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萬 華 媒 體 ONEMEDIAGROUP

One Media Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 426)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2021

The directors (the “Directors”) of One Media Group Limited (the “Company”) announce the consolidated final results of the Company and its subsidiaries (the “Group”) for the year ended 31st March 2021 as follows:

CONSOLIDATED INCOME STATEMENT

Year ended 31st March

	Note	2021 HK\$'000	2020 HK\$'000
Turnover	3	45,943	70,129
Cost of goods sold		(45,521)	(55,498)
Gross profit		422	14,631
Other income	4	10,619	2,969
Other gain	5	1,712	–
Selling and distribution expenses		(12,302)	(15,457)
Administrative expenses		(17,414)	(28,649)
Operating loss	6	(16,963)	(26,506)
Finance costs	7	(200)	(199)
Share of net loss of a joint venture accounted for using the equity method	13	(50)	–
Loss before income tax		(17,213)	(26,705)
Income tax expense	8	(42)	(143)
Loss for the year		(17,255)	(26,848)
Loss attributable to:			
— Owners of the Company		(17,255)	(26,848)
— Non-controlling interests		–	–
		(17,255)	(26,848)
Loss per share attributable to owners of the Company for the year (expressed in HK cents per share)			
Basic and diluted	9	(4.3)	(6.7)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31st March

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Loss for the year	(17,255)	(26,848)
Other comprehensive (loss)/income:		
<i>Item that may be reclassified subsequently to profit or loss</i>		
Currency translation differences	(108)	(1)
<i>Items that will not be reclassified to profit or loss</i>		
Fair value changes on financial asset at fair value through other comprehensive income	9,822	(14,074)
Actuarial loss on long service payment obligations	—	(75)
Total comprehensive loss for the year	<u>(7,541)</u>	<u>(40,998)</u>
Total comprehensive loss for the year attributable to:		
— Owners of the Company	(7,541)	(40,998)
— Non-controlling interests	—	—
	<u>(7,541)</u>	<u>(40,998)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st March

	<i>Note</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		567	679
Intangible assets	11	–	–
Right-of-use assets		–	–
Financial asset at fair value through other comprehensive income	12	7,320	9,821
Investments accounted for using equity method	13	200	–
Total non-current assets		8,087	10,500
Current assets			
Inventories		281	379
Trade and other receivables	14	10,480	8,673
Amounts due from fellow subsidiaries	14	12	–
Cash and cash equivalents		115,082	9,976
Total current assets		125,855	19,028
Total assets		133,942	29,528
EQUITY			
Equity attributable to owners of the Company			
Share capital		401	401
Share premium		457,543	457,543
Other reserves		(331,664)	(338,955)
Accumulated losses		(120,767)	(105,935)
Total equity		5,513	13,054
LIABILITIES			
Non-current liabilities			
Long service payment obligations		50	137
Lease liabilities		–	2,285
Loans from a fellow subsidiary	16	115,000	–
Total non-current liabilities		115,050	2,422

	<i>Note</i>	2021 HK\$'000	2020 <i>HK\$'000</i>
Current liabilities			
Trade and other payables	<i>15</i>	6,963	8,567
Contract liabilities	<i>15</i>	3,680	2,263
Amounts due to fellow subsidiaries	<i>15</i>	1,292	976
Lease liabilities		1,414	2,205
Income tax payable		30	41
		<hr/>	<hr/>
Total current liabilities		13,379	14,052
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Total liabilities		128,429	16,474
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Total equity and liabilities		133,942	29,528
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 11th March 2005 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Windward 3, Regatta Office Park, P.O. Box 1350, KY1-1108, Grand Cayman, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (collectively “the Group”) are principally engaged in media business in Hong Kong and Taiwan, including but not limited to magazine publishing and digital media business.

