: RMB9,000,000)	N/A	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

Name of company	Country/ Place of establishment	Registered/ Paid in capital	Equity interest		Principal activities and place of operation
			held by the Group		
			2026	2025	
Beijing Xin'ao Sports Media Co., Ltd. (北京新奥特體育 傳媒有限公司) ("Beijing Xin'ao Sports") (Note (e))	The PRC	RMB10,000,000 (2025: RMB10,000,000)	N/A	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 loss for the year ended 31 March 2026 and the accumulated unrecognised share of loss of Beijing Yueying as at 31 March 2026 were amounted to Nil (2025: RMB189,000) and RMB4,991,000 (2025: RMB4,991,000), 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 28 June 2022, the Group and another investor entered into an investment agreement in which the investor subscribed additional registered capital of RMB600,000, representing 1.96% equity interest in Tuteng Shijie, at a cash consideration of RMB10,000,000. Such subscription has been completed on 14 September 2022, resulting in a gain on deemed disposal of partial interest in an associate of RMB2,782,000 recognised in profit or loss during the fifteen months ended 31 March 2023.

During the year ended 31 March 2026, Tuteng Shijie recorded a loss for the year. After excluding non-recurring gains and losses, its underlying performance resulted in a gain for the year. The Group's management determined that there is no impairment indicator on the investment in Tuteng Shijie and no impairment will be made to Tuteng Shijie.

- (c) 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, Totem Chuangyi, which possessed intangible assets. On 30 May 2022, the date of the completion of the transfer of entire equity interest in Totem Chuangyi, the carrying amount of intangible assets was Nil. Such contribution of the entire equity interest in Totem Chuangyi resulted in an gain on transfer of intangible assets of RMB6,300,000 recognised in profit or loss, after eliminating the unrealised profit to the extent of the Group's interest in the associate at the date of transfer, being 30%.

During the year ended 31 March 2026, the Group acquired in aggregate of 71.59% issued shares of Totem Chuangyi. The Group's equity interest in Totem Chuangyi was increased from 29.41% to 100%. Details are set out in Note 26.

- (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, 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**”) 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.

Pursuant to a sales and purchase agreement entered into between the Tuteng Shijie and an independent third party on 18 July 2025, 100% equity interest of Beijing Xin'aote Sports, the wholly owned subsidiary of Tuteng Shijie, the then associate of the Group, was disposed by the Tuteng Shijie at a consideration of RMB7,000,000. The Group's equity interest in Beijing Xin'aote Sports was decreased from 29.41% to Nil after the completion of this transaction. As a result, Beijing Xin'aote Sports ceased to be an associate of the Group.

- (f) The share of loss of Beijing Meishe amounted to Nil (2025: profit of RMB17,450,000) for the year ended 31 March 2026. While the remaining share of losses have been discontinued to be recognised.

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

On 13 May 2025, Beijing Meishe entered into a capital reduction agreement with the other equity holders to the agreement, in which some of the equity holder will cease to hold their equity interest in Beijing Meishe. As a result of the capital reduction, the Group's effective interest in Beijing Meishe increased from 29.80% to 31.47%.

During the year ended 31 March 2026, Beijing Meishe recorded loss for the year. The management of the Group determined that no impairment will be made to Beijing Meishe. The unrecognised share of loss for the year ended 31 March 2026 and the accumulated unrecognised share of loss of Beijing Meishe as at 31 March 2026 were amounted to RMB4,204,000 (2025: Nil) and RMB4,204,000 (2025: Nil), respectively.

On 19 January 2026, Beijing Meishe entered into a capital reduction agreement with CDV BJ and the other equity holders to the agreement, in which CDV BJ, will cease to hold 31.47% equity interest in Beijing Meishe and will receive a consideration of RMB30,000,000 from Beijing Meishe. The extraordinary general meeting of the Company held on 13 April 2026 approved the Capital Reduction Agreement. As a result of the capital reduction, Beijing Meishe ceased to be an associate of the Group after the reporting period. Details are set out in Note 27.

