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萬 華 媒 體
ONEMEDIAGROUP
ONE MEDIA GROUP LIMITED

萬華媒體集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 426)

**ANNOUNCEMENT OF FINAL RESULTS
FOR THE YEAR ENDED 31ST MARCH 2022**

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 2022 as follows:

CONSOLIDATED INCOME STATEMENT

Year ended 31st March

	<i>Note</i>	2022 <i>HK\$’000</i>	2021 <i>HK\$’000</i>
Turnover	3	45,039	45,943
Cost of goods sold		<u>(36,516)</u>	<u>(45,521)</u>
Gross profit		8,523	422
Other income	4	5,904	10,619
Other gain	5	–	1,712
Selling and distribution expenses		(9,410)	(12,302)
Administrative expenses		<u>(16,593)</u>	<u>(17,414)</u>
Operating loss		(11,576)	(16,963)
Finance costs	7	(575)	(200)
Share of net loss of a joint venture accounted for using the equity method	12	<u>(145)</u>	<u>(50)</u>
Loss before income tax		(12,296)	(17,213)
Income tax expense	8	<u>(36)</u>	<u>(42)</u>
Loss for the year		<u><u>(12,332)</u></u>	<u><u>(17,255)</u></u>

	<i>Note</i>	2022 HK\$'000	2021 HK\$'000
Loss attributable to:			
— Owners of the Company		(12,332)	(17,255)
— Non-controlling interests		<u>—</u>	<u>—</u>
		<u>(12,332)</u>	<u>(17,255)</u>
Loss per share attributable to owners of the Company for the year (expressed in HK cents per share)			
Basic and diluted	9	<u>(3.1)</u>	<u>(4.3)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31st March

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Loss for the year	(12,332)	(17,255)
Other comprehensive (loss)/income:		
<i>Item that may be reclassified subsequently to profit or loss</i>		
Currency translation differences	(9)	(108)
<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	(2,340)	9,822
Actuarial gain on long service payment obligations	131	—
Total comprehensive loss for the year	(14,550)	(7,541)
Total comprehensive loss for the year attributable to:		
— Owners of the Company	(14,550)	(7,541)
— Non-controlling interests	—	—
	(14,550)	(7,541)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st March

	<i>Note</i>	2022 HK\$'000	2021 <i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		320	567
Intangible assets		–	–
Right-of-use assets	<i>15</i>	–	–
Financial asset at fair value through other comprehensive income	<i>11</i>	4,980	7,320
Investments accounted for using equity method	<i>12</i>	55	200
		5,355	8,087
Total non-current assets		5,355	8,087
Current assets			
Inventories		208	281
Trade and other receivables	<i>13</i>	6,791	10,480
Amounts due from fellow subsidiaries	<i>13</i>	–	12
Cash and cash equivalents		90,259	115,082
		97,258	125,855
Total current assets		97,258	125,855
Total assets		102,613	133,942
EQUITY			
Equity attributable to owners of the Company			
Share capital		401	401
Share premium		457,543	457,543
Other reserves		(333,882)	(331,664)
Accumulated losses		(133,099)	(120,767)
		(9,037)	5,513
Total (deficit)/equity		(9,037)	5,513
LIABILITIES			
Non-current liabilities			
Long service payment obligations		12	50
Lease liabilities	<i>15</i>	80	–
Loans from a fellow subsidiary	<i>16</i>	100,000	115,000
		100,092	115,050
Total non-current liabilities		100,092	115,050

	<i>Note</i>	2022 HK\$'000	2021 <i>HK\$'000</i>
Current liabilities			
Trade and other payables	<i>14</i>	5,722	6,963
Contract liabilities	<i>14</i>	4,478	3,680
Amounts due to fellow subsidiaries	<i>14</i>	1,199	1,292
Lease liabilities	<i>15</i>	94	1,414
Income tax payable		65	30
		<hr/>	<hr/>
Total current liabilities		11,558	13,379
		<hr/>	<hr/>
Total liabilities		111,650	128,429
		<hr/>	<hr/>
Total equity and liabilities		102,613	133,942
		<hr/>	<hr/>

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 26th May 2022.