These consolidated financial statements are presented in Hong Kong dollars (“HK\$”), unless otherwise stated, and have been approved for issue by the Board of Directors on 27th May 2021.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable International Financial Reporting Standards (“IFRSs”) and disclosure requirements of Hong Kong Companies Ordinance (Cap. 622). The consolidated financial statements have been prepared on a historical cost basis, as modified by the revaluation of financial assets at fair value through other comprehensive income, which are carried at fair value. The preparation of consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

(i) *New and amended standards adopted by the Group*

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1st April 2020:

Amendments to IAS 1 and IAS 8	Definition of material
Amendments to IAS 39, IFRS 7 and IFRS 9	Interest rate benchmark reform
Amendments to IFRS 3	Definition of a business
Conceptual Framework for Financial Reporting 2018	Revised conceptual framework for financial reporting

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(ii) *New and amended standards and interpretations not yet adopted by the Group*

Certain new and amended accounting standards and interpretations have been published that are not mandatory for 31st March 2021 reporting periods and have not been early adopted by the Group.

		Effective for annual periods beginning on or after
Amendments to IAS 1	Classification of liabilities as current or non-current	1st January 2023
Amendments to IAS 16	Property, plant and equipment: proceeds before intended use	1st January 2022
Amendments to IAS 37	Onerous contracts — cost of fulfilling a contract	1st January 2022
Amendments to IAS 39, IFRS 4, IFRS 7, IFRS 9 and IFRS 16	Interest rate benchmark reform — phase 2	1st January 2021
Amendments to IFRS 3	Reference to the conceptual framework	1st January 2022
Amendments to IFRS 16	COVID-19-related rent concessions	1st June 2020
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	to be determined
IFRS 17	Insurance contracts and the related amendments	1st January 2023
Annual improvements	Annual improvements to IFRSs 2018–2020 cycle	1st January 2022

None of these new standards and interpretations are expected to have a material impact on the Group's consolidated financial statements.

3 TURNOVER AND SEGMENT INFORMATION

IFRS 8 “Operating segments” requires operating segments to be identified based on internal reporting that is regularly reviewed by the chief operating decision maker. The Group regards the executive committee as the chief operating decision maker being responsible for allocating resources to segments and assessing their performance.

The executive committee assesses the performance of the operating segments based on a measure of operating profit/loss before tax but excluding corporate expenses. Other information provided is measured in a manner consistent with that in the internal financial reports.

The executive committee considers the performance of the entertainment and lifestyle operation and the watch and car operation and others in Hong Kong and Taiwan.

The breakdown of total revenue from customers from these areas and the Group's turnover and results provided to the executive committee for the reporting segments for the year ended 31st March 2021 and 2020 are as follows:

	Year ended 31st March 2021		
	Media Business		
	Entertainment and lifestyle operation <i>HK\$'000</i>	Watch and car operation and others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Turnover	<u>35,199</u>	<u>10,744</u>	<u>45,943</u>
Segment loss	<u>(9,613)</u>	<u>(3,085)</u>	<u>(12,698)</u>
Unallocated expenses (net)			<u>(4,515)</u>
Loss before income tax			<u>(17,213)</u>
Income tax expense			<u>(42)</u>
Loss for the year			<u>(17,255)</u>
Other segmental information:			
Interest income	<u>30</u>	<u>–</u>	<u>30</u>
Government grants	<u>5,991</u>	<u>1,427</u>	<u>7,418</u>
Gain on lease modification	<u>1,421</u>	<u>291</u>	<u>1,712</u>
Finance costs	<u>166</u>	<u>34</u>	<u>200</u>
Depreciation of property, plant and equipment	<u>278</u>	<u>51</u>	<u>329</u>