Aggregate financial information of associates that are not individually material:

	2026	2025
	RMB'000	RMB'000
Aggregate amount of the Group's share of loss for the year	—	(234)
Aggregate carrying amount of the Group's interests in immaterial associates	<u>—</u>	<u>—</u>

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

Tuteng Shijie Group

	2026	2025
	RMB'000	RMB'000
Current assets	117,740	144,103
Non-current assets	14,094	16,556
Current liabilities	(69,872)	(56,058)
Non-current liabilities	(16,538)	(19,500)
Net assets of the Tuteng Shijie Group	<u>45,424</u>	<u>85,101</u>
Attributable to:		
– owners of Tuteng Shijie Group	45,300	85,258
– non-controlling interests of Tuteng Shijie Group	<u>124</u>	<u>(157)</u>
	<u>45,424</u>	<u>85,101</u>
	2026	2025
	RMB'000	RMB'000
Revenue	105,440	139,651
Total expenses	(145,106)	(105,118)
(Loss)/profit before income tax	(39,666)	34,533
Income tax expense	(11)	(2,206)
(Loss)/profit and total comprehensive (loss)/income for the year	<u>(39,677)</u>	<u>32,327</u>
Attributable to:		
– owners of Tuteng Shijie Group	(39,958)	31,439
– non-controlling interests of Tuteng Shijie Group	<u>281</u>	<u>888</u>
	<u>(39,677)</u>	<u>32,327</u>

	2026 RMB'000	2025 RMB'000
Total net assets of the Tuteng Shijie Group attributable to owners of Tuteng Shijie Group	45,300	85,258
Less: intangible assets contributed by the Group	<u>(9,000)</u>	<u>(9,000)</u>
	36,300	76,258
Proportion of ownership interest held by the Group	<u>29.41%</u>	<u>29.41%</u>
Carrying amount of the interest in the Tuteng Shijie Group in the consolidated financial statements	<u><u>10,676</u></u>	<u><u>22,428</u></u>

Beijing Meishe

	2026 RMB'000	2025 RMB'000
Current assets	77,300	103,652
Non-current assets	1,905	929
Current liabilities	<u>(92,563)</u>	<u>(4,140)</u>
Net assets	<u><u>(13,358)</u></u>	<u><u>100,441</u></u>
Revenue	28,851	35,254
(Loss)/profit and total comprehensive (loss)/income for the year	(88,799)	58,558
Net (liabilities)/assets	(13,358)	100,441
The Group's effective interest held	<u>31.47%</u>	<u>29.80%</u>
The Group's effective interest in Beijing Meishe	—	29,931
Accumulated impairment	<u>(29,931)</u>	<u>(29,931)</u>
Carrying amount of interest in Beijing Meishe	<u><u>—</u></u>	<u><u>—</u></u>

17. FINANCIAL ASSETS AT FVTPL

	2026	2025
	RMB'000	RMB'000
Unlisted equity investment, at fair value	<u>1,397</u>	<u>8,753</u>

18. TRADE AND OTHER RECEIVABLES

	Notes	2026	2025
		RMB'000	RMB'000
Trade receivables	(a)		
– third parties		21,023	69,841
– related parties		34,961	32,076
		<u>55,984</u>	<u>101,917</u>
Less: ECL allowance		<u>(15,860)</u>	<u>(23,311)</u>
		<u>40,124</u>	<u>78,606</u>

	Notes	2026 RMB'000	2025 RMB'000
Other receivables	(b)		
Deposits, prepayments and other receivables		40,406	29,641
Deposits for guarantee certificate over tendering and performance		11,744	12,239
Loan and interest receivables		23,651	24,536
Advances to suppliers		54,342	63,293
Amounts due from related parties		12,015	14,306
Amount due from a joint venture		—	5,755
Amounts due from associates		13,056	6,502
Advances to employees		6,788	5,533
Amount due from a director		200	200
		162,202	162,005
Less: ECL allowance		(42,380)	(50,492)
		119,822	111,513
		159,946	190,119

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:

	2026 RMB'000	2025 RMB'000
Deposits for guarantee certificate over tendering and performance	6,131	6,271

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 (2025: 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:

	2026	2025
	RMB'000	RMB'000
0 to 90 days	19,286	34,434
91 to 180 days	1,133	10,941
181 to 365 days	423	4,590
1 to 2 years	8,188	22,773
Over 2 years	11,094	5,868
	<u>40,124</u>	<u>78,606</u>

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 2026, 17% and 63% (2025: 12% and 40%) 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 2026, the Group has gross amounts of loan receivables and interest receivables of RMB23,651,000 (2025: RMB24,536,000) from independent third parties.

As at 31 March 2026, a credit-impaired loan receivable of RMB23,651,000 (2025: RMB24,536,000) is secured by a property, carrying fixed interest rate of 6% (2025: 6%) per annum and should be wholly repayable on 30 May 2020. The Group has taken legal action against the debtor to recover such loan receivable.

Amounts due from related parties, a joint venture and associates

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

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

As at 31 March 2026, among amounts due from associates of RMB13,056,000 (2025: RMB6,502,000), balance of RMB9,660,000 (2025: RMB3,105,000) 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.

