GRAND VISION MEDIA HOLDINGS PLC

DIRECTORS’ REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

COMPANY INFORMATION

Directors and Advisers

Directors:	Ajay Kumar Rajpal - Non-Executive Director Jonathan Yat Pang Lo - Chief Executive Officer Frederick Chua Oon Kian
Company Number:	10028625
Company Secretary	MSP Secretaries Limited Eastcastle House 27-28 Eastcastle Street London W1W 8DH
Registered Address:	Finsgate 5-7 Cranwood Street London EC2M 7LD
Principal Banker:	Metro Bank 1 Southampton Road London WC1B 5HA
Auditors:	Shipleys LLP 10 Orange Street Haymarket, London WC2H 7DQ
Legal Adviser to the Company:	Bracher Rawlins 77 Kingsway London WC2B 6SR
Registrar:	SLC Registrars Limited Ashley Park House 42-50 Hersham Road Walton-on-Thames Surrey KT12 1RZ

GRAND VISION MEDIA HOLDINGS PLC

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STRATEGIC REVIEW REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The CEO Report

2022 was another tough year for the Group as Hong Kong and China was still under the impact of COVID restrictions 。With the gradual re-opening of the borders in Hong Kong and China in latter half of Q1 2023, we are expecting to resume our normal business starting from Q2 of 2023

Summary of Trading Results

Total revenue for the year was HK$3,974K (2021: HK$3,039K], a rise of 31% compared to the prior year. This was again adversely impacted from historic levels due to the ongoing disruption from COVID restrictions, although an improvement from the prior year.

The total comprehensive loss for the year was HK$5,716K (2021: HK$6,184K). Again, this was as a direct result of the reduction is revenues across the Group resulting from COVID restrictions. Costs have been controlled wherever possible.

COVID-19 continues to have a significant adverse effect on the Group's performance in 2022. China was under very strict lock down rules and international travel has been practically suspended.

Cash in hand at the end of the year was HK$258K. The Group continues to manage its cash within its available resources.

Outlook

With the reopening of the borders, we are also seeing the resumption of marketing activities targeted at travellers from China. We have also begun work to resume the projects that were put on hold due to the business disruption. This includes the new initiative of international brand management and expansion whereby we help brands expand to new geographies. We help our clients develop international expansion strategies and assist in the implementation covering both direct expansion or via overseas partners and distributors.

During COVID, we developed new connections in the wholesale and trading sectors, namely commodities and environmentally friendly products. We hope to leverage off these connections in the coming periods.

We are also developing new revenue streams via short video marketing and live streaming sales on social media platforms such as Tik Tok (Douyin) in China. We are also planning to revive the OOH revenue in China and we plan to develop more interactive marketing campaigns leveraging the cinema space.

Section 172 Statement

The Directors are well aware of their duty under s172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

• the likely consequences of any decision in the long term;

• the interests of the Group's employees;

• the need to foster the Group's business relationships with suppliers, customers and others;

• the impact of the Group's operations on the community and the environment;

• the desirability of the Group maintaining a reputation for high standards of business conduct; and

• the need to act fairly between members of the Group.

The Board recognises that the long-term success of the Grand Vision Media Holdings Group requires positive interaction with its stakeholders. Positive engagement with stakeholders will enable our stakeholders to better understand the activities, needs and challenges of the business and enable the Board to better understand and address relevant stakeholder views which will assist the Board's in its decision making and to discharge its duties under Section 172 of the Companies Act 2006.

In the following section we identify our key stakeholders, how we engage with them and key activities we have undertaken during the period in question.

Our Strategic Partners

The Company works closely with its major supplier Marvel Digital Limited and its cinema partners Dadi Cinema Group who are important strategic partners with the Group. We continue to work with them despite the business disruption caused by the pandemic, and have developed an open and transparent relationship with these partners, which promotes the long-term success for the Group.

We also continue to strengthen our relationships with CY Group in Korea despite the closure of Korean cinemas caused by COVID-19 which stalled our OOH expansion plan. We believe the improving conditions in Korea will allow us to resume the much delayed projects in Korea in relation to introducing branded products to Korea .

We are also developing new strategic partners in the retail sector, with a focus in the apparel industry. Notwithstanding the impact of COVID and the uncertainties in Europe, we are attempting to help brands enter new geographic markets and further improving their on line presence.

Our Shareholders

The Company has been well-supported by its shareholders for many years, who have provided shareholder loans historically, and during 2020, some shareholders participated in the convertible loan note issue. The Company endeavours to keep shareholders updated on regulatory matters, and is committed to provide transparent information to them, both through the annual report and ad-hoc communications.

Our Customers

The Company strives to maintain strong relationships with its customers, which will promote long term growth. The relationships with customers who advertise with the Company are maintained through regular contact and relationship management.

Our Employees

The Company believes that good staff morale engenders increased efficiency and loyalty, and hence promotes staff welfare and well-being. Staff needs are constantly monitored and improved on an ongoing basis.

Principal Risks and Uncertainties

The Directors consider the following risk factors to be of relevance to the Group's activities. It should be noted that the list is not exhaustive and that other risk factors not presently known or currently deemed immaterial may apply. The risk factors are summarised below:

i. *Development Risk*

The Group's development will be, in part, dependent on the ability of the Directors to continue to expand the current business and identify suitable investment opportunities and to implement the Group's strategy. There is no assurance that the Group will be successful in the expansion of the business, which is dependent on raising sufficient capital.

ii. *Sector Risk*

The OOH media sector is subject to competition from other marketing channels and technologies, particularly the impact of digital marketing.

We also compete with other OOH media locations, such as traffic hubs, elevators and other locations, which are more established.

There is a risk of 3D technology not being well received, given that it is a new media platform in the OOH sector. The Company is continuously looking for new and innovative platforms to differentiate itself, and there is no guarantee that these new platforms will be effective.

The Group would also be looking at new opportunities and projects to enhance our service capabilities and increase our scope of services, hence lessening the reliance on OOH sector.

iii. *Political and Regulatory Risk*

The Group is subject to amendments to laws imposed by China and by other jurisdictions where the Group does business, including laws that govern the time, place and manner of advertising, that may impair or even prevent the Group from conducting its business.

Furthermore, prior to distributing advertisements for certain commodities, advertising distributors and advertisers are obligated to ensure compliance to relevant regulations. Violation of these regulations may result in penalties, including fines, confiscation of advertising income, orders to cease dissemination of the advertisements.

In circumstances involving serious violations, the SAIC or its local branches may revoke violators' licenses or permits for advertising business operations. In addition, advertisers, advertising operators or advertising distributors may be subject to civil liability if they infringe on the legal rights and interests of third parties in the course of their advertising business. The Group has implemented procedures to ensure the content of our advertisement are properly reviewed and the advertisement would only be published upon the receipt of content approval from the relevant administrative authorities. However, the Group can provide no assurance that all the content of the advertisements is true and in full compliance with applicable laws.

In the event that the Group was in violation of such regulations the business, financial condition, results of operations and the prospects of the Group could be materially and adversely affected.

iv. *Environmental Risks and Hazards*

All phases of the Group's operations are subject to environmental regulation in the areas in which it operates. Environmental legislation is evolving in a manner that may require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees.

There is no assurance that existing or future environmental regulation will not materially adversely affect the Group's business, financial condition and results of operations. Environmental hazards may exist on the properties on which the Group holds interests that are unknown to the Group at present. The Board manages this risk by working with environmental consultants and by engaging with the relevant governmental departments and other concerned stakeholders.

v. *Internal Control and Financial Risk Management*

The Board has overall responsibility for the Group's systems of internal control and for reviewing their effectiveness. The Group maintains systems which are designed to provide reasonable but not absolute assurance against material loss and to manage rather than eliminate risk.

The key features of the Group's systems of internal control are as follows:

- Management structure with clearly identified responsibilities;
- Production of timely and comprehensive historical management information presented to the Board;
- Detailed budgeting and forecasting;
- Day to day hands on involvement of the Executive Directors and Senior Management; and
- Regular board and meetings and discussions with the Non-executive directors.

The Group's activities expose it to several financial risks including cash flow risk, liquidity risk and foreign currency risk.

vi. *Environmental Policy*

The Group is aware of the potential impact that its subsidiary and associate companies may have on the environment. The Group ensures that it complies with all local regulatory requirements and seeks to implement a best practice approach to managing environmental aspects.

vii. *Health and Safety*

The Group's aim is to achieve and maintain a high standard of workplace safety. In order to achieve this objective, the Group provides ongoing training and support to employees and sets demanding standards for workplace safety.

viii. *Financing Risk*

The development of the Group's business may depend upon the Group's ability to obtain financing primarily through the raising of new equity capital or debt. The Group's ability to raise further funds may be affected by the success of existing and acquired investments. The Group may not be successful in procuring the requisite funds on terms which are acceptable to it (or at all) and, if such funding is unavailable, the Group may be required to reduce the scope of its investments or the anticipated expansion. Further, Shareholders' holdings of Ordinary Shares may be materially diluted if debt financing is not available.

ix. *Credit Risk*

The Group does not have bank loans or other borrowings except for shareholder loans. The Group has benefitted from further shareholder loans, although there is no guarantee that these will continue in the future. We have reviewed the accounts receivable and have made adequate provisions as appropriate.

x. *Liquidity Risk*

The Directors have reviewed the working capital forecasts for the Group and believe that there is sufficient working capital to fund the business as it progresses to break even. The group is reliant on raising new capital for expansion, which is not guaranteed.

xi. *Market Risk*

The group's investments is in its subsidiary, GVC Holdings Ltd. The shares are not readily tradable.

xii. *Capital Risk*

The Group manages its capital resources to ensure that entities in the Group will be able to continue as a going concern, while maximising shareholder return.

The capital structure of the Group consists of equity attributable to shareholders, comprising issued share capital and reserves. The availability of new capital will depend on many factors including a positive operating environment, positive stock market conditions, the Group's track record, and the experience of management. There are no externally imposed capital requirements. The Directors are confident that adequate cash resources exist or will be made available to finance operations but controls over expenditure are carefully managed.

xiii. *Covid 19 Outbreak*

The Group have been significantly affected by the Covid -19 outbreak, and the impact of it on the Group financials and worldwide economy have been severe. The Group are hoping for a return to normal trading conditions in the current year, and until such time, the business will face disruption and uncertainty.