	Year ended 31st March 2020		
	Media Business		
	Entertainment and lifestyle operation <i>HK\$'000</i>	Watch and car operation and others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Turnover	<u>55,092</u>	<u>15,037</u>	<u>70,129</u>
Segment loss	<u>(20,444)</u>	<u>(3,528)</u>	<u>(23,972)</u>
Unallocated expenses (net)			<u>(2,733)</u>
Loss before income tax			(26,705)
Income tax expense			<u>(143)</u>
Loss for the year			<u>(26,848)</u>
Other segmental information:			
Interest income	<u>179</u>	<u>–</u>	<u>179</u>
Finance costs	<u>165</u>	<u>34</u>	<u>199</u>
Provision for impairment on property, plant and equipment	<u>732</u>	<u>42</u>	<u>774</u>
Provision for impairment on intangible assets	<u>4,632</u>	<u>11</u>	<u>4,643</u>
Provision for impairment on right-of-use assets	<u>3,663</u>	<u>750</u>	<u>4,413</u>
Depreciation of property, plant and equipment	<u>602</u>	<u>74</u>	<u>676</u>
Amortisation of intangible assets	<u>248</u>	<u>9</u>	<u>257</u>
Depreciation of right-of-use assets	<u>1,832</u>	<u>375</u>	<u>2,207</u>
Disaggregation of revenue			
		2021	2020
		<i>HK\$'000</i>	<i>HK\$'000</i>
Timing of revenue recognition			
— At a point in time		11,594	14,478
— Overtime		34,349	55,651
		<u>45,943</u>	<u>70,129</u>

4 OTHER INCOME

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Bank interest income	30	179
Dividend income	576	1,053
Other media business income	2,520	1,737
Government grants (<i>Note</i>)	7,418	–
Administrative service income	75	–
	<u>10,619</u>	<u>2,969</u>

Note: Government grants were mainly the subsidies from Hong Kong Government's Employment Support Scheme.

5 OTHER GAIN

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Gain on lease modification	<u>1,712</u>	<u>–</u>

6 OPERATING LOSS

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Paper consumed	225	401
Printing costs	6,157	9,190
Depreciation of property, plant and equipment	329	676
Amortisation of intangible asset	–	257
Depreciation of right-of-use assets	–	2,207
Provision for impairment on property, plant and equipment	–	774
Provision for impairment on intangible assets	–	4,643
Provision for impairment on right-of-use assets	–	4,413
Employee benefit expense (including directors' emoluments)	46,747	50,983
Expenses relating to short-term leases	643	435
Gain on disposal of property, plant and equipment	–	(41)
Bad debts written off	28	99
Auditor's remuneration	700	700
Other professional fees	670	361
Professional fees recharged	–	(2,565)
Support service fee	4,250	5,277
Licence fee and royalty charges	412	578
Advertising and promotion expenses	1,550	1,870
Distribution costs	395	697
Sales commission	<u>668</u>	<u>1,199</u>

7 FINANCE COSTS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Interest expense on lease liabilities	75	199
Loan interest expenses	<u>125</u>	<u>–</u>
	<u>200</u>	<u>199</u>

8 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2020: 16.5%) on the estimated assessable profit during the year ended 31st March 2021.

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current income tax		
— Hong Kong profits tax	<u>42</u>	<u>143</u>

9 LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

Basic loss per share is calculated by dividing the Group's loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2021	2020
Weighted average number of ordinary shares in issue (<i>in thousands</i>)	400,900	400,900
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss attributable to owners of the Company	<u>(17,255)</u>	<u>(26,848)</u>
Basic and diluted loss per share (<i>HK cents per share</i>)	<u>(4.3)</u>	<u>(6.7)</u>

The diluted loss per share was the same as the basic loss per share as there was no dilutive potential share in issue for the year ended 31st March 2021 and 2020.

10 DIVIDENDS

The Board of Directors did not recommend the payment of dividend for the year ended 31st March 2021 and 2020.