19. CONTRACT ASSETS AND CONTRACT LIABILITIES

19.1 Contract assets

	2026	2025
	RMB'000	RMB'000
Contract assets	30,968	33,677
Less: ECL allowance	(24,819)	(25,715)
	<u>6,149</u>	<u>7,962</u>

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

The Group's solution sales contracts include payment schedules which generally require contract instalment over the contract period once certain specified milestones are reached. The Group also agrees to one to two years (2025: one to two years) retention period for 5% to 10% (2025: 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 within one year, all other contract assets will be recovered after more than one year:

	2026	2025
	RMB'000	RMB'000
Contract assets	1,788	5,148
Less: ECL allowance	(887)	(3,954)
	<u>901</u>	<u>1,194</u>

19.2 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 decreased due to the decrease in receipt in advance on overall contract activities.

Contract liabilities outstanding at the beginning of the year amount to RMB2,220,000 (2025: RMB8,214,000) 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.

20. RESTRICTED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

	2026	2025
	RMB'000	RMB'000
Cash at bank and on hand	79,948	143,397
Restricted bank deposits	(2,771)	(2,376)
Cash and cash equivalents	<u>77,177</u>	<u>141,021</u>

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 2026, included in bank balances and cash of RMB2,771,000 (2025: RMB2,376,000) 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 2026, included in cash at banks and on hand of the Group is RMB79,726,000 (2025: RMB143,304,000) 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 2026 and 2025, 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:

	2026	2025
	RMB'000	RMB'000
RMB	79,726	143,304
USD	173	91
HKD	49	2
	<u>79,948</u>	<u>143,397</u>

21. TRADE AND OTHER PAYABLES

	Notes	2026 RMB'000	2025 RMB'000
Trade payables	(a)		
– third parties		65,059	84,059
– related parties		3,714	15,331
		<u>68,773</u>	<u>99,390</u>
Other payables	(b)		
Other payables and accrued charges		38,426	35,825
Other tax payables		25,054	26,021
Staff costs and welfare accruals		40,773	48,573
Amounts due to related parties		7,696	2,473
Amounts due to associates		5,626	4,911
Amount due to a shareholder		18,230	20,059
Deferred government grant		1,069	2,494
		<u>136,874</u>	<u>140,356</u>
		<u>205,647</u>	<u>239,746</u>

All balances are short-term in nature and hence the carrying values of the Group's trade and other payables as at 31 March 2026 and 2025 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 (2025: 30 - 180 days). Based on the invoice dates, the ageing analysis of trade payables is as follows:

	2026	2025
	RMB'000	RMB'000
0 to 90 days	2,842	42,233
91 to 180 days	1,530	6,067
181 to 365 days	3,754	4,347
1 to 2 years	19,932	17,383
2 to 3 years	14,338	2,592
Over 3 years	26,377	26,768
	68,773	99,390

(b) Other payables

Amounts due to related parties, associates and a shareholder

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

22. INTEREST-BEARING BORROWINGS

	Notes	2026	2025
		RMB'000	RMB'000
Bank borrowings, unsecured	(a)	91,794	178,381
Other borrowings, unsecured	(b)	32,951	—
		124,745	178,381

As at 31 March 2026 and 2025, the Group’s bank and other borrowings were repayable as follows:

	2026	2025
	RMB’000	RMB’000
Carrying amount repayable, based on the scheduled repayment dates as set out in the loan agreements:		
– within one year	<u>124,745</u>	<u>178,381</u>

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:

	2026	2025
	RMB’000	RMB’000
Cross-guarantee by Mr. Zheng and Beijing Newauto Group Co., Ltd (北京新奧特集團有限公司) (“ Beijing Newauto ”)	10,317	10,000
Cross-guarantee by Mr. Zheng and CDV BJ	—	10,000
Cross-guarantee by Mr. Zheng, Mr. Guo and CDV BJ	4,900	8,000
Cross-guarantee by Mr. Zheng, CDV BJ and third parties	4,990	5,000
Cross-guarantee by Mr. Zheng, China Digital Video Investment Group Co., Ltd (新奧特投資集團有限公司) (“ CDV Investment ”) and CDV BJ and third parties	9,950	—
Cross-guarantee by Mr. Zheng and third parties	61,637	63,000
Guarantee by third parties	—	45,281
	<u>91,794</u>	<u>141,281</u>

As at 31 March 2026, principal amount of approximately RMB9,981,000 was in default and became immediately repayable on demand. Interest is charged at a fixed rate of 4.95% per annum. The bank borrowing is cross-guarantee by Mr. Zheng and Beijing Newauto Group Co., Ltd.. The Group is actively communicating and negotiating with the relevant bank for an extension of the repayment terms and has been seeking to obtain the bank’s agreement not to demand immediate repayment of the outstanding balance.