Environmental, social and governance

A review of the Group's approach to sustainability and societal impact during the year is set out below:

Climate Change

The Group recognise the increasing importance of climate change triggered by greenhouse gases (GHG) from burning fossil fuels.

We plan to publish targets across 2022/2023. We have made progress in reducing emissions in our offices during 2022, although this needs to be seen in the context of impact of the COVID-19 pandemic with the majority of our employees spending part of 2021/22 working from home. Total GHG emissions associated with activities under direct control of management (Scope 1 and 2 emissions) remained at the same level in 2022 versus 2021. In terms of Energy efficiency, our energy usage was on the same level in 2022 compared with 2021.

Environmental

The Group's operations are conducted in such a manner that compliance is maintained with legal requirements relating to the environment in areas where the Group conducts it business. During the period covered by this report, the Group has not incurred any fines or penalties or been investigated for any breach of environmental regulations.

The Directors consider that, due to the nature of the Group's operations. It does not have a significant impact on the environment. However, the Group seeks to minimise its carbon impact and recognises that its activities should be carried out in an environmentally friendly manner where practicable. The Group's environmental impact is under continual review and the Group considers related initiatives on an ongoing basis. In 2022, these included: continued reduction of waste and, where practicable, re-use and recycling of consumables; continued reduction of usage of energy, water and other resources; on going upgrades to LED lighting; and reprogramming of certain air conditioning and air handling systems to increase efficiency and implement timed shut downs when no required.

Facilities and Office Environments

Management engages with its office provider and its facilities management provider to ensure a safe working environment for our employees.

Environmental management is overseen by the Chief Executive Officer. Grand Vision Media Group complies with the Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013. We are also reporting in compliance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 known as SECR (Streamlined Energy Carbon Reporting). Energy consumption and GHG emissions have been calculated in line with the UK Government's Environmental Reporting Guidelines; including streamlined energy and carbon reporting guidance (March 2019). There were no prosecutions or compliance notices for breaches of environmental legislation during 2022.

Supply Chain

We are committed to ensuring that there is no slavery or human trafficking in our supply chains or in any part of our business. We maintain strong working relationships with our suppliers and partners, in order to enhance the efficiency of our business and create value, and make sure we treat suppliers in line with our values and ethical standards. We continually assess our supplier and partner network, and leverage both internal and external expertise to ensure appropriate relationships and fair economics.

Governance

The Board takes issues of governance seriously and seeks to ensure transparency and streamlined administration. The Directors bring a broad range of technical, commercial, business, accounting, audit and corporate finance expertise. Culturally, the Board demonstrates a high degree of integrity, fairness and non-discrimination and promotes these value through the organisation.

Going Concern

The day to day working capital requirements and investment objectives is met by existing cash resources and the issue of equity. At 31 December 2022 the Group had cash balance of HKD258k. The Group's forecasts and projections, taking into account reasonably possible changes in the level of overhead costs, show that the company should be able to operate within its available cash resources but only with shareholder help. The directors have, at the time of approving the financial statements, a reasonable expectation that the Group has adequate resources to continue in existence for the foreseeable future. They therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

On behalf of the board

Jonathan Lo

Jonathan Lo
Chief Executive Officer

28 April 2023

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report together with the accounts of Grand Vision Media Holdings Plc (‘’the Company’’) and its subsidiary undertakings (together ‘**the group**’) for the year ended 31 December 2022.

Results and dividends

The trading results for the Group are set out in the consolidated statement of comprehensive income and the consolidated statement of financial position at the end of the year.

The directors have not recommended a dividend.

Directors

The following directors have held office during the period:

Ajay Kumar Rajpal

Jonathan Yat Pang Lo

Frederick Chua Oon Kian

Directors’ interests

At the date of this report the directors held the following beneficial interest in the ordinary share capital and share options of the company:

Director	Beneficial Shareholding (Held through Cyber Lion Limite	Beneficial Shareholding	Percentage of the Company’s ordinary Share Capital
Edward Kwan-Mang Ng	Nil		-
Ajay Kumar Rajpal	Nil		-
Jonathan Yat Pang Lo		22,438,842	23.3%
Frederick Chua Oon Kian		-	-

Director	Options
Edward Kwan-Mang Ng	1,000,000
Ajay Kumar Rajpal	1,000,000
Jonathan Yat Pang Lo	2,000,000
Totals	4,000,000

Substantial Interests

The Company has been informed of the following shareholdings that represent 3% or more of the issued ordinary shares of the company as at 31 December 2022:

Investor	Shareholding (Ordinary shares of 10p)	Percentage of the Company's ordinary Share Capita
Jonathan Lo	22,438,842	23.3%
Pentawood Limited	12,439,779	12.92%
Stephen Lo	12,439,779	12.92%
Magic Carpet	8,064,486	8.38%
Win Network International Limited *	7,328,000	7.61%
Timenow Ltd	4,499,016	4.67%
Kwok Keung David Tsoi	3,936,639	4.09%
Knight Wind Limited	3,374,262	3.50%

*Beneficially owned by Stephen Lo

Financial risk and management of capital

The major balances and financial risks to which the company is exposed to and the controls in place to minimise those risks are disclosed in Note 20.

A description of how the company manages its capital is also disclosed in Note 19.

The Board considers and reviews these risks on a strategic and day-to-day basis in order to minimise any potential exposure.

Emissions

The Group is not an intensive user of fossil fuels or electricity. As a result, it is not practical to determine carbon emission with any degree of accuracy.

Financial instruments

The company has not entered into any financial instruments to hedge against interest rate or exchange rate risk.

Supplier payment policy

It is the Group's payment policy to pay suppliers in line with industry norms. These payables are paid on a timely basis within contractual terms which is generally 30 to 60 days from date of receipt of invoice.

Auditors

Shipleys LLP has been appointed as the auditor of the Company with effect from 2 December 2022 to fill the casual vacancy following the resignation of Jeffreys Henry LLP with effect from 1st December 2022. A resolution for the reappointment Shipleys LLP as audit of the Company will be proposed at the forthcoming annual general meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent company financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK adopted

International Accounting Standards. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the group's profit or loss for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance UK adopted International Accounting Standards
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Corporate Governance

The Board recognizes that good standards of corporate governance help the Company to achieve its strategic goals and is vital for the success of the Company. The Company adopts proper standards of corporate governance and follows the principles of best practice set out in QCA Corporate Governance Code (2019), as far as is appropriate for the size and nature of the Company and the Group.

■ The QCA Code has ten principles of corporate governance that the Company has committed to apply within the foundations of the business. These principles are:

■ 1. Establish a strategy and business model which promote long-term value for shareholders;

■ 2. Seek to understand and meet shareholder needs and expectations;

■ 3. Take into account wider stakeholder and social responsibilities and their implications for long tern success;

■ 4. Embed effective risk management, considering both opportunities and threats, throughout the organisation;

■ 5. Maintain the board as a well-functioning balanced team led by the Chair;

■ 6. Ensure that between them the directors have the necessary up to date experience, skills and capabilities;

■ 7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement;

■ 8. Promote a corporate culture that is based on ethical values and behaviours;

■ 9. Maintain governance structures and processes that are fit for purpose and support good decision-making

■ by the Board; and

■ 10. Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

■ There follows a short explanation of how the Company applies each of the principles.

■ **Principle 1 – Business Model and Strategy**

■ Grand Vision Media Holdings Plc is a Hong Kong based out-of-home media (OOH) and digital marketing company. The Company completed a reverse takeover of GVC Holdings Limited in 2018.

■ The OOH business focusses on innovative visual technologies in cinema spaces, with a view to broaden the technologies and locations. The partnerships with cinema groups across China provide a strong platform for the development and growth in business opportunities.

■ The digital marketing business has well established clients and uses common digital platforms across the Asia region.

■ For further information on the market, the future strategy of the Company and the risks the Board consider to be the most significant for potential investors, Shareholders are referred to Strategic Report in the latest Annual Report and Accounts (which is available on our website).

■ **Principle 2 – Understanding Shareholders' Needs and Expectations**

■ Communication with shareholders is co-ordinated and led between the CEO who is the Company's principal spokesperson with investors and other interested parties.

■ The Company is in dialogue with, and holds meetings with, shareholders and brokers representing private shareholders as required, providing them with such information on the Company's progress as is permitted MAR and requirements of relevant legislation.

■ The Company regularly updates its website and releases news flow and operational updates. Communications are also provided through the Company's Annual and Interim Reports.

■ Shareholders are encouraged to attend the Annual General Meeting, which the Board believes is a good opportunity to communicate directly with shareholders.

■ The Company discloses contact details on its website and on all announcements released via RNS, should shareholders wish to communicate with the Board.

■ **Principle 3 – Consider Wider Stakeholder and Social Responsibilities**

■ The Board believes that its stakeholders (other than shareholders) are its employees, customers, suppliers and their funders.

■ The Board recognises that the long-term success of the Company is reliant upon the efforts of the Company, advisers and these stakeholders.

■ The Board makes every effort to communicate effectively with all stakeholders, to ensure that the Company complies with contractual terms.

■ **Principle 4 – Risk Management**

■ The Board has overall responsibility for the determination of the Company's risk management objectives and policies and recognises the need for an effective and well-defined risk management process. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. The Board is responsible for the monitoring of financial performance against budget and forecast and the formulation of the Company's risk appetite including the identification, assessment and monitoring of the Company's principal risks.

■ For further information on the risks the Board consider to be the most significant for potential investors, Shareholders are referred to the Strategic and Directors' Report contained in the latest Report and Accounts which are available on the Company's website.

■ **Principle 5 – A Well-functioning Board of Directors**

■ The Board is responsible for the management of the business of the Company, setting the strategic direction of the Company and establishing the policies of the Company. It is the Board's responsibility to oversee the financial position of the Company and monitor the business and affairs of the Company on behalf of Shareholders, to whom the Directors are accountable. The primary duty of the Board is to act in the best interests of the Company at all times.

■ The Board also addresses issues relating to internal control and the Company's approach to risk management.

■ The Board consists of one Executive Director and two Non-Executive Directors, both of whom are considered to be independent. All the Directors are expected to devote as much time to the affairs of the Company as may be necessary to fulfil their roles.