11 INTANGIBLE ASSETS

	Computer software <i>HK\$'000</i>	Trademarks <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1st April 2019			
Cost	1,443	75,600	77,043
Accumulated amortisation	(1,317)	(13,378)	(14,695)
Accumulated impairment	–	(57,454)	(57,454)
	<u>126</u>	<u>4,768</u>	<u>4,894</u>
Net book amount	<u>126</u>	<u>4,768</u>	<u>4,894</u>
Year ended 31st March 2020			
Opening net book amount	126	4,768	4,894
Additions	6	–	6
Amortisation expenses	(52)	(205)	(257)
Impairment	(80)	(4,563)	(4,643)
	<u>–</u>	<u>–</u>	<u>–</u>
Closing net book amount	<u>–</u>	<u>–</u>	<u>–</u>
At 31st March 2020			
Cost	1,438	75,600	77,038
Accumulated amortisation	(1,358)	(13,583)	(14,941)
Accumulated impairment	(80)	(62,017)	(62,097)
	<u>–</u>	<u>–</u>	<u>–</u>
Net book amount	<u>–</u>	<u>–</u>	<u>–</u>
Year ended 31st March 2021			
Opening net book amount	–	–	–
Additions	–	–	–
Amortisation expenses	–	–	–
Impairment	–	–	–
	<u>–</u>	<u>–</u>	<u>–</u>
Closing net book amount	<u>–</u>	<u>–</u>	<u>–</u>
At 31st March 2021			
Cost	1,438	75,600	77,038
Accumulated amortisation	(1,358)	(13,583)	(14,941)
Accumulated impairment	(80)	(62,017)	(62,097)
	<u>–</u>	<u>–</u>	<u>–</u>
Net book amount	<u>–</u>	<u>–</u>	<u>–</u>

12 FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Classification of financial asset at fair value through other comprehensive income

These comprise listed equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be relevant.

Equity investments at fair value through other comprehensive income

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trading securities — listed securities		
At the beginning of the year	9,821	23,895
Disposal (<i>Note</i>)	(12,323)	–
Fair value gain/(loss) recognised in other comprehensive income (<i>Note</i>)	9,822	(14,074)
	<u>7,320</u>	<u>9,821</u>
At the end of the year		

Note: During the year ended 31st March 2021, the Group has disposed of some of the securities at total consideration of approximately HK\$12.3 million based on market prices on disposal dates. The positive fair value change for disposed securities together with the fair value change for unsold securities were included in the fair value gain recognised in other comprehensive income amounted to approximately HK\$9.8 million. Upon disposals, a total amount of approximately HK\$2.4 million was transferred from the financial asset through other comprehensive income reserve to the accumulated losses in the consolidated statement of changes in equity.

The balance represents the fair value of the ordinary shares of Most Kwai Chung Limited (“Most Kwai Chung”) which are listed on the Main Board of The Stock Exchange of Hong Kong Limited. Dividends for the year from the above equity investments held at fair value through other comprehensive income totalling HK\$576,000 (2020: HK\$1,053,000) was recognised in consolidated income statement.

At 31st March 2021 and 2020, the fair value was determined based on the quoted share price of the listed securities.

The financial asset at fair value through other comprehensive income is denominated in Hong Kong dollar and the fair value approximates the carrying amounts.

13 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
At 1st April	–	–
Incorporation of a joint venture (<i>Note a</i>)	–*	–
Loan to a joint venture (<i>Note b</i>)	250	–
Share of net loss of a joint venture	(50)	–
	<hr/>	<hr/>
At 31st March	200	–
	<hr/> <hr/>	<hr/> <hr/>

Notes:

(a) On 24th July 2020, the Group entered into an agreement with an independent third party to incorporate a joint venture, Searching B Company Limited for HK\$50 and the transaction was completed during the year ended 31st March 2021. The Group accounted for the investment in Searching B Company Limited as a joint venture, as unanimous consent from another joint venturer is required for decisions of relevant activities according to the agreement.

(b) The loan to a joint venture is unsecured, has no fixed terms of repayment and is interest-free.

Set out below is the joint venture of the Group as at 31st March 2021.