All of the Group’s banking facilities are subject to the fulfilment of certain financial and non-financial covenants relating to certain of the Group’s subsidiaries, as commonly found in lending arrangements with financial institutions. As a result of the default described above, bank borrowings with an aggregate carrying amount of approximately RMB91,794,000 as at 31 March 2026 became immediately repayable on demand.

(b) Other borrowings, unsecured

As at 31 March 2026, 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 2026, Mr.Zheng, Lanxi Sanchuan Property Co., Ltd. (浙江蘭溪三川物業有限責任公司) (“**Lanxi Sanchuan**”) and a third party have provided guarantee in respect of the other borrowings of approximately RMB32,951,000 (2025:Nil) granted to the Group.

(c) Effective interest rates

	Original currency	2026	2025
Bank borrowings, unsecured	RMB	2.50%-4.95%	1.70%-6.00%
Other borrowings, unsecured	RMB	<u>21.90%-24.00%</u>	<u>—</u>

23. DEFERRED TAXATION

As at 31 March 2026, 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 2026, the Group had estimated un-used tax losses of RMB400,738,000 (2025: RMB351,707,000) 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:

	2026	2025
	RMB'000	RMB'000
2026	—	2,367
2027	29,769	32,597
2028	41,993	41,993
2029	3,482	3,482
2030	21,403	21,418
2031	89,594	92,697
2032	29,720	28,998
2033	70,899	71,725
2034	58,754	56,430
2035	55,124	—
	<u>400,738</u>	<u>351,707</u>

As at 31 March 2026 and 2025, 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.

24. 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:		
<i>Ordinary shares of the Company:</i>		
As at 1 April 2024, 31 March 2025, 1 April 2025 and 31 March 2026, at US\$0.00001 each	<u>5,000,000,000</u>	<u>50,000</u>
	Number of shares	Share capital US \$
		Equivalent to RMB'000
Issued and fully paid:		
<i>Ordinary shares of the Company:</i>		
As at 1 April 2024, 31 March 2025, 1 April 2025 and 31 March 2026, at US\$0.00001 each	<u>630,332,000</u>	<u>6,303</u>
	Number of treasury shares	Treasury shares US \$
		Equivalent to RMB'000
<i>Treasury shares of the Company:</i>		
As at 1 April 2024, 31 March 2025, 1 April 2025 and 31 March 2026, at US\$0.00001 each	<u>12,000,000</u>	<u>120</u>
		<u>1</u>

25. DISPOSAL OF A SUBSIDIARY

On 14 January 2026, the Group disposed of its entire 100% equity interest in ZhengQi Network, a wholly-owned subsidiary of the Group incorporated in the PRC, to an independent third party, at a cash consideration of Nil (the “Disposal”) pursuant to a share transfer agreement. Upon completion, the Group ceased to have any beneficial interest in ZhengQi Network.

The aggregate amounts of assets and liabilities attributable to ZhengQi Network on the date of disposal were as follows:

	2026
	RMB’000
Total consideration:	
Cash consideration	—
	—
	<u>—</u>

Analysis of assets and liabilities over which control was lost:

	RMB'000
Property, plant and equipment	13
Inventories	205
Trade receivables	415
Cash and cash equivalents	—*
Trade and other payables	(12,086)
Contract liabilities	(35)
	<hr/>
Net liabilities disposed of	(11,488)
	<hr/> <hr/>
Gain on disposal of subsidiary	
Cash consideration	—
Net liabilities disposed of	11,488
	<hr/>
Gain on disposal of subsidiary	11,488
	<hr/> <hr/>
Net outflow of cash and cash equivalents arising on disposal of a subsidiary:	
Cash consideration	—
Less: cash and cash equivalents disposed of	—*
	<hr/>
	<hr/> <hr/>

* Less than RMB\$1,000

26. BUSINESS COMBINATION

Step acquisition from an associate to a subsidiary

On 23 December 2025, pursuant to a sale and purchase agreements between the Group and Tuteng Shijie, the Group acquired in aggregate of 71.59% issued shares of Totem Chuangyi for a total consideration of Nil (the “**Step Acquisition of Totem Chuangyi**”). Totem Chuangyi is principally engaged in provision of 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.

Prior to the Step Acquisition of Totem Chuangyi, the Group held 29.41% equity interest of Totem Chuangyi through Tuteng Shijie. Such investment was accounted for as an associate by equity accounting. After the completion of the Step Acquisition of Totem Chuangyi, the Group effectively obtained control over Totem Chuangyi. The Group's equity interest in Totem Chuangyi was increased from 29.41% to 100% after the completion of this transaction.

The following table summarises the capital injection for the step acquisition, the fair value of assets acquired and liabilities assumed at the acquisition date.