■ Jonathan Lo is CEO of the Board, and acts as Chairman for meetings. The CEO has industry and technical knowledge and expertise and financial expertise. The Non-Executive Directors have accounting, fund management, technical, public market experience.

■ At formal meetings, the Board receives reports by the CEO on the overall performance since the

■ previous Board meeting. He is supported by the subsidiary financial controller on financial detail. They are followed by reports on other matters, particularly progress with development projects.

■ There is a formal schedule of matters reserved for the Board. This includes the setting of high-level targets, approval of budgets, strategy, funding, capital expenditure, license agreements and incentive schemes. Specific authority levels for expenditure are delegated to individual executives or management committees according to a schedule agreed by the Board.

■ Whilst the bulk of the formulation of budgets and strategy is undertaken by senior management, this is done against a framework set by the whole Board, challenged by it in detail and finally approved by it.

■ Financial information submitted regularly to the Board includes monthly balance sheets and profit & loss accounts; together with analyses of movements in cash, trade debtors and creditors, and fixed assets.

■ Certain other high level decisions that cannot await the convening of a formal Board meeting may be agreed by way of written resolutions. In such cases supporting papers are submitted to the directors and they are given the opportunity to discuss the matter with other directors and executive management. Written resolutions are deemed passed only if all directors vote in favour.

■ *Overcoming geographic and time differences*

■ The Board is conscious of the need to overcome the difficulties that can arise from the time differences and geographic separations that face directors; both between and within regions.

■ It is not practical or cost-justified for the whole Board to meet face-to-face at every board meeting. So where one or more director is unable to be physically present, use is made of telephone conference calls.

■ **Principle 6 – Appropriate Skills and Experience of the Directors**

■ The Company believes that the current balance of skills within the Board as a whole reflects a broad and appropriate range of commercial, technical and professional skills relevant to the business.

■ Biographical details of each of the Directors and officers are set out below:

■ Jonathan Yat Pang Lo

■ Chief Executive Officer

■ Jonathan Yat Pang Lo, FCA, is the founder and CEO of GVC Holdings Ltd. He is a Chartered Accountants in England and Wales (ICAEW) and the Canadian Institute of Chartered Accountants (CICA). Mr Lo has significant management experience in both the financial and TMT (telecommunications, media and technology) sectors.

■ Frederick Oon Kian, Chua

■ Non-executive Director

■ Mr. Frederick Chua Oon Kian is a Founder & Chief Executive Officer at Quantum Asset Management Pte Ltd. He is on the Board of Directors at CMON Ltd. He has over 20 years of equity research, private equity and fund management experience.
He started his career in 1991 as equity research and sales in Nomura Singapore. Between 1994- 1998, he was a portfolio manager in ABN AMRO Bank Singapore, managing Asian Equities for wealth management division. From 2001 to present, he has invested in more than 12 PRE IPO investments in Chinese companies that are successfully listed in both the Hong Kong and Singapore exchanges. He holds a Bachelor of Arts Degree in Economics from the Indiana University, Bloomington.

■ Ajay Rajpal

■ Non-executive Director

■ Mr. Ajay Rajpal, ACA, is a Chartered Accountant and member of ICAEW, qualifying in 1999. During his career, he has gained broad-ranging commercial experience developed in the US, Europe, Middle East and Far East, with a particular focus on M&A, financial management and insolvency/ restructuring.

■ The Directors have access to the Company's external advisers e.g. lawyers and auditors as and

■ when required and are able to obtain advice from other external advisers when necessary.

■ All Directors have access to independent legal advice at the Company's expense.

■ The Board will seek to take into account Board imbalances for future nominations, with areas to take

■ into account including gender balance.

■ **Principle 7 – Evaluation of Board Performance**

■ Evaluation of the performance of the Company's Board has historically been implemented in an informal manner.

■ From 2018 however, the Board will formally review and consider the performance of each director at or around the time of publication of the company's annual report.

■ On an ongoing basis, board members maintain a watching brief to identify relevant internal and external candidates who may be suitable additions to or backup for current board members.

■ The Company undertakes annual monitoring of personal and corporate performance. Responsibility for assessing and monitoring the performance of the executive directors lies with the independent

■ non-executive director.

■ Agreed personal objectives and targets including financial and non-financial metrics are set each year for the executive directors and performance measured against these metrics.

■ The Board as a whole is mindful of the need for considering succession planning.

■ **Principle 8 – Corporate Culture**

■ The Board believes that the promotion a corporate culture based on sound ethical values and behaviours is essential to maximise shareholder value in the medium to long-term. The Company recognises the importance of promoting an ethical corporate culture, interacting responsibly with all stakeholders and the communities in which the Company operates.

■ The Company maintains and annually reviews a handbook that includes clear guidance on what is expected of every employee and officer of the company. Adherence of these standards is a key factor in the evaluation of performance within the company, including during annual performance reviews.

■ Guided by the Group's core values of simplicity, empowerment, passion, innovation and authenticity, the Group seeks to promote a culture where its people can thrive. For GVMH, this means promoting strong business ethics and putting in place policies and programmes to build trust with employees.

■ As a first priority, GVMH seeks to uphold individual human rights in its operations and expects the same from all partners. The Group's policies outline the behaviours expected from employees and suppliers at all times and set out the Group's zero tolerance approach towards any form of modern slavery, discrimination or unethical behaviour relating to bribery, corruption or business conduct.

■ The GVMH diversity policy outlines the Group's commitment to building an inclusive culture, where people feel able to be their best at work, irrespective of age, race, sexual orientation, religion, national origin or gender.

■ **Principle 9 – Maintenance of Governance Structures and Processes**

■ The Board provides strategic leadership for the Company and operates within the scope of a robust corporate governance framework. Its purpose is to ensure the delivery of long-term shareholder value, which involves setting the culture, values and practices that operate throughout the

■ business, and defining the strategic goals that the Company implements in its business plans.

■ The Board meets regularly to determine the policy and business strategy of the Group and has adopted a schedule of matters that are reserved as the responsibility of the Board. The CEO leads the development of business strategies within the Group's operations. The Board currently consists of one Executive Directors and two

■ Non-executive Directors.

■ The Board considers that there is an appropriate balance between the Executives and Non-executives and that no individual or small group dominates the Board's decision making.

■ The Board's members have a wide range of expertise and experience and it is felt that concerns may be addressed to the Non-executive Directors.

■ The Board has considered mechanisms by which the business and the financial risks facing the Company are managed and reported to the Board. The principal business and financial risks have been identified and control procedures implemented. The Board acknowledges its responsibility for reviewing the effectiveness of the systems that are in place to manage risk and to provide reasonable but not absolute assurance with regard to the safeguarding of the Company's assets against misstatement or loss.

■ *Internal controls*

■ The Board has ultimate responsibility for the Company's system of internal control and for reviewing its effectiveness. However, any such system of internal control can provide only reasonable, but not absolute, assurance against material misstatement or loss. The Board considers that the internal controls in place are appropriate for the size, complexity and risk profile of the Group. The principal elements of the Group's internal control system include:

■ • Close management of the day to day activities of the Group by the executive Directors;

■ • An organisational structure with defined levels of responsibility, which promotes entrepreneurial decision making and rapid implementation whilst minimising risks;

■ • A comprehensive annual budgeting process producing a detailed integrated profit and loss, balance sheet and cash flow, which is approved by the Board;

■ • Detailed monthly reporting of performance against budget; and

■ • Central control over key areas such as capital expenditure authorisation and banking facilities.

■ The Company continues to review its system of internal control to ensure compliance with best practice, whilst also having regard to its size and the resources available. The Board considers that the introduction of an internal audit function is not appropriate at this juncture.

■ The CEO has overall responsibility for corporate governance and in promoting high standards

■ throughout the Company. He leads and chairs the Board, ensuring that that performance of individual Directors, the Board and its committees are reviewed on a regular basis, leads in the development of strategy and setting objectives, and oversees communication between the Company and its shareholders.

■ The Executive Director is responsible for implementing and delivering the strategy and operational decisions agreed by the Board, making operational and financial decisions required in the day-to-day operation of the Company, providing executive leadership to managers, championing the Company's core values and promoting talent management.

■ The Independent Non-Executive Directors contribute independent thinking and judgement through the application of their external experience and knowledge, scrutinise the performance of management, provide constructive challenge to the Executive Director and ensure that the Company is operating within the governance and risk framework approved by the Board.

■ The Board reviews annually the effectiveness of its corporate governance structures and processes.

■ The primary duty of the Board is to act in the best interests of the Company at all times. The Board

■ also addresses issues relating to internal control and the Company's approach to risk management.

■ The Company has also implemented a code for Directors´ and employees´ dealings in securities which is appropriate for a company whose securities are traded on the London Stock Exchange and is in accordance with the requirements of the Market Abuse Regulation which came into effect in 2016.

■ **Principle 10 – Shareholder Communication**

■ The Board is committed to maintaining good communication with its shareholders and investors,

■ providing them with such information on the Company's progress as is permitted by MAR and the requirements of the relevant legislation.

■ The Board believes that the Company's Annual Report and Accounts, and its Interim Report published after the half year, play an important part in presenting all shareholders with an assessment of the Company's position and prospects.

■ The Annual General Meeting is the principal opportunity for private shareholders to meet and discuss the Company's business with the Directors. There is an open question and answer session during which shareholders may ask questions both about the resolutions being proposed and the business in general. The Directors are also available after the meeting for an informal discussion with shareholders.

■ Results of shareholder meetings and details of votes cast will be publicly announced through RNS and displayed on the Company's website with suitable explanations of any actions undertaken as a result of any significant votes against resolutions.

■ All reports and press releases are published on the Group's website: www.gvmh.co.uk,

■ and the Company will continue to keep its website up to date, participate in investor presentations,

■ attend conferences and release news flow and operational updates as appropriate.

Application of principles of good governance by the board of directors

The board currently comprises the three directors: Frederick Chua Oon Kian, Ajay Kumar Rajpal and Jonathan Yat Pang Lo. Only Jonathan Yat Pang Lo is executive director – the others are non-executive directors.

There are regular board meetings each year and other meetings are held as required to direct the overall Company strategy and operations. Board meetings follow a formal agenda covering matters specifically reserved for decision by the board. These cover key areas of the Company's affairs including overall strategy, acquisition policy, approval of budgets, major capital expenditure and significant transactions and financing issues.