Nature of investment in the joint venture as at 31st March 2021:

Name of joint venture	Place of incorporation	Effective equity interest		Principal activities	Measurement method
		2021	2020		
Searching B Company Limited (“Searching B”)	Hong Kong	50%	–	<i>Note</i>	Equity

Note: Searching B is principally engaged in the operation of a content-driven and data-driven e-commerce platform focusing on a beauty-related products, namely, www.searchingb.com.

Searching B is a private company with no quoted market prices available for its shares. There is no commitment and contingent liability relating to the Group’s interest in the joint venture.

* *The balance was less than HK\$1,000*

Set out below is the associate of the Group as at 31st March 2021 and 2020.

Nature of investment in the associate as at 31st March 2021 and 2020:

Name of associate	Place of incorporation	Effective equity interest		Principal activities	Measurement method
		2021	2020		
ByRead Inc. (“ByRead”)	The Cayman Islands	24.97%	24.97%	Note	Equity

Note: ByRead is an investment holding company and the principal activities of its subsidiaries include the provision of mobile value-added services such as entertainment and online reading for individuals and enterprises in Mainland China.

ByRead is a private company and there is no quoted market price available for its shares. There is no contingent liabilities relating to the Group’s interest in the associate. ByRead is currently under dissolution.

The Group recognised an allowance for impairment of HK\$23,467,000 of the investment in ByRead during the year ended 31st March 2015 and the Group’s carrying value of the investment in ByRead became zero since then. Management has performed the assessment and did not consider any reversal of impairment being necessary for the year ended 31st March 2021.

For the year ended 31st March 2021, the associate incurred losses and the Group shared losses of the associate up to its interest in the associate in previous years.

14 TRADE AND OTHER RECEIVABLES AND AMOUNTS DUE FROM FELLOW SUBSIDIARIES

	2021 <i>HK\$’000</i>	2020 <i>HK\$’000</i>
Trade receivables	7,546	7,479
Less: allowance for impairment of trade receivables	<u>(41)</u>	<u>(20)</u>
Trade receivables, net	7,505	7,459
Other receivables and deposits	303	328
Barter receivables	94	153
Prepayments and advances	<u>2,578</u>	<u>733</u>
Trade and other receivables	10,480	8,673
Amounts due from fellow subsidiaries	<u>12</u>	<u>–</u>
	<u>10,492</u>	<u>8,673</u>

The ageing of the amounts due from fellow subsidiaries arising from related-party transactions, by invoice date, is within 180 days. They are unsecured, non-interest bearing and with normal credit terms from 30 days to 180 days.

At 31st March 2021 and 2020, the fair values of trade and other receivables approximated their carrying amounts.

The Group allows in general a credit period ranging from 30 days to 120 days to its trade customers. At 31st March 2021 and 2020, the ageing analysis of the Group's trade receivables by invoice date is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
0 to 60 days	4,993	4,052
61 to 120 days	1,305	1,651
121 to 180 days	688	1,270
Over 180 days	560	506
	<u>7,546</u>	<u>7,479</u>

There is no concentration of credit risk with respect to trade receivables as the Group has a large customer base.

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis to reduce the exposure to bad debts. The credit period on trade receivables depending on the business area is ranging from 30 to 120 days.

15 TRADE AND OTHER PAYABLES, CONTRACT LIABILITIES AND AMOUNTS DUE TO FELLOW SUBSIDIARIES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade payables	2,299	3,046
Other payables	4,664	5,521
	<u>6,963</u>	<u>8,567</u>
Trade and other payables	6,963	8,567
Contract liabilities	3,680	2,263
Amounts due to fellow subsidiaries	1,292	976
	<u>11,935</u>	<u>11,806</u>

The ageing of the amounts due to fellow subsidiaries arising from related-party transactions, by invoice date, is within 180 days. They are unsecured, non-interest bearing and with normal credit terms from 30 days to 180 days.