	RMB'000
Consideration	
Cash consideration	—
Fair value of the previously held interest in Totem Chuangyi, a prior associate	—*
	<u>—*</u>
	<u><u>—*</u></u>

* Less than RMB1,000

	RMB'000
Recognised amounts of identifiable assets acquired:	
Cash and cash equivalents	—*
Trade and other receivables	—*
	<u>—*</u>
Total identifiable net assets acquired	—*
Consideration	—*
	<u>—*</u>
Gain on step acquisition on Totem Chuangyi (note 7)	<u><u>—*</u></u>

* Less than RMB1,000

RMB'000

Remeasurement gain on previously held interest in Totem Chuangyi, net	
Fair value in interest in Totem Chuangyi	—*
Less: Interests in an associate	—*
	<hr/>
	—
	<hr/> <hr/>

Note:

- (a) Immediately before the acquisition date, the fair value and carrying amount of the interest in Totem Chuangyi previously held by the Group was Nil* and Nil*, respectively.

* Less than RMB1,000

RMB'000

Net cash inflow arising from the Step Acquisition of Totem Chuangyi	
Cash consideration	—
Cash and cash equivalents acquired	—*
	<hr/>
	—*
	<hr/> <hr/>

* Less than RMB1,000

Totem Chuangyi contributed approximately Nil of revenue and Nil* of loss for the period respectively for the period between the date of acquisition and the end of the reporting period. If the acquisition had occurred on 1 April 2025, the revenue and profit of Totem Chuangyi for the year ended 31 March 2026 would have been Nil and RMB2,162,000, respectively. The pro-forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operation of the Group that actually would have been achieved had the acquisition been completed on 1 April 2025, nor is it intended to be a projection of future results.

Step acquisition from a joint venture to a subsidiary

On 20 January 2026, pursuant to sale and purchase agreements between the Group and the other shareholders of Beijing Jingqi, the Group acquired in aggregate of 61.75% issued shares of Beijing Jingqi for a total consideration of Nil (the “Step Acquisition of Beijing Jingqi”). Beijing Jingqi is principally engaged in research, development and sales of video-related and broadcasting equipment and software and provision of related technical service in the PRC.

Prior to the Step Acquisition of Beijing Jingqi, the Group held 38.25% equity interest of Beijing Jingqi through Beijing Zhengqi. Such investment was accounted for as a joint venture by equity accounting. After the completion of the Step Acquisition of Beijing Jingqi, the Group effectively obtained control over Beijing Jingqi. The Group’s equity interest in Beijing Jingqi was increased from 38.25% to 100% after the completion of this transaction.

The following table summarises the capital injection for the step acquisition, the fair value of assets acquired and liabilities assumed at the acquisition date.

	RMB’000
Consideration	
Cash consideration	—
Fair value of the previously held interest in Beijing Jingqi, a prior joint venture	—*
	<hr/>
	—*
	<hr/> <hr/>

* Less than RMB1,000

RMB'000

Recognised amounts of identifiable assets acquired and liabilities assumed:

Property, plant and equipment	6
Intangible assets	765
Trade and other receivables	3,485
Cash and cash equivalents	2
Trade and other payables	<u>(4,255)</u>
Total identifiable net assets acquired	3
Consideration	<u>—*</u>
Gain on step acquisition to Beijing Jingqi (note 7)	<u><u>3</u></u>

* Less than RMB1,000

RMB'000

Net cash inflow arising from the Step Acquisition of Beijing Jingqi

Cash consideration	—
Cash and cash equivalents acquired	<u>2</u>
	<u><u>2</u></u>

Beijing Jingqi contributed approximately RMB62,000 of revenue and RMB1,784,000 of loss for the period respectively for the period between the date of acquisition and the end of the reporting period. If the acquisition had occurred on 1 April 2025, the revenue and profit of Beijing Jingqi for the year ended 31 March 2026 would have been RMB691,000 and RMB3,941,000, respectively. The proforma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operation of the Group that actually would have been achieved had the acquisition been completed on 1 April 2025, nor is it intended to be a projection of future results.

27. EVENTS AFTER REPORTING PERIOD

On 19 January 2026, Beijing Meishe, an associate of the Group, entered into a capital reduction agreement (the “**Capital Reduction Agreement**”) with CDV BJ and the other equity holders to the agreement, in which CDV BJ, will cease to hold 31.47% equity interest in Beijing Meishe and will receive a consideration of RMB30,000,000 from Beijing Meishe.

Pursuant to the Capital Reduction Agreement, Beijing Meishe will implement a targeted reduction of its registered capital from RMB31,780,500 to RMB15,000,000. In exchange for the reduction of CDV BJ’s equity interest in Beijing Meishe, the Group will be receiving cash consideration of RMB30,000,000.