The board undertakes a formal annual evaluation of its own performance and that of its committees and individual directors, through discussions and one-to-one reviews with the chairman and the senior independent director.

Statement of disclosure to auditors

Each person who is a Director at the date of approval of this Annual Report confirms that:

- So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- Each Director has taken all the steps that he ought to have taken as Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.
- Each Director is aware of and concurs with the information included in the Strategic Report.

Post Balance Sheet Events

Further information on events after the reporting date is set out in note 24.

Branches Outside the UK

The Group head office is in Hong Kong and the subsidiaries are located in Hong Kong and China.

The Directors' have chosen to produce a Strategic Report that discloses a fair review of the Group's business, the key performances metrics that the Directors review along with a review of the key risks to the business.

In accordance with Section 414C (1) of the Companies Act 2006, the group chooses to report the review of the business, the future outlook and the risks and uncertainties faced by the Company in The Strategic Report on page 4.

Directors' Remuneration Report

The remuneration committee consisted of Ajay Rajpal and Frederick Chua Oon Kian. This committee's primary function is to review the performance of executive directors and senior employees and set their remuneration and other terms of employment.

	2022	**2021**
Director	**Options Vested**	**Options Vested**
Edward Ng	-	-
Ajay Rajpal	-	-
Jonathan Lo	-	-
Total	-	-

During the year, 4,000,000 options vested in 2019 were lapsed and not exercised.

The Company has one executive director.

The remuneration policy

It is the aim of the committee to remunerate executive directors competitively and to reward performance. The remuneration committee determines the company's policy for the remuneration of executive directors, having regard to the UK Corporate Governance Code and its provisions on directors' remuneration.

Service agreements and terms of appointment

The directors have service contracts with the company.

Directors' interests

The directors' interests in the share capital of the company are set out in the Directors' report.

Directors' emoluments

Salaries and Fees	**Group**		**Company**	
	2022	**2021**	**2022**	**2021**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**
Ajay Rajpal	480	480	120	120
Jonathan Lo	1,080	1,080	480	480
Frederick Chua Oon Kian	-	-	-	-

1,320	1,320	600	600

No pension contributions were made by the company on behalf of its directors apart for Jonathan Lo of HKD18K.

Approval by shareholders

At the next annual general meeting of the company a resolution approving this report is to be proposed as an ordinary resolution.

This report was approved by the board on 28th April 2023

On behalf of the board

Jonathan Lo

Jonathan Lo
Director

28 April 2023

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GRAND VISION MEDIA HOLDINGS PLC

Opinion

We have audited the financial statements of Grand Vision Media Holdings Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated and company statements of cash flows, the consolidated and company statements of changes in equity and notes to the financial statements, including a summary of significant accounting policies and the financial reporting framework that has been applied in the preparation of the company and group financial statements and applicable law.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted International Accounting Standards
- the parent company financial statements have been properly prepared in accordance with UK adopted International Accounting Standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2.3 in the financial statements, which explains that the Group has incurred significant operating losses and negative cash flows from operations. The Group forecasts include additional funding requirements upon which the Group is dependant. The directors are satisfied that these funding requirements will be met. The cause of this is largely to do with the ongoing impact of covid-19 within the main operational regions. These events or conditions, along with other matters as set out in note 2.3 indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition	We carried out procedures to test the revenue and to consider whether the application of the revenue recognition policy was appropriate, having regard any contractual terms and obligations. This also includes reviewing the work carried out by the component auditors with regards to revenue. Based on this understanding, we considered if the underlying income was recognised in accordance with the stated accounting policy.
Management override of controls	We have reviewed journal adjustments and the rationale behind them and have considered whether these have been subject to potential management bias. From our procedures carried out no adverse issues were identified with regards to management override of controls.
Impairment of long-term investment and loans to subsidiaries (Parent) Investments in and loans to subsidiaries – valuation and potential impairment. The group holds investments in subsidiaries at cost. There is a risk that investments in group companies are impaired and so investment values may be misstated in the parent company. Our audit procedures concluded that the balance in relation to investments in and loans to subsidiaries is fully impaired.	We have reviewed the consolidated financials of the subsidiary and the performance to date. We have obtained and reviewed the long-term cashflow forecasts prepared by management, including a review of the methodology and bases used in its preparation and reconciled the forecast income to copies of contracts obtained. We have tested the assumptions made by management in preparing the forecasts by carrying out sensitivity analysis.
<u>Going concern assumption</u> The Group is dependent upon its ability to generate sufficient cash flows to meet its continued operational costs and hence continue trading. The group also relies on the continued support of one of its key shareholders. The going concern assumption is therefore dependent on the anticipated future growth of the current business.	We obtained and reviewed the directors' assessment with respect to going concern, and audited the key assumptions involved by management is assessing the going concern status. We have obtained and reviewed copies of the Group's long-term cash flow forecasts and have carried out sensitivity analysis to test the assumptions central to the

	forecasts. We have obtained copies of the contracts with regards to the generation of other income which included within the forecasts and assessed the reasonableness of the assumptions in context with the contracts provided. We have obtained a support letter and assessed the financial support available from a key shareholder.

Our application of materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgment, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
Overall materiality	HK$ 29,800	HK$ 29,800
How we determined it	Based on 1% of turnover and capped at the performance materiality level which is based on 75% of the calculated materiality.	Based on 1% of turnover and capped at the performance materiality level which is based on 75% of the calculated materiality.
Rationale for benchmark applied.	We believe that turnover was the most appropriate benchmark being a primary measure used in assessing the performance of the Group.	We believe that turnover was the most appropriate benchmark being a primary measure in assessing the performance of the Company and is a generally accepted auditing benchmark.

We use a different level of materiality (‘performance materiality’) to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. We determined performance materiality to be HK$ 22,350.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above HK$ 1,490 as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

An overview of the scope of our audit

We performed a full scope audit on the Group in accordance with ISAs (UK).

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at areas where the Directors made subjective judgements, which involved making assumptions and considering future events that are inherently uncertain, such as their going concern assessment.

Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the part of the directors' remuneration report to be audited has been properly prepared in accordance with Companies Act 2006
- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Directors' remuneration

Under the Companies Act 2006, we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting standards and returns.

We have nothing to report in respect of these matters.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental, health and safety legislation and anti-money laundering regulations.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.
- We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;

- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 of the Group financial statements were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit. Our audit opinion is consistent with the additional report to the audit committee.

Use of this report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Benjamin Bidnell

Benjamin Bidnell (Senior Statutory Auditor)
For and on behalf of
Shipleys LLP
Statutory Auditor
London

28 April 2023

Statements of Comprehensive Income for the year ended 31 December 2022

	Note	Group For the year ended 31 December 2022 HK$'000	Group For the year ended 31 December 2021 HK$'000	Company For the year ended 31 December 2022 HK$'000	Company For the year ended 31 December 2021 HK$'000
Revenue	4	3,974	3,039	-	-
Cost of sales		(3,261)	(2,963)	-	-
Gross profit		**713**	**76**	**-**	**-**
Other income	4	261	2,460	-	-
Other expenses		-	-	-	-
		974	2,536	-	-
Administrative expenses	6	(6,683)	(7,020)	(1,432)	(1,427)
Gain (Loss) on disposal		-			
Provision for the trade receivables		-	(1,681)		
Impairment loss for the investment		-	-	-	-
Impairment loss on the intercompany current account		-	-	420	581
Loss for the period from operations		(5,709)	(6,165)	(1,012)	(847)
Finance costs	5	(7)	(19)	-	-
Loss for the period before tax		(5,716)	(6,184)	(1,012)	(847)
Income tax expense	7	-	-	-	-
Loss for the period		(5,716)	(6,184)	(1,012)	(847)
Other comprehensive income (loss)/income					
Exchange differences arising on translation of foreign operations		(2,135)	824	-	-
Total comprehensive loss for the period		**(7,851)**	**(5,360)**	(1,012)	(847)
Loss profit attributable to					
Equity holders of parent company		(5,718)	(5,882)	(1,012)	(847)
Non-controlling interests		2	(302)	-	-
		(5,716)	(6,184)	(1,012)	(847)
Total comprehensive loss attributable to:					
Equity holders of the parent company		(7,853)	(5,058)	(1,012)	(847)
Non-controlling interests		2	(302)	-	-
		(7,851)	**(5,360)**	(1,012)	(847)
Loss per shares - Basic and diluted HK$	8	(0.06)	(0.06)	(0.01)	(0.01)

Statements of financial position as at 31 December 2022

	Notes	Group As at 31 December 2022 HK$'000	Group As at 31 December 2021 HK$'000	Company As at 31 December 2022 HK$'000	Company As at 31 December 2021 HK$'000
Assets					
Non-current assets					
Property, plant and equipment	9	12	103	-	-
Right of use assets (IFRS16)	11	1,103	530	-	-
Investment in Subsidiaries	12	-	-	-	-
Total non-current assets		**1,115**	**633**	**-**	**-**
Current assets					
Inventories	10	-	-	-	-
Trade and other receivables	13	978	1,327	-	-
Deposits and prepayments	13	216	187	60	56
Amount due from subsidiaries	13	-	-	-	-
Cash and cash equivalents	14	258	172	5	126
Total current assets		**1,452**	**1,686**	**65**	**182**
Total assets		**2,567**	**2,319**	**65**	**182**
Equity and liabilities					
Equity					
Share capital	19	96,017	96,017	96,017	96,017
Share premium		44,106	44,106	44,106	44,106
Group Re-organization Reserve		(100,031)	(100,031)	-	-
Capital Contribution arising from Shareholder's Loan		844	844	-	-
Other Reserves		2,057	3,377	1,082	2,402
Exchange Reserves		4,838	2,191	1,964	255
Accumulated deficit		(87,943)	(83,544)	(151,581)	(151,889)
Equity attributable to owners of the parent		**(40,112)**	**(37,040)**	**(8,412)**	**(9,109)**
Non-controlling interests		(473)	(475)	-	-
Total equity		**(40,585)**	**(37,515)**	**(8,412)**	**(9,109)**
Liabilities					
Non-current liabilities					
Convertible Bonds	17	5,326	5,946	5,326	5,968
Shareholder loans	18	9,676	9,647	926	875
Total non-current liabilities		**15,002**	**15,593**	**6,252**	**6,843**
Current liabilities					
Trade and other payables	15	12,717	12,747	2,225	2,448
Lease Liabilities	21	1,104	558	-	-
Amount due to a director		3,513	3,589	**-**	**-**
Deposits received		79	11	**-**	**-**
Shareholder loan		10,737	7,336	**-**	**-**
Total current liabilities		**28,150**	**24,241**	**2,225**	**2,448**
Total liabilities		**43,152**	**39,834**	**8,477**	**9,291**
Total equity and liabilities		**2,567**	**2,319**	**65**	**182**