At 31st March 2021 and 2020, the ageing analysis of the trade payables by invoice date is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
0 to 60 days	1,422	1,983
61 to 120 days	763	720
121 to 180 days	49	17
Over 180 days	65	326
	<u>2,299</u>	<u>3,046</u>

16 LOANS FROM A FELLOW SUBSIDIARY

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Non-current		
Loans from a fellow subsidiary	<u>115,000</u>	<u>–</u>

As at 31st March 2021, the Group has obtained the facilities from its fellow subsidiary of HK\$125 million (31st March 2020: HK\$25 million) consisting of used facility of HK\$115 million (31st March 2020: nil) and unused facility of HK\$10 million (31st March 2020: HK\$25 million).

The loans drawdown consist of balances amounted to HK\$25 million and HK\$90 million, which are not repayable before 31st December 2022 and 29th February 2024 respectively. The loans carry at interest rates of 1.6% over Hong Kong Inter-bank Offer Rate and 1.4% over Hong Kong Inter-bank Offer Rate per annum (31st March 2020: nil) respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

Results Summary

As the world battled the COVID-19 pandemic in 2020, global economy was brought to its knees by this invisible enemy. Hence, the GDP for Hong Kong decreased by 6.1% in real terms from 2019.

The Group's turnover for the year ended 31st March 2021 fell by 34% to HK\$45,943,000 as compared to HK\$70,129,000 in 2020. Hence, the Group recorded a loss after tax of HK\$17,255,000. In the previous year, the one-off provisions for impairment loss of HK\$9,830,000 for intangible assets, right-of-use assets and property, plant and equipment had resulted in the Group recording a loss after tax of HK\$26,848,000.

Review of Operations

Entertainment and Lifestyle Operation

The turnover for the Group's entertainment and lifestyle operation fell by 36% to HK\$35,199,000 when compared to HK\$55,092,000 recorded in last fiscal year. This resulted in the segment recording a loss of HK\$9,613,000. Nevertheless, this was an improvement as compared to HK\$20,444,000 in the previous year. The improvement in its segment results was due to the one-off other income and gain of HK\$7,412,000 in total for the lease modification and the government grants for the year ended 31st March 2021. Further, in the previous year there were one-off provisions for impairment loss of HK\$9,027,000 for intangible assets, right-of-use assets and property, plant and equipment.

The COVID-19 pandemic in 2020 had affected the Group's performance when retail spending and commercial activities, such as fashion shows or promotion events, were physically halted due to limit of the movement of people as a measure preventing the spread of the COVID-19 virus. This affected the advertisement spending of "Ming Pao Weekly 明周" ("MP Weekly") and "Ming's" which comprises mostly luxury brands.

"MP Weekly" continues to maintain its position as a popular entertainment and cultural title on both print and digital platforms in Hong Kong while "Ming's" remains a stylistic fashion and beauty brand, particularly for the young. In the financial year under review, MP Weekly had celebrated its anniversary with a virtual concert performed by Ms. Joyce Cheng and Ms. Jade Kwan.

As the public chose to remain at home in order to stay safe, the shopping habits of the consumers switched from physical buying to on-line shopping. The Group continues to leverage on this switch by enhancing its e-commerce platforms including among others, Mingshop930, SearchingB. In addition, the Group also continues to create its self-curated content, such as health and finance video series, to expand its client base, especially in digital platforms.

The artist management and event management business of the Group has seen traction as it expands the number of talent it manages. These artists have also performed in promoting the Group's e-commerce platforms through product endorsements or hosting shows on these platforms.

Cost optimisation remains a focus of the Group as it works hard at surviving the economic downturn caused by the COVID-19 pandemic. For the financial year under review, it has enjoyed some costs savings in terms of manpower cost achieved through natural attrition. Further, it had received some government grants in the year under review.