The extraordinary general meeting of the Company held on 13 April 2026 approved the Capital Reduction Agreement and the transactions contemplated thereunder. All conditions precedent to the payment of the consideration have been satisfied as at the date of the poll results announcement. As a result of the capital reduction, Beijing Meishe ceased to be an associate of the Group.

Further details are disclosed in the announcement dated 19 January 2026, 9 February 2026, 20 March 2026, and 13 April 2026.

EXTRACT OF THE INDEPENDENT AUDITORS' REPORT

The following is an extract of the independent auditors' report (the "**Report**") regarding the consolidated financial statements of the Group for the year ended 31 March 2026. 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 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as 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 RMB36,094,000 for the year ended 31 March 2026 and as of that date, the Group's current liabilities exceeded its current assets by approximately RMB88,517,000 and the Group had net liabilities of approximately RMB74,444,000. 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 DISCUSSION 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.

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 28 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.

FINANCIAL REVIEW

We recorded a revenue of RMB50.5 million for the 2025 Annual Year, representing a decrease of 62.5% from RMB134.6 million for the 2024 Annual Year. We recorded a loss of RMB36.1 million in the 2025 Annual Year as compared to a loss of RMB30.5 million in the 2024 Annual Year.

Revenue

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

Our revenue decreased by 62.5% to RMB50.5 million for the 2025 Annual Year from RMB134.6 million for the 2024 Annual Year. The decrease was primarily due to (a) the delay in the tendering works of several major customers of the Company; (b) delayed localisation of the video industry supply chain; and (c) increased competitions in traditional broadcasting industry due to the impact of new media.

Cost of Sales

Our cost of sales decreased by 69.4% to RMB32.4 million for the 2025 Annual Year from RMB106.0 million for the 2024 Annual Year, mainly 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 36.7% to RMB18.1 million for the 2025 Annual Year from RMB28.6 million for the 2024 Annual Year, primarily due to the decrease in income. Our gross profit margin increased to 35.8% for the 2025 Annual Year from 21.3% for the 2024 Annual Year.

Other Income

Our other income increased by 12.7% to RMB6.2 million for the 2025 Annual Year from RMB5.5 million for the 2024 Annual Year, primarily due to the gain of disposal of holding companies.

Selling and Marketing Expenses

Our selling and marketing expenses decreased by 25.2% to RMB22.9 million for the 2025 Annual Year as compared to RMB30.6 million for 2024 Annual Year, primarily due to the decrease in staff costs and sales incentives.

Administrative Expenses

Our administrative expenses decreased by 10.8% to RMB14.0 million for the 2025 Annual Year as compared to RMB15.7 million for the 2024 Annual Year, primarily due to the decrease in staff costs and rental expenses.

Research and Development Expenses

Our research and development expenses decreased by 33.7% to RMB12.2 million for the 2025 Annual Year as compared to RMB18.4 million for the 2024 Annual Year, primarily due to the decrease in staff costs.

Finance Costs

Our finance costs increased by 4.3% to RMB9.6 million for the 2025 Annual Year from RMB9.2 million for the 2024 Annual Year, primarily due to the increase in other borrowings.

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

Our net impairment loss on trade and other receivables and contract assets recorded to reversal impairment loss of RMB10.3 million for the 2025 Annual Year as compared to the reversal impairment loss of RMB4.2 million for the 2024 Annual Year. The adjustment was primarily due to the recovery of bad debts for which impairment provisions had been made.

Loss before Income Tax

As a result of the foregoing factors, we recorded a loss before income tax of RMB36.1 million for the 2025 Annual Year as compared with RMB30.5 million for the 2024 Annual Year.

Income Tax Credit

We recorded income tax credit of Nil for the 2025 Annual Year (2024 Annual Year: income tax credit of Nil).

Loss for the Period

As a result of the foregoing factors, we recorded a loss of RMB36.1 million for the 2025 Annual Year as compared to a loss of RMB30.5 million for the 2024 Annual Year.

Dividend

The Directors do not recommend the payment of a final dividend for the 2025 Annual Year (2024 Annual Year: Nil). No interim dividend was paid or declared during the 2025 Annual Year.

Non-current Assets

As at 31 March 2026, our non-current assets amounted to RMB14.1 million (2025: RMB34.2 million), primarily consisting of intangible assets of RMB1.8 million (2025: RMB2.8 million), property, plant and equipment of RMB0.2 million (2025: RMB0.2 million), financial assets at fair value through profit or loss of RMB1.4 million (2025: RMB8.8 million) and interests in associates of RMB10.7 million (2025: RMB22.4 million). Our intangible assets mainly represent our intellectual properties, patents, trademarks and licenses related to our products and all direct costs incurred in the development of software products. Our interests in associates represent our interests in associates, namely, Beijing Yue Ying Technology Co., Ltd. (北京悦影科技有限公司), Beijing Meicam Network Technology Co, Ltd. (北京美攝網絡科技有限公司), 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).