Approved by the Board and authorised for issue on 28 April 2023

Jonathan Lo

Jonathan Lo
Director

■ Company Registration No. 10028625

Statements of Changes in Equity (Company)

	Share capital HK$'000	Share premiu m HK$'000	Other reserves HK$'000	Exchange reserves HK$'000	Retained earnings HK$'000	Total equity HK$'000
Balance at 1 January 2021	96,017	44,106	3,849	276	(152,489)	(8,241)
Loss for the year	-	-	-	(21)	(847)	(868)
Other Comprehensive income	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-
Lapse of the share option	-	-	(1,447)	-	1,447	-
Total comprehensive income	-	-	(1,447)	(21)	600	(868)
Balance at 31 December 2021	96,017	44,106	2,402	255	(151,889)	(9,109)
Change in equity for 2022						
Loss for the year	**-**	**-**	**-**	**-**	**(1,012)**	**(1,012)**
Other comprehensive income	**-**	**-**	**-**	**1,709**	**-**	**1,709**
Share based payments	**-**	**-**	**-**	**-**	**-**	**-**
Lapse of the share option	**-**	**-**	**(1,320)**	**-**	**1,320**	**-**
Total comprehensive income	**-**	**-**	**(1,320)**	**1,709**	**308**	**697**
Balance at 31 December 2022	**96,017**	**44,106**	**1,082**	**1,964**	**(151,581)**	**(8,412)**

Statements of Changes in Equity (Group)

	Share capital HK$'000	Share premium HK$'000	Reverse Acquisition reserve HK$'000	Other reserve HK$'000	Exchange reserve HK$'000	Capital contribution reserves HK$'000	Retained earnings HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
GVMH PLC										
Balance at 1 January 2021	**96,017**	**44,106**	**(100,031)**	**4,824**	**2,366**	**844**	**(79,109)**	**(30,983)**	**(173)**	**(31,156)**
Exchange Reserve	-	-	-	-	(175)	-	-	(175)	**-**	(175)
Lapse of the share option	-	-	-	(1,447)	-	-	1,447	-	**-**	**-**
Other reserve	-	-	-	-	-	-	-	-	**-**	**-**
Non-Controlling Interest	-	-	-	-	-	-	-	-	**(302)**	**(302)**
Loss for the period	-	-	-	-	-	-	(5,882)	(5,882)	**-**	(5,882)
Balance at 31 December 2021	**96,017**	**44,106**	**(100,031)**	**3,377**	**2,191**	**844**	**(83,544)**	**(37,040)**	**(475)**	**(37,515)**
GVMH PLC										
Balance at 1 January 2022	**96,017**	**44,106**	**(100,031)**	**3,377**	**2,191**	**844**	**(83,544)**	**(37,040)**	**(475)**	**(37,515)**
Exchange Reserve	-	-	-	-	**2,647**	**-**	**-**	**2,647**	**-**	**2,647**
Lapse of the share option	-	-	-	**(1,320)**	**-**	**-**	**1,320**	**-**	**-**	**-**
Other reserve	-	-	-	-	**-**	**-**	**-**	**-**	**-**	**-**
Non-Controlling Interest	-	-	-	-	**-**	**-**	**-**	**-**	**2**	**2**
Loss for the period	-	-	-	-	**-**	**-**	**(5,719)**	**(5,719)**	**-**	**(5,719)**
Balance at 31 DECEMBER 2021	**96,017**	**44,106**	**(100,031)**	**2,057**	**4,838**	**844**	**(87,943)**	**(40,112)**	**(473)**	**(40,585)**

Share capital is the amount subscribed for shares at nominal value.
The share premium has arisen on the issue of shares at a premium to their nominal value.
Share-based payments reserve relate to the charge for share-based payments in accordance with IFRS 2.
Retained earnings represent the cumulative loss of the Group attributable to equity shareholders.
The reverse acquisition reserve arose in June 2019 on the reverse acquisition by GVC.

Statements of Cash flows for the year ended 31 December 2022

	Group For the year ended 31 December 2022 HK$'000	**Group For the year ended 31 December 2021 HK$'000**	**Company For the year ended 31 December 2022 HK$'000**	**Company For the year ended 31 December 2021 HK$'000**
Operating activities				
Loss before taxation	(5,716)	(6,184)	(1,012)	(847)
Adjustments for:				
Depreciation	668	669	-	-
Provision for the trade receivables	-	365		
Impairment loss for the investment	-		-	-
Impairment loss on the intercompany current account	-	581	-	-
Share based payment	-	-	-	-
Finance costs	8	19	-	-
Reverse of overprovided interest	-	-		
Operating loss before changes in working capital	**(5,040)**	**(4,550)**	**(1,012)**	**(847)**
Gain on disposal of subsidiary	-	-	-	-
Decrease/ (increase) in trade and other receivables	345	1,857	(4)	-
Decrease/ (increase) in deposits and prepayments	(25)	213	-	(1)
(Decrease)/Increase in trade and other payables	415	(3,842)	(2,486)	(1,732)
Increase in deposit received	68		-	-
Cash generated used in operating activities	**(4,237)**	**(6,322)**	**(3,502)**	**(2,580)**
Investing activities				
Payment for purchase of property, plant and equipment	-	(24)	-	-
Net cash outflow from investing activities	-	(24)	**-**	**-**
Financing activities				
Increase in an amount due from director	(76)	22	-	-
Proceeds from shareholder loans	2,365	4,766	-	-
Increase in loans due from subsidiaries	-	-	(591)	398
Increase in convertible loans				
Principal portion of lease payment	(613)	(616)		
Net cash generated from Financing activities	**1,676**	**4,172**	**(591)**	**398**
Net (decrease)/increase in cash and cash equivalents	**(2,561)**	**(2,174)**	**(4,093)**	**(2,182)**
Cash and cash equivalents at 1 January	172	855	126	43
Effect of foreign exchange rate changes	2,647	1,491	3,972	2,264
Cash and cash equivalents at 31 December	**258**	**172**	**5**	**125**
Represented by:				
Bank balance and cash	258	172	5	125

Notes to the financial statements

1. Reporting entities

The Company is a UK incorporated entity with a registered number of 10028625. GVMH's head office is in Honk Kong from where it is managed. These consolidated financial statements comprise GVMH and its subsidiaries. GVMH and its subsidiaries are primarily involved in social media marketing.

2. Accounting policies

2.1. Statement of compliance

The consolidated financial statements have been prepared in accordance with UK adopted International Accounting Standards.

2.2. Basis of preparation of the financial statements

The consolidated financial statements consolidate those of the Company and its subsidiaries (together the "Group" or "Grand Vision Media Holdings Plc"). The consolidated financial statements of the Group and the individual financial statements of the Company are prepared in accordance with applicable UK law and UK adopted International Accounting Standards and as applied in accordance with the provisions of the Companies Act 2006. The Directors consider that the financial information presented in these Financial Statements represents fairly the financial position, operations and cash flows for the period, in conformity with IFRS. As a result of UK endorsement of IFRS, there were no adjustments required.

Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries and associated undertakings. All of the subsidiaries have the same reporting date of 31 December.

2.3. Application of new and revised International Financial Reporting Standards (IFRSs)

The IASB and IFRS IC have issued new or amended standards and interpretations which are effective for accounting periods as noted below. Standards and interpretations which have been issued but are not yet effective will be applied by the Group in the accounting period that they become effective. Management does not believe the impact of adopting the new or amended standards and interpretations listed below will have a material impact on the results or net assets of the Group.

Annual Improvements to IFRS Standards 2018-2020 Cycle (effective 1 January 2022)

Amendments to IFRS 3 – Reference to the Conceptual Framework (effective 1 January 2022)

Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use (1 January 2022)

Amendments to IAS 37 – Onerous Contracts: Cost of Fulfilling a Contract (1 January 2022)

IFRS 17 Insurance Contracts (effective 1 January 2023)

Amendments to IFRS 17 – Initial Application of IFRS 17 & IFRS 9 – Comparative Information (effective 1 January 2023)

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current (effective 1 January 2023)*

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies (effective 1 January 2023) Amendments to IAS 8 – Definition of Accounting Estimates (1 January 2023)

Amendments to IAS 12 – Deferred Tax relating to Assets and Liabilities arising from a Single Transaction (1 January 2023)*

* Not yet endorsed by the UK

Going concern

The Group meets its day to day working capital requirement through use of cash reserves and existing shareholder loans. The Directors have considered whether the going concern basis is applicable in the preparation of the financial statements. This included the review of internal budgets, forecasts and financial results which show that there is a reasonable expectation that the Group should be able to operate within the level of its current funding arrangement. The Directors have reasonable expectation that the Group has adequate resources to continue operation for the foreseeable future for the reason they have adopted to going concern basis in the preparation of financial statement.

The Group incurred a loss of HKD 7,851,000 for the year ended 31 December 2022. This condition indicates the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. Therefore, the Company may be unable to realise its assets. The financial statements do not include any adjustments that would result if the Group was unable to continue as a going concern.

The COVID-19 pandemic has had a significant effect on the Group's results since January 2020, as digital marketing spends across the customer base declined considerably. Furthermore, the closure of cinemas in China has adversely affected the OOH revenue stream. To mitigate against this, the Group has taken advantage of local stimulus wherever possible, and sought to cut costs whilst revenues are reduced. Savings have also been made through reductions in rents to cinemas, office admin staff and some consolidation of office/storage space.

After careful consideration of the matters set out above, the Directors are of the opinion that the group will be able to undertake its planned activities for the period to 30 June 2023 from reserves and ordinary funding and have prepared the consolidated financial statement on a going concern basis.

Nevertheless, due to the uncertainties inherent in meeting its revenue predictions and obtaining obstacle funding these can be no certainty in these respects. The financial statements do not include any adjustments that would result if the group was unable to continue as a going concern.