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) Amended standards adopted by the Group

The Group has adopted the following amended standards for the first time for their annual reporting period commencing 1st April 2021:

- (i) Amendments to IAS 39, IFRS 4, IFRS 3, IFRS 9 and IFRS 16, “Interest rate benchmark reform — phase 2”
- (ii) Amendments to IFRS 16, “COVID-19-related rent concessions beyond 30th June 2021”

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 2022 reporting periods and have not been early adopted by the Group.

		Effective for accounting periods beginning on or after
Amendments to IAS 1	Classification of liabilities as current or non-current	1st January 2023
Amendments to IAS 8	Definition of accounting estimates	1st January 2023
Amendments to IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	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 1, and IFRS Practice Statement 2	Disclosure of accounting policies	1st January 2023
Amendments to IFRS 3	Reference to the conceptual framework	1st January 2022
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
Amendments to IFRSs	Annual improvements to IFRS standards 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.

The breakdown of total revenue from customers from these businesses and the Group's turnover and results provided to the executive committee for the reporting segments for the years ended 31st March 2022 and 2021 are as follows:

	Year ended 31st March 2022		
	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>33,348</u>	<u>11,691</u>	<u>45,039</u>
Segment loss	<u>(7,104)</u>	<u>(637)</u>	<u>(7,741)</u>
Unallocated expenses (net)			<u>(4,555)</u>
Loss before income tax			<u>(12,296)</u>
Income tax expense			<u>(36)</u>
Loss for the year			<u>(12,332)</u>
Other segmental information:			
Interest income	<u>13</u>	<u>–</u>	<u>13</u>
Settlement fee income	<u>5,000</u>	<u>–</u>	<u>5,000</u>
Government grants	<u>50</u>	<u>108</u>	<u>158</u>
Finance costs	<u>(477)</u>	<u>(98)</u>	<u>(575)</u>
Provision for impairment on right-of-use assets	<u>–</u>	<u>(165)</u>	<u>(165)</u>
Depreciation of property, plant and equipment	<u>(241)</u>	<u>(46)</u>	<u>(287)</u>
Depreciation of right-of-use assets	<u>–</u>	<u>(51)</u>	<u>(51)</u>

	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>	(12,698)
Unallocated expenses (net)			<u>(4,515)</u>
Loss before income tax			(17,213)
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>
Disaggregation of revenue			
		2022	2021
		<i>HK\$'000</i>	<i>HK\$'000</i>
Timing of revenue recognition			
— At a point in time		10,136	11,594
— Overtime		34,903	34,349
		<u>45,039</u>	<u>45,943</u>

4 OTHER INCOME

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Bank interest income	13	30
Dividend income	408	576
Other media business income	175	2,520
Settlement fee income (<i>Note</i>)	5,000	–
Government grants	158	7,418
Administrative service income	150	75
	<u>5,904</u>	<u>10,619</u>

Note:

The settlement fee income was received from the independent third parties by a subsidiary of the Company during the year ended 31st March 2022 in relation to the early termination of certain management agreements with them.

5 OTHER GAIN

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Gain on lease modification	–	1,712

6 OPERATING LOSS

Operating loss is stated after charging/(crediting) the following:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Paper consumed	54	225
Printing costs	5,025	6,157
Depreciation of property, plant and equipment	287	329
Depreciation of right-of-use assets	51	–
Provision for impairment on right-of-use assets	165	–
Employee benefit expense (including directors' emoluments)	38,209	46,747
Expenses relating to short-term leases and variable lease payments not included in lease liabilities	385	643
(Reversal of)/provision for loss allowance	(12)	21
Bad debts written off	80	28
Auditor's remuneration	500	700
Other professional fees	587	670
Support service fee	3,946	4,250
Licence fee and royalty charges	587	412
Advertising and promotion expenses	562	1,550
Distribution costs	295	395
Sales commission	651	668

7 FINANCE COSTS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Interest expense on lease liabilities	29	75
Loan interest expenses	<u>546</u>	<u>125</u>
	<u>575</u>	<u>200</u>

8 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2021: 16.5%) on the estimated assessable profit during the year ended 31st March 2022.