Current Assets

As at 31 March 2026, our current assets amounted to RMB270.5 million (2025: RMB379.6 million), primarily consisting of inventories of RMB24.4 million (2025: RMB38.1 million) trade and other receivables of RMB159.9 million (2025: RMB190.1 million), cash and cash equivalents of RMB77.2 million (2025: RMB141.0 million) and contract assets of RMB6.1 million (2025: RMB8.0 million).

Current Liabilities

As at 31 March 2026, our current liabilities amounted to RMB359.0 million (2025: RMB449.7 million), primarily consisting of trade and other payables of RMB205.7 million (2025: RMB239.7 million), interest-bearing borrowings of RMB124.7 million (2025: RMB178.4 million) and contract liabilities of RMB28.6 million (2025: RMB31.6 million). Contract liabilities of the Group mainly arose from advance payments received from customers for productised services that have not yet been rendered.

Non-current Liabilities

As at 31 March 2026, our non-current liabilities, consisting of lease liability and non-current portion of the bank borrowing, amounted to Nil (2025: Nil).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 March 2026, the current assets of the Group amounted to RMB270.5 million, including RMB159.9 million in trade and other receivables and RMB77.2 million in cash and cash equivalents. Current liabilities of the Group amounted to RMB359.0 million, of which RMB205.7 million were trade and other payables and RMB124.7 million were interest-bearing borrowings. As at 31 March 2026, the interest-bearing 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 2026 (31 March 2025: not applicable) since the Group recorded a deficit attributable to owners of the Company.

During the 2025 Annual Year, we did not employ any financial instrument for hedging purposes.

COMMITMENTS

As at 31 March 2026, we had short-term lease commitments in respect of rented office and various residential properties of RMB1.4 million (2025: RMB2.0 million).

MATERIAL ACQUISITION AND DISPOSAL

On 19 January 2026, Beijing Meishe Network Technology Co., Ltd. (北京美攝網絡科技有限公司) (“**Associate**”) (as the then investee company of the Company) entered into the capital reduction agreement (the “**Capital Reduction Agreement**”) with Xinaote (Beijing) Video Technology Co., Ltd. (新奧特 (北京) 視頻技術有限公司) (“**CDV BJ**”), a wholly-owned subsidiary of the Company, and the other Associate parties. The other Associate parties include Zheng Pengcheng, Jian Liang, Liu Tiehua, Beijing Shiyimei Technology Center (Limited Partnership)* (北京視易美科技中心(有限合夥)), Beijing Nengyimei Technology Center (Limited Partnership)* (北京能易美科技中心(有限合夥)), Beijing Zhiyimei Technology Center (Limited Partnership)* (北京智易美科技中心(有限合夥)), Totem Vision (Guangzhou) Digital Technology Co., Ltd.* (圖騰視界(廣州)數字科技有限公司) (“**Totem Vision**”), Shanghai Hode Information Technology Co., Ltd. (上海幻電信息科技有限公司) (“**Hode Information Technology**”), Xinaote Investment Group Co., Ltd.* (新奧特投資集團有限公司) (“**CDV Investment**”), Nanjing Chuangyi Jiahe Wanxing Venture Investment Center (LP)* (南京創熠家和萬興創業投資中心(有限合夥)) (“**Nanjing Chuangyi**”) and Tianjin Jinmi Investment Partnership (LP)* (天津金米投資合夥企業(有限合夥)) (“**Tianjin Jinmi**”). Pursuant to the Capital Reduction Agreement, the Associate shall implement a targeted reduction of its registered capital from RMB31,780,500 to RMB15,000,000, and shall pay CDV BJ, Totem Vision, CDV Investment, Hode Information Technology, Nanjing Chuangyi and Tianjin Jinmi (each a “**Reduction Party**”) consideration in cash in the aggregate amounts in exchange for the cancellation of their respective equity interests, following which each Reduction Party shall cease to hold any equity interest in the Associate. Pursuant to the Capital Reduction Agreement, CDV BJ shall exit from the Associate by withdrawing its registered capital paid to the Associate. The Associate shall pay CDV BJ RMB30,000,000 in cash as consideration for the capital reduction. The capital reduction has been completed in April 2026 and the Group has ceased to hold any equity interest in the Associate.