2.4. Subsidiaries and non-controlling interests and GVMH PLC and its subsidiaries reorganisation accounting

Subsidiaries are all entities over which Grand Vision Media Holdings Plc has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

In June 2018, Grand Vision Media Holdings Plc ("Company") acquired the entire issued share capital of GVC Holdings Limited ("legal subsidiary") in exchange of issuance of shares to GVC Holdings Limited. As the legal subsidiary is reversed into the Company (the legal parent), which originally was a publicly listed cash shell company, this transaction cannot be considered a business combination, as the Company, the accounting acquiree does not meet the definition of a business, under IFRS 3 'Business Combinations'. However, the accounting for such capital transaction should be treated as a share- based payment transaction and therefore accounted for under IFRS 2 'Share-based payment'. Any difference in the fair value of the shares deemed to have been issued by the GVC Holdings Limited (accounting acquirer) and the fair value of Grand Vision Media Holdings PLC's (the accounting acquiree) identifiable net assets represents a service received by the accounting acquirer.

Although the consolidated financial information has been issued in the name of Grand Vision Media Holdings PLC, the legal parent, it represents in substance continuation of the financial information of the legal subsidiary.

The assets and liabilities of the legal subsidiary are recognized and measured in the Group financial statements at the pre-combination carrying amounts and not re-stated at fair value.

The retained earnings and other reserves balances recognized in the Group financial statements reflect the retained earnings and other reserves balances of the legal subsidiary immediately before the business combination and the results of the period from June 2019 to the date of the business combination are those of the legal subsidiary only.

The equity structure (share capital and share premium) appearing in the Group financial statements reflects the equity structure of Grand Vision Media Holdings PLC the legal parent. This includes the shares issued in order to affect the business combination.

2.5. Available-for-sale investments

Available-for-sale investments represent an investment in the securities. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the fair value reserve. As an exception to this, investments in equity securities that do not have a quoted price in an active market for an identical instrument and whose fair value cannot otherwise be reliably measured are recognised in the statement of financial position at cost less impairment losses. Dividend income from equity securities and interest income from debt securities calculated using the effective interest method are recognised in profit or loss in accordance with the policies. Foreign exchange gains and losses resulting from changes in the amortised cost of debt securities are also recognised in profit or loss.

When the investments are derecognised or impaired, the cumulative gain or loss recognised in equity is reclassified to profit or loss. Investments are recognised/derecognised on the date GVMH PLC and its subsidiaries commits to purchase/sell the investments or they expire.

2.6. Property, plant and equipment

The property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

Display panels and CMS	30% - 33.33%
Computer equipment	30% - 33.33%
Furniture's and fixtures	30% - 33.33%
Leasehold improvements	30% - 50%

Both the useful life of an asset and its residual value, if any, are reviewed annually.

The carrying value of the property, plant and equipment is compared to the higher of value in use and the fair value less costs to sell. If the carrying value exceeds the higher of the value in use and fair value less the costs to sell the asset, then the asset is impaired and its value reduced by recognising an impairment provision.

2.7. Impairment of non-financial assets, other than inventories

At the end of each reporting period, property, plant and equipment and investments in a subsidiary are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or GVC Holdings Ltd and its subsidiaries of related assets) is estimated and compared with its carrying amount. If an estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or GVC Holdings Ltd and its subsidiaries of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (GVC Holdings Ltd and its subsidiaries of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.8. Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2.9. Trade and other receivables

The Group classifies all its financial assets as trade and other receivables. The classification depends on the purpose for which the financial assets were acquired.

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss.

The Group's loans and receivables financial assets comprise other receivables (excluding prepayments) and cash and cash equivalents included in the Statement of Financial Position.

2.10. <u>Cash and cash equivalents</u>

Cash and cash equivalents comprise cash and bank balance. Bank overdrafts that are repayable on demand and form an integral part of GVMH PLC's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

2.11. <u>Trade and other payables</u>

Trade and other payables are initially recognised at fair value. They are subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

2.12. <u>Shareholders loan</u>

Shareholders loans are initially recognised at fair value. They are subsequently measured at amortised cost using the effective interest method. The difference between the fair value and the carrying amortised cost (i.e. the effective interest portion) is first recognized in equity as capital contribution reserve.

2.13. <u>Employee benefits</u>

Short-term benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

2.14. <u>Taxation</u>

(i) Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss because of items of income or expense that are taxable or deductible in other periods and items that are never taxable or deductible. Grand Vision Media Holding Plc's current tax is calculated using rates that have been enacted during the reporting period

(ii) Deferred tax

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and

- investments in subsidiaries where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the deferred tax liabilities or assets are settled or recovered. Deferred tax balances are not discounted.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities.

The Group is entitled to a tax deduction on the exercise of certain employee share options. A share-based payment expense is recorded in the income statement over the period from the grant date to the vesting date of the relevant options. As there is a temporary difference between the accounting and tax bases, a deferred tax asset may be recorded. The deferred tax asset arising on share option awards is calculated as the estimated amount of tax deduction to be obtained in the future (based on the Group's share price at the balance sheet date) pro-rated to the extent that the services of the employee have been rendered over the vesting period. If this amount exceeds the cumulative amount of the remuneration expense at the statutory rate, the excess is recorded directly in equity, against retained earnings. Similarly, current tax relief in excess of the cumulative amount of the Share-based payments expense at the statutory rate is also recorded in retained earnings.

2.15. <u>Provision and contingent liabilities</u>

Provisions are recognised for other liabilities of uncertain timing or amount when GVMH PLC and its subsidiaries or GVMH PLC has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate 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.

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 events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2.16. <u>Revenue recognition</u>

After the adoption of IFRS 15, the company recognise revenue from contracts with customers when (or as) the company satisfies a performance obligation by transferring a promised good or service (i.e., an asset) to a customer. An asset is transferred When (or as) the customer obtains control of that asset. When (or as) a performance obligation is satisfied, the company recognises as revenue the amount of the transaction price (which includes estimates of variable consideration that are constrained in accordance with IFRS 15) that is allocated to that performance obligation. Further details of the company's revenue and other income recognition policies are as follows:

(i) Service income is recognised as income on a straight-line based over the term, unless another systematic basis is more representative of the time pattern of the user's benefit.

(ii) Barter revenueis recognised only when the goods or services being exchanged are of a dissimilar nature. Barter revenue is measured at the fair value of goods or services rendered, adjusted by the amount of cash or cash equivalents received or paid. If the fair value of the goods or services rendered cannot be relaibly measured, the revenue is measured at the fair value of the goods or services received, again adjusted by the amount of cash or cash equivalents received

(iii) Interest income is recognised on a time-proportion basis using the effective interest method. When a loan and receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

2.17. <u>Translation of foreign currencies</u>

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items, including goodwill arising on consolidation of foreign operations, are translated into Hong Kong dollars at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

Exchange rates used in these accounts :

GBP/HKD : 9.45

USD/HKD : 7.75

RMB/HKD : 1.12

SGD/HKD : 5.67

The functional currency of the Group is Hong Kong Dollars (HKD), its subsidiaries are also in HKD. The presentational currency of the Group is HKD because a significant amount of its transactions is in HKD. The functional currency of the Company is British Pound (GBP).

Transactions entered by the Group’s entities in a currency other than the functional currency are recorded at the rates ruling when the transaction occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the statement of financial position date. Exchange differences arising on the re-translation of outstanding monetary assets and liabilities are also recognised in the income statement.

The functional currency of the Company is British Pound (GBP)

2.18. Borrowing costs

Borrowing costs represented a notional interest on shareholders' loan, which is accrued on time proportion basis taking into account of the shareholder loan outstanding and the interest applicable.

2.19. Financial instruments

IFRS 9 requires an entity to address the classification, measurement and recognition of financial assets and liabilities.

a) Classification

The Group classifies its financial assets in the following measurement categories:

• those to be measured subsequently at fair value (either through OCI or through profit or loss); and

• those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded either in profit or loss or in OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group classifies financial assets as at amortised costs only if both of the following criteria are met:

• the asset is held within a business model whose objective is to collect contractual cash flows; and

• the contractual terms give rise to cash flows that are solely payment of principal and interest.

b) Recognition

Purchases and sales of financial assets are recognised on trade date (that is, the date on which the Group commits to purchase or sell the asset). Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

d) Impairment

The Group assesses, on a forward-looking basis, the expected credit losses associated with any debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.20. Segmental analysis

In the opinion of the directors, the group has one class of business being social media advertising. The groups primary reporting format is determined by geographical segment. There is currently only one geographical reporting segment which is People's Republic of China.

2.21. Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract.

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

Non-lease components are separated from lease component on the basis of their relative stand-alone prices.

As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

Short-term leases

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted 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 liabilities

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The incremental borrowing rates applied by the relevant group entities.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees; • the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risk and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating lease.

Amounts due from lessees under finance leases are recognised as receivables at commencement date at amounts equal to net investments in the leases, measured using the interest rate implicit in the respective lease. Initial direct costs (other than those incurred by manufacturer or dealer lessors) are included in the initial measurement of the net investments in the leases. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Sublease

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

2.22. Government grants

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

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

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

2.23. Share based payment

The fair value of share-based payments recognised in the income statement is measured by use of the Black Scholes model, which takes into account conditions attached to the vesting and exercise of the equity instruments. The expected life used in the model is adjusted based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The share price volatility percentage factor used in the calculation is based on management's best estimate of future share price behaviour and is selected based on past experience, future expectations and benchmarked against peer companies in the industry.

3. Summary of Critical Accounting Estimates and judgements

The preparation of financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Directors to exercise their judgement in the process of applying the accounting policies which are detailed above. These judgements are continually evaluated by the Directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key estimates and underlying assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities, as well as the recognition of revenue, within the next financial year are discussed below:

• Recognising appropriate revenue in line with performance obligations

Management identifies the performance obligations associated with each contract and then exercises judgement to establish an appropriate percentage of the total transaction price to recognise once each identified performance obligation is successfully completed.