Watch and Car Operation and Others

The turnover for the watch and car operation segment for the fiscal year in review had decreased by 29% to HK\$10,744,000 when compared to HK\$15,037,000 in previous financial year. Nevertheless, segment loss had reduced to HK\$3,085,000 from HK\$3,528,000 recorded last year. The decline in turnover for this segment was due to the decline in the weak advertisement spending especially for watch advertisers as retail spending fell. The improvement in its segment results was due to the one-off other income and gain of HK\$1,718,000 in total for lease modification and the government grants for the year ended 31st March 2021. Besides, in the previous year there were one-off provisions for impairment loss of HK\$803,000 for intangible assets, right-of-use assets and property, plant and equipment.

“TopGear 極速誌” remains a leading automobile brand with a Hong Kong edition and a Taiwan edition, respectively, backed by an international publication. Meanwhile, “MING Watch 明錶” is a professional high-end watch title covering the latest industry trends in Hong Kong. These titles had also extended its core advertising business to event marketing and viral video production, focusing on not just automobiles and watches but also related lifestyle sector.

Sustainability

The Group makes an effort to embed sustainability measures in its strategy, decision making and operations to ensure its operations will have minimal impact on the environment while producing and delivering credible and quality contents, services and products. Every year, the Group will engage relevant stakeholders as a measure to review its material sustainability issues. The Group has in place systems to monitor the usage of natural resources like water and electricity by the Group. For social, in the financial year under review, the Group had intensified health and safety measures at work to prevent the spread of COVID-19 virus at the workplace. Further, to build an ethical culture, it has implemented control measures in areas like editorial, procurement and finance. The Group reaches out to the local community and its shareholders with its yearly social activities.

Significant Investment

The Group disposed on-market of a total 8,250,000 ordinary shares of Most Kwai Chung (the “Disposal”) in a series of transactions conducted on 11th August 2020 and 12th August 2020 at total consideration of approximately HK\$12.3 million. Following the completion of the Disposal, the number of ordinary shares of Most Kwai Chung held by the Group reduced to 12,000,000 ordinary shares from 20,250,000 ordinary shares.

As at 31st March 2021, the Group held 12,000,000 ordinary shares (31st March 2020: 20,250,000 ordinary shares) of Most Kwai Chung, representing 4.4% (31st March 2020: 7.5%) equity interests in Most Kwai Chung. Dividend received from these ordinary shares was HK\$576,000 during the year (2020: HK\$1,053,000). Most Kwai Chung, a Cayman Islands incorporated company listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 1716), is principally engaged in the provision of integrated advertising and media services to the customers. The fair value of these ordinary shares was HK\$7,320,000 as at 31st March 2021 (2020: HK\$9,821,000) and it was approximately 5% (2020: 33%) of the total assets of the Group.

The aggregate original costs of investment for 12,000,000 ordinary shares of Most Kwai Chung was HK\$1,041,000 (31st March 2020: HK\$1,757,000 for 20,250,000 ordinary shares of Most Kwai Chung) which was treated as interest in associates in the Group’s financial statements before the listing of shares of Most Kwai Chung on the Main Board of The Stock Exchange of Hong Kong Limited on 28th March 2018 (the “Listing”). The carrying value of the investment for 12,000,000 ordinary shares was HK\$1,768,000 (31st March 2020: HK\$2,983,000 for 20,250,000 ordinary shares of Most Kwai Chung) immediate before the Listing. The investment in Most Kwai Chung is not held for trading. The Group considers this investment as a strategic investment and will review its investment strategy regularly in response to the changes in market situation.

Outlook

As the world faces a global economic downturn caused by closure of borders and movement control orders due to the COVID-19 pandemic, the Group expects the new financial year to continue to be very challenging. However, with the introduction of vaccines for the COVID-19 virus and countries embarking on vaccination programs, global economy may start to improve. The Group plans to grow its digital businesses by creating self-curated content and working with more strategic partners in order to achieve expansion. In addition, the Group had adapted its operations to meet the challenging economic conditions in the year under review and it will continue its efforts to contain its costs, where possible.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

As at 31st March 2021, the Group's net current assets amounted to HK\$112,476,000 (2020: HK\$4,976,000) and the total equity attributable to the equity holders of the Company was HK\$5,513,000 (2020: HK\$13,054,000). The Group had cash and cash equivalents of HK\$115,082,000 (2020: HK\$9,976,000) and loans from a fellow subsidiary of HK\$115,000,000 (2020: nil) with no bank borrowings (2020: nil). The gearing ratios, which is defined as the ratio of net debt, calculated as total borrowings less cash and cash equivalents, to total capital, calculated as total equity attributable to the Company's equity holders plus net debt, was nil at 31st March 2021 and 2020.