As disclosed in the circular of the Company dated 20 March 2026, the Directors expected that the net proceeds from the capital reduction shall be used as the following: (i) approximately 50% of the net proceeds was expected to be used for the payment for procurement of goods for the Group’s principal business; (ii) approximately 35% of the net proceeds was expected to be used for the repayment of the debts of the Group from bank and improving the financial position of the Group; and (iii) approximately 15% of the net proceeds was expected to be used for payment of staff salaries and reimbursement of employee expenses. As at 31 March 2026, such net proceeds had not been received by the Group.

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Capital Reduction Agreement exceed 25% but all of them are less than 75%, the transaction constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, as at the date of the Capital Reduction Agreement, CDV Investment was 47.32% owned by Mr. Zheng Yongdong (鄭永東), 46% owned by Mr. Zhang Xunlong (張勳龍), a Director of CDV BJ and 6.68% owned by Guo Langhua (郭朗華), an executive Director of the Company, respectively. Mr. Zheng Yongdong (鄭永東) is an independent third party. CDV Investment is a connected person of the Company under Chapter 20 of the GEM Listing Rules.

Given that the Board had approved the capital reduction and the independent non-executive Directors had confirmed that the terms of the capital reduction were fair and reasonable, on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, the capital reduction was, pursuant to Rule 20.99 of the GEM Listing Rules, subject to the reporting and announcement requirements but exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

For details, please refer to the announcements of the Company dated 19 January 2026, 9 February 2026 and 13 April 2026, and the circular of the Company dated 20 March 2026.

Save as disclosed in this announcement, there were no material acquisitions or disposals of subsidiaries, associates and joint ventures by the Group during the 2025 Annual Year.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this announcement, we do not have plans for material investments or capital assets as at the date of this announcement.

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 2026, we did not have significant foreign currency risk from our operations. During the 2025 Annual Year, we did not enter into any arrangements to hedge against any fluctuation in foreign currency.

CHARGE ON ASSETS

As at 31 March 2026, we had restricted and pledged deposits of RMB2.8 million (2025: RMB2.4 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 2026, we had 162 full-time employees and 38 dispatched workers (31 March 2025: 205 full-time employees and 11 dispatched workers). The remuneration package of the employees includes salary, sales commission, bonus and other cash subsidies. For the 2025 Annual Year and the 2024 Annual Year, the remuneration expense, including both capitalized and expensed, was approximately RMB35.6 million and RMB50.4 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.

We have adopted a share option scheme and a share award scheme. The purposes of such share option scheme and share award scheme are to attract, retain and motivate the directors, senior management and employees of the Group and other participants.

CONTINGENT LIABILITIES

As at 31 March 2026, we did not have any material contingent liabilities (31 March 2025: 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 as set out in Appendix C1 to the GEM Listing Rules and in force during the 2025 Annual Year as its corporate governance practices.

In the opinion of the Board, save as disclosed below, the Company has complied with the code provisions set out in Part 2 of Appendix C1 to the GEM Listing Rules from 1 April 2025 and up to the date of this announcement.

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

DIRECTORS' SECURITIES TRANSACTIONS

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

Having made specific enquiry with all Directors, all Directors confirmed that they have complied with the required standards of dealings from 1 April 2025 and up to the date of this announcement.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury Shares, if any) during the 2025 Annual Year. As at 31 March 2026, the Company did not hold any treasury Shares.

AUDIT COMMITTEE

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

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

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

The Group's consolidated financial statements for the 2025 Annual Year, the risk management and the internal control system and the effectiveness of the Company's internal audit function have been reviewed by the Audit Committee, and the Audit Committee is of the opinion that such results complied with the applicable standards, the GEM Listing Rules and other applicable legal requirements and that adequate disclosures had been made.

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 2026 as set out in this announcement have been agreed by the Group's auditors, Prism Hong Kong 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 2026 annual general meeting will be held on or before 30 September 2026. A notice convening the 2026 annual general meeting will be published on the website of the Stock Exchange and the Company and dispatched to the Shareholders in due course.

SIGNIFICANT EVENT AFTER THE END OF FINANCIAL YEAR

Save as disclosed in this announcement, there was no important event affecting the Company and its subsidiaries which have occurred since the end of the financial year and up to the date of this announcement.

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 2025 Annual Year containing all the information required by the GEM Listing Rules will be dispatched to the Shareholders and published on the above websites in due course.

By Order of the Board
China Digital Video Holdings Limited
GUO Langhua
Chairman

Hong Kong, 30 June 2026

As at the date of this announcement, the executive Directors are Mr. GUO Langhua, Mr. PANG Gang and Mr. LIU Baodong, and the independent non-executive Directors are Dr. LI Wanshou, Mr. LI Youliang, Mr. JIAN Nianqiang and Ms. XU Mei.

This announcement will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at www.hkexnews.hk for at least 7 days from the date of its posting and be posted on the website of the Company at www.cdv.com.