• Useful lives of depreciable assets

Management reviews the useful lives and residual value of depreciable assets at each reporting date to ensure that the useful lives represent a reasonable estimate of likely period of benefit to the Group. Tangible fixed assets are depreciated over their useful lives taking into account of residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4. Revenue

Analysis of GVMH PLC and its subsidiaries' revenue is as follows:

	Year ended 31 December 2022 HK$'000	Year ended 31 December 2021 HK$'000	Year ended 31 December 2022 HK$'000	Year ended 31 December 2021 HK$'000
Revenue				
Advertising fee income	-	4	-	-
Digital marketing income	3,959	3,035	-	-
Other	15	-	-	-
	3,974	3,039	-	-
Other income				
Sundry income	261	2,460	-	-
Government grant	-	-	-	-
	261	2,460	-	-
	4,235	**5,499**	**-**	**-**

Sundry Income represents a reversal of accrued expenses in prior years.

5. Finance costs

	Year ended	Year ended	Year ended	Year ended

	31 December 2022 HK$'000	31 December 2021 HK$'000	31 December 2022 HK$'000	31 December 2021 HK$'000
Finance costs				
Interest expense on lease liabilities	7	19		
Reverse on the overprovided shareholder loans	-	-	-	-
	7	19		

6. Administrative expenses

	Year ended 31 December 2022 HK$'000	Year ended 31 December 2021 HK$'000	Year ended 31 December 2022 HK$'000	Year ended 31 December 2021 HK$'000
Audit fees	545	408	416	250
Business development and marketing	7	18	-	-
Share based payment	-	-	-	-
Depreciation	668	669	-	-
RTO, Legal and professional fee	212	350	211	308
Office rental	30	60	-	-
Overseas travelling	11	11	-	-
Other	1,557	1,383	220	228
Administrative expenses	**3,030**	**2,899**	**847**	**786**
Director's fees and emoluments	1,203	1,241	585	641
Wages and Salaries	2,450	2,880	-	-
	6,683	**7,020**	**1,432**	**1,427**

Employee numbers	**No.**	**No.**	**No.**	**No.**
Management	3	3	2	2
Operations	13	14	-	-
	16	**17**	**2**	**2**

7. Income tax expense

No Hong Kong profits tax provision made in the accounts as GVMH PLC and its subsidiaries' do not have any assessable profits for the period.

Reconciliation between tax expenses and accounting profit at applicable tax rates of 16.5%:

	Year ended 31 December 2022 HK$'000	Year ended 31 December 2021 HK$'000	Year ended 31 December 2022 HK$'000	Year ended 31 December 2021 HK$'000
Loss before tax	(5,716)	(6,184)	(1,012)	(847)
Notional tax on loss before taxation, calculated at the rates applicable to loss in the countries concerned	(943)	(1,020)	(167)	(140)
Tax effect of non-taxable income	-	-	-	-
Tax effect of not recognised tax loss	943	1,020	167	140

Actual tax expenses	-	-	-	-

GVMH PLC and its subsidiaries has not recognised deferred tax assets of HK$3,610,224 (2021: HK$3,329,951) in respect of accelerated depreciation over capital allowances. No deferred tax asset has been recognised on the accumulated tax losses of HK$21,880,145 (2021:HK$20,181,519) as the availability of future taxable profits against which the assets can be utilised is uncertain at 31 December 2022.

The tax losses can be carried forward to offset against the taxable profits of subsequent years for up to five years from the year in which they were incurred or there is no restriction on their expiry, depending on the tax jurisdiction concerned.

8. Loss per share

The calculation of basic earnings per share is based on GVMH PLC and its subsidiaries' loss attributable to shareholders of GVMH PLC and weighted average number of shares in issue during the year, details are as follows:

	Year ended 31 December 2022 HK$'000	**Year ended 31 December 2021 HK$'000**	**Year ended 31 December 2022 HK$'000**	**Year ended 31 December 2021 HK$'000**
Loss attributable to GVMH PLC	(5,716)	(6,184)	(1,012)	(847)
Weighted average number of shares	96,287,079	96,287,079	96,287,079	96,287,079
Basic and diluted loss per share HK$	(0.06)	(0.06)	(0.01)	(0.01)

There were no potential dilutive ordinary shares in existence during the period ended 31 December 2022 or the years ended 31 December 2021, and hence diluted earnings per share is the same as the basic earnings per share.

9. Property, plant and equipment

	Displays panels and CMS HK$'000	**Computer equipment HK$'000**	**Furniture, fixtures & equipment HK$'000**	**Leasehold improvement HK$'000**	**Total HK$'000**
Cost					
At 31 December 2020	16,386	298	343	252	17,279
Additions during the year 2021	-	24	-	-	24
Write-off	-	(10)	-	-	(10)
Exchange realignment	81	1	-	-	82
At 31 December 2021	16,467	313	343	252	17,375
Additions during the year 2022	-	-	-	-	-
Write-off	-	-	-	-	-
Exchange realignment	-	-	-	-	-
At 31 December 2022	16,467	313	343	252	17,375
Accumulated depreciation					
At 31 December 2020	16,386	295	313	115	17,109

Charge for the year 2021	-	7	15	69	91
Write-off	-	(10)	-	-	(10)
Exchange realignment	81	1	-	-	82
At 31 December 2021	16,467	293	328	184	17,272
Charge for the year 2022	-	8	15	68	91
Write-off	-	-	-	-	-
Exchange realignment	-	-	-	-	-
At 31 December 2022	16,467	301	343	252	17,363
Net carrying amount					
At 31 December 2022	-	12	-	-	12
At 31 December 2021	-	20	15	68	103

10. Inventories

Inventories	As at 31 December 2022 HK$'000	As at 31 December 2021 HK$'000	As at 31 December 2022 HK$'000	As at 31 December 2021 HK$'000
Goods	-	-	-	-
Online resources	-	-		
	-	-	-	-

As at 31 December 2022, no provision for impairment on goods for the group has been made. No cost of inventory recognised as expenses during the year. (2021: HK$Nil).

11. Right of use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Right of use assets	Leasehold improvement HK$'000
At 1/1/2021	1,107
Additions during the year 2021	-
Depreciation	(578)
At 31/12/2021	529
Additions during the year 2022	1,151
Depreciation	(577)
At 31/12/2022	1,103

12. Investments in Subsidiaries

Company	2022 HK$'000	2021 HK$'000
Cost		
At 1 January	114,572	114,572
Loans to subsidiaries	15,627	17,915
Exchange Rate Difference	-	386
At 31 December	130,198	132,873

Impairment		
At 1 January	(132,873)	(133,084)
Loans to subsidiaries	-	-
Investment in subsidiaries	-	-
Loans recovery from subsidiaries	420	211
Exchange Rate Difference	2,255	-
At 31 December	(130,198)	(132,873)
Net Carrying Amount	-	-

13. Trade and other receivables

Note: Amounts due from related companies are unsecured, interest-free and repayable on demand.

Receivables that was not impaired was as follows:

	As at 31 December 2022 HK$'000	As at 31 December 2021 HK$'000	As at 31 December 2022 HK$'000	As at 31 December 2021 HK$'000
Prepayments	216	187	60	56
Amount due from Subsidiaries	-	-	-	-
Neither past due or nor impaired	978	1,327	-	-
	1,194	1,514	60	56

Note: Trade receivables are stated after provisions for impairment of HK$978k (2021: HK$1,327k). The directors consider that the carrying amount of receivables is not materially different to their fair value.

14. Cash and cash equivalents

Cash and cash equivalents	As at 31 December 2022 HK$'000	As at 31 December 2021 HK$'000	As at 31 December 2022 HK$'000	As at 31 December 2021 HK$'000
Cash at bank and in hand	258	172	5	125
	258	**172**	**5**	**125**

15. Trade and other payables

Trade and other payables	As at 31 December 2022 HK$'000	As at 31 December 2021 HK$'000	As at 31 December 2022 HK$'000	As at 31 December 2021 HK$'000
Trade payables	12,717	12,747	2,225	2,448
Other payables	-	-	-	-
Total trade and other payables	**12,717**	**12,747**	**2,225**	**2,448**

16. Share based payments

The Group has a share ownership compensation scheme for Directors and Senior employees of the Group. In accordance with the provisions of the plan, Directors and Senior employees may be granted options to purchase ordinary shares in the Company.

The company issued options over 12,000,000 ordinary shares on 19 June 2018. The options vest annually over a 3 year period to 31 December 2020. All of these have vested to date. Options for 4,000,000 ordinary shares were lapsed in 2021 and 2022 respectively.

The fair value of equity-based share options granted is estimated at the date of grant using the Black-Scholes pricing model, taking into account the terms and conditions upon which the options have been granted.

The following are the inputs to the model for the options granted during the prior year:

	Share Options 2020	Share Options 2019	Share Options 2018
Exercise price	22.5p	22.5p	22.5p
Share price at date of grant	0.15p	0.15p	0.15p
Risk free rate	1.04%	1.04%	1.04%
Volatility	50%	50%	50%
Expected Life	3 Years	3 years	3 Years
Fair Value	0.0229999	0.03626798	0.03626798

	No. of Options	**WAEP**
As at 31 December 2020	12,000,000	0.1817
Vested during the year	-	-
Forfeited/cancelled during the year 2021	4,000,000	-
Exchanged for shares	-	-
As at 31 December 2021	8,000,000	0.1817
Vested during the year	-	-
Forfeited/cancelled during the year 2022	4,000,000	-
Exchanged for shares	-	-
As at 31 December 2022	4,000,000	0.1817

17. Convertible loan

On 19 July 2019 , the company issues £670k of convertible loan notes, which are redeemable on 1 July 2021 or convertible into shares at 15p per share at any time before this date.

The holders of the loan notes have agreed to defer repayment of the loan until the Group has the funds available for repayment, and renegotiate the repayment date.

Subsequent measurement at

	2022	2021	2020
Term of loan in years	15	15	1.5
Annual interest rate for equivalent non-convertible	12%	12%	12%
Principal	£670,000	£670,000	£670,000
Present value of principal at HKD	HKD5,326,062	HKD5,945,954	HKD5,968,259

18. Shareholder loans

Shareholders' loan	As at 31 December 2022 HK$'000	As at 31 December 2021 HK$'000	As at 31 December 2022 HK$'000	As at 31 December 2021 HK$'000
Shareholders' loan at fair value	9,676	9,647	926	897
Capital contribution reserve arising from effective interest portion	-	-	-	-
Accrued effective interest paid to shareholders	-	-	-	-
Shareholder's loan at amortised cost	**9,676**	**9,647**	**926**	**897**

The shareholders' loan is unsecured, interest-free and repayable on demand. These loans will not be repaid until after 31 December 2022, and when funds permit.