As at 31st March 2021, the Group has obtained the facilities from its fellow subsidiary of HK\$125 million (31st March 2020: HK\$25 million) for the usage of the Group's business and development. During the year, the Group had drawn down a total of HK\$115 million of the facilities.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group's revenues and costs are mainly denominated in Hong Kong dollars. The Group does not foresee substantial risks from exposure to fluctuations in exchange rates.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

CONTINGENT LIABILITIES

As at 31st March 2021, the Group did not have any material contingent liabilities or guarantees (2020: nil).

CLOSURE OF THE REGISTER OF THE MEMBERS

The registers of the Company will be closed from Thursday, 19th August 2021 to Tuesday, 24th August 2021, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending the forthcoming annual general meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 18th August 2021.

EMPLOYEES

As at 31st March 2021, the Group has approximately 122 employees (2020: 153 employees). The Group remunerates its employees based on the operating results, individual performance and comparable market statistics. The emoluments of the Directors and senior management are reviewed by the Remuneration Committee regularly. In Hong Kong, the Group participates in the Mandatory Provident Fund scheme for its employees.

CORPORATE GOVERNANCE

The Company has adopted the code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The Company has complied with the CG Code throughout the year.

COMPLIANCE OF THE MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 of the Listing Rules as the code for securities transactions by the Directors. The Directors have confirmed, following specific enquiries by the Company, their compliance with the required standard set out in the Model Code throughout the year.

The Company has also established written guidelines regarding securities transactions on no less exacting terms of the Model Code for senior management and specific individual who may have access to inside information in relation to the securities of the Company.

AUDIT COMMITTEE

The Audit Committee currently comprises three independent non-executive Directors, namely, Mr. YU Hon To, David, Mr. CHAU Cheuk Wah and Mr. LAU Chi Wah, Alex. The Audit Committee has reviewed the Group’s consolidated financial statements for the year ended 31st March 2021 and discussed matters relating to auditing, risk management, internal control systems and financial reporting.

REMUNERATION COMMITTEE

The Remuneration Committee currently comprises three independent non-executive Directors, namely, Mr. YU Hon To, David, Mr. CHAU Cheuk Wah, Mr. LAU Chi Wah, Alex and one executive Director, namely, Mr. TIONG Kiew Chiong.

NOMINATION COMMITTEE

The Nomination Committee currently comprises three independent non-executive Directors, namely, Mr. YU Hon To, David, Mr. CHAU Cheuk Wah, Mr. LAU Chi Wah, Alex and one executive Director, namely, Mr. TIONG Kiew Chiong.

SCOPE OF WORK OF MESSRS. PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31st March 2021 as set out in this preliminary announcement have been agreed by the Group's auditor, Messrs. PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Messrs. PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. PricewaterhouseCoopers on this preliminary announcement.

By Order of the Board
One Media Group Limited
TIONG Kiew Chiong
Director

Hong Kong, 27th May 2021

As at the date of this announcement, the board of the Company comprises Ms. TIONG Choon, being non-executive director; Mr. TIONG Kiew Chiong and Mr. LAM Pak Cheong, being executive directors; and Mr. YU Hon To, David, Mr. CHAU Cheuk Wah and Mr. LAU Chi Wah, Alex, being independent non-executive directors.

The Company's Annual Report 2020/21 containing all the information required by the Listing Rules will be published on The Stock Exchange of Hong Kong Limited's website in due course and will be dispatched to shareholders before end of July 2021.