As the shareholders' loan is unsecured, interest-free and repayable on demand, the directors assumes that the shareholder's loan is expected to repay in year 2024 and when the Group has sufficient funds. and the available market interest rate for shareholder's loan of the same kind is at the best landing rate in Hong Kong plus 1% per annum which is also used to calculate the effective interest portion of such.

19. Share Capital

(a) Issued share capital

Allotted, called up and fully paid ordinary shares of 10p each	Number of shares	Share Capital	Share Capital	Share Premium	Share Premium
		£	HK$	£	HK$
Balance at 31 December 2021	96,287,079	9,628,708	96,017,186	4,422,954	44,105,565
New Share issue	-	-	-	-	-
Balance at 31 December 2022	96,287,079	9,628,708	96,017,186	4,422,954	44,105,565

(b) Capital management

GVMH PLC and its subsidiaries' objective when managing capital are to safeguard GVMH PLC and its subsidiaries' ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefit for other stakeholders, and to provide an adequate return to shareholders.

GVMH PLC and its subsidiaries manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, GVMH PLC and its subsidiaries' may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. No changes were made in the objectives, policies and processes during the year of 2022 and 2021.

GVMH PLC and its subsidiaries' monitors' capital using a gearing ratio, which are calculated by dividing consolidated debts by consolidated total shareholder's equity. The Group's policy is to keep the gearing ratio at a reasonable level. The Group's gearing ratio was 37% and 42% as at 31 December 2022 and 2021 respectively.

20. Financial instruments

GVMH PLC and its subsidiaries has classified its financial assets in the following categories:

	As at 31 December 2022	As at 31 December 2021	As at 31 December 2022	As at 31 December 2021
Loans and receivables	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**
Accounts and other receivables	978	1,327	-	-
Amounts due from subsidiaries	-	-	-	-
Deposits and prepayments	216	187	60	56
Cash and cash equivalents	256	172	5	125
Loans and receivables	**1,450**	**1,686**	**65**	**181**

	As at 31 December 2022	As at 31 December 2021	As at 31 December 2022	As at 31 December 2021
Financial liabilities at amortised cost	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**
Trade and other payables	12,717	12,747	2,225	2,448
Deposits received	79	11	-	-
Shareholders' loan	20,413	16,983	926	897
Lease liability (IFRS16)	1,104	558	-	-
Amount due to a director	3,513	3,589	-	-
Financial liabilities at amortised cost	**37,826**	**33,888**	**3,151**	**3,345**

GVMH PLC and its subsidiaries are exposed to credit risk, liquidity risk and market risk arising in the normal course of its business and financial instruments. GVMH PLC and its subsidiaries' and GVMH PLC's risk management objectives, policies and processes mainly focus on minimising the potential adverse effects of these risks on its financial performance and position by closely monitoring the individual exposure.

(a) Credit risk

GVMH PLC and its subsidiaries are exposed to credit risk on financial assets, mainly attributable to trade and other receivables. It sets credit limits on each individual customer and prior approval is required for any transaction exceeding that limit. The customer with sound payment history would accumulate a higher credit limit. In addition, the overseas customers would normally be required to transact with GVMH PLC and its subsidiaries' and GVMH PLC by letter of credit in order to minimise GVMH PLC and its subsidiaries' credit risk exposure.

At 31 December 2022, GVMH PLC and its subsidiaries has no concentration of risk and the maximum exposure to credit risk is represented by the carrying amount of each financial asset.

(b) Liquidity risk

GVMH PLC and its subsidiaries is exposed to liquidity risk on financial liabilities. It manages its funds conservatively by maintaining a comfortable level of cash and cash equivalents in order to meet continuous operational need. Various banking facilities and credit lines have also been arranged with different banks in order to fund any emergency liquidity requirements.

Liquidity risk	Not later than one month	Later than one month and not later than 5 years	Carrying amount
As at 31 December 2022			
Trade and other payables	804	11,913	**12,717**
Deposits received	79	-	**79**
Shareholders' loan – current	-	10,737	**10,737**
Convertible bonds	-	5,326	**5,326**
Shareholders' loan – non-current	-	9,676	**9,676**
Amount due to Director	-	3,513	**3,513**
	883	41,165	**42,048**
As at 31 December 2021			
Trade and other payables	293	12,454	**12,747**
Deposits received	11	-	**11**
Shareholders' loan – current	-	7,336	**7,336**
Convertible bonds	-	5,946	**5,946**
Shareholders' loan – non-current	421	9,226	**9,647**
Amount due to Director	-	3,589	**3,589**
	725	38,551	**39,276**
GVMH PLC			
As at 31 December 2022			
Trade and other payables	331	1,894	**2,225**
Convertible bonds	-	5,326	**5,326**
Shareholders' loan – non current	-	926	**926**
	331	8,146	**8,477**
As at 31 December 2021			
Trade and other payables	2,448	-	**2,448**
Convertible bonds	-	5,946	**5,946**
Shareholders' loan – non current		897	**897**
	2,448	6,843	**9,291**

(c) Interest rate risk

The Group has no exposure on fair value interest rate risk. It also has exposure on cash flow interest rate risk which is mainly arising from its deposits with banks.

GVMH PLC and its subsidiaries mainly holds fixed deposits with banks with maturity within 3 months and the exposure is considered not significant. In consequence, no material exposure on fair value interest rate risk is expected. Even that, GVMH PLC closely monitors the fair value fluctuation of the investments and disposes of them in case of significant increase in interest rate is foreseen.

Sensitivity analysis

At 31 December 2022, if interest rates as that date had been 100 basis points lower/higher with all other variables held constant, GVMH PLC loss for the year would have been HK$150,023 (2021: HK$155,940) higher/lower.

(d) Currency risk

GVMH PLC and its subsidiaries purchases and sells in various foreign currencies, mainly US dollars and RMB that expose it to currency risk arising from such purchases and sales and the resulting receivables and the payables.

GVMH PLC and its subsidiaries closely and continuously monitors the exposure on currency risk. Since HK dollars are pegged to US dollars, there is no significant exposure expected on US dollars transactions and balances.

In respect of purchases and payables, GVMH PLC and its subsidiaries controls its volume of purchase orders to a tolerable level and avoids concentrating the purchases in a single foreign currency by diversifying such foreign currency risk exposure.

In respect of sales and receivables, GVMH PLC and its subsidiaries sets a prudent credit limit to individual customers who transact with it in other foreign currencies. The directors' approval is required on the exposure to an individual customer or transaction that exceeds the limit.

21. Leases liabilities

The Group has lease contracts for leasehold land and building used in its operations. Lease of leasehold land and building generally have lease terms between 2 to 3 years. The Group's obligations under its leases are secured by the lessor's title to the lease asset. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain certain financial ratios. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group also has certain leases of leasehold land and building with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Lease liabilities	**HK$'000**
At 31 December 2020	1,156
New leases	-
Accretion of interest recognised during the year	19
Payments	(617)
At 31 December 2021	558
New leases	1,151
Accretion of interest recognised during the year	8
Payments	(613)
At 31 December 2022	1,104

The following are the amounts recognised in profit or loss:

	2022	**2021**
	HK$'000	**HK$'000**
Interest on lease liabilities	8	19
Depreciation of right-of-use assets	1,103	578
Expenses relating to short-term leases	30	60
Total amount recognised in profit or loss	1,141	657

The Group had total cash outflows for leases of HK$636K and has non-cash additions to right-of-use assets and lease liabilities of HK$1,104k for the year (2021: HK$558k).

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

	Between 1 Year	**Between 2 to 5 Year**	**Over 5 years**
	HK$'000	**HK$'000**	**HK $'000**
At 31 December 2022			
Lease Liabilities	571	533	-
At 31 December 2021			
Lease Liabilities	558	-	-

22. <u>Contingent liabilities</u>

At 31 December 2022, GVMH PLC and its subsidiaries did not have any contingent liabilities.

23. <u>Material related party transactions</u>

Key management personnel compensation

Key management are considered to be the directors of the Company. Details of their remuneration and equity holdings are disclosed in the Directors Report.

Transactions with subsidiaries

Transactions between the Group and its subsidiaries, which are related parties, have been eliminated on consolidation. The balance due from subsidiaries at the year end was nil due to fully impaired (2021: HK$Nil).

Transactions with shareholders and directors (please include convertible loans and shareholder loans)

No interest recognised by the Company during the year (2021: interest receivable HK$Nil). The balance due from shareholders which included the shareholders' loan and convertible bonds at the year end was HK$25,739k (2021: HK$22,929k). The amounts owed to directors, being unpaid expenses and renumeration are as follows:

Jonathan Lo HK$ 3,513,159

Save as those transactions and balances disclosed elsewhere in these financial statements with shareholders and directors and Cyber Lion Limited (a company controlled by Edward Ng and Ajay Rajpal), GVMH PLC and its subsidiaries had no material transactions with related parties.

24. Event after reporting period

At 31 December 2022, GVMH PLC and its subsidiaries did not have material non-adjusting events after the report period that have significant impact on the financial position and operation of the Group.

25. List of subsidiaries

As at 31 December 2022 the following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of GVMH PLC and its subsidiaries.

			Proportion of ownership interest			
Name of GVMH PLC	**Place of incorporation/ operation**	**Particulars of issued and paid-up capital**	**GVMH PLC and subsidiaries effective interest**	**Held by GVMH PLC**	**Held by the subsidiary**	**Principal activities**
GVC Holdings Ltd	BVI/Hong Kong	US$10,862	100%	100%	-	Investment holdings
Founding Technology (Int'l) Ltd	Hong Kong	HK$10,000	70.0%	-	70%	Social Media Marketing
Grand Vision Media Limited	Hong Kong	HK$1,000,000	100%	-	100%	Advertising
Grand Vision Media Network Limited	Hong Kong	HK$7,824,268	100.0%	-	100.0%	3D panel advertising
Ying Interactive Marketing Services Ltd	Hong Kong	HK$4,900,000	55.0%	55%	-	Social Media Marketing
Shanghai Hongshi Culture Media Co., Ltd	PRC	RBM5,874,000	100.0%	-	100.0%	3D panel advertising

26. Control

At 31 December 2022, there is no one controlling party.