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Current income tax		
— Hong Kong profits tax	<u>36</u>	<u>42</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.

	2022	2021
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>(12,332)</u>	<u>(17,255)</u>
Basic and diluted loss per share (<i>HK cents per share</i>)	<u>(3.1)</u>	<u>(4.3)</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 years ended 31st March 2022 and 2021.

10 DIVIDENDS

The Board of Directors did not recommend the payment of dividend for the years ended 31st March 2022 and 2021.

11 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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trading securities — listed securities		
At 1st April	7,320	9,821
Disposal (<i>Note a</i>)	–	(12,323)
Fair value (loss)/gain recognised in other comprehensive income	<u>(2,340)</u>	<u>9,822</u>
At 31st March (<i>Note b</i>)	<u><u>4,980</u></u>	<u><u>7,320</u></u>

Notes:

- (a) 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 the 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.
- (b) The balance represents the fair value of the ordinary shares of Most Kwai Chung Limited which are listed on the Main Board of the HK Stock Exchange. Dividends from the above equity investments held at fair value through other comprehensive income totalling HK\$408,000 (2021: HK\$576,000) has been recognised in consolidated income statement.

12 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
At 1st April	200	–
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	<u>(145)</u>	<u>(50)</u>
At 31st March	<u><u>55</u></u>	<u><u>200</u></u>

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

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 approximately 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 venture is required for decision 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 a joint venture of the Group as at 31st March 2022 and 2021.

Nature of investment in a joint venture as at 31st March 2022 and 2021.

Name of joint venture	Place of incorporation	Effective equity interest		Principal activities	Measurement method
		2022	2021		
Searching B Company Limited ("Searching B")	Hong Kong	50%	50%	Note	Equity

Note: Searching B is principally engaged in the operation of a content-driven and data-driven e-commerce platform focusing on 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.

Set out below is an associate of the Group as at 31st March 2022 and 2021.

Nature of investment in an associate as at 31st March 2022 and 2021.

Name of associate	Place of incorporation	Effective equity interest		Principal activities	Measurement method
		2022	2021		
ByRead Inc. ("ByRead")	The Cayman Islands	-	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 was struck off during the year.

13 TRADE AND OTHER RECEIVABLES AND AMOUNT DUE FROM FELLOW SUBSIDIARIES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade receivables	4,229	7,546
Less: allowance for impairment of trade receivables	<u>(29)</u>	<u>(41)</u>
Trade receivables — net	4,200	7,505
Other receivables and deposits	371	303
Barter receivables	142	94
Prepayments and advances	<u>2,078</u>	<u>2,578</u>
Trade and other receivables	6,791	10,480
Amounts due from fellow subsidiaries	<u>—</u>	<u>12</u>
	<u>6,791</u>	<u>10,492</u>

At 31st March 2022 and 2021, 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 2022 and 2021, the ageing analysis of the Group's trade receivables by invoice date is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
0 to 60 days	2,992	4,993
61 to 120 days	983	1,305
121 to 180 days	165	688
Over 180 days	<u>89</u>	<u>560</u>
	<u>4,229</u>	<u>7,546</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.

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

	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade payables	1,540	2,299
Other payables	4,182	4,664
	<hr/>	<hr/>
Trade and other payables	5,722	6,963
Contract liabilities	4,478	3,680
Amounts due to fellow subsidiaries	1,199	1,292
	<hr/>	<hr/>
	11,399	11,935
	<hr/> <hr/>	<hr/> <hr/>

The amounts due to fellow subsidiaries are unsecured, non-interest bearing and repayable on demand.

At 31st March 2022 and 2021, the ageing analysis of the trade payables by invoice date is as follows:

	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 to 60 days	1,414	1,422
61 to 120 days	110	763
121 to 180 days	16	49
Over 180 days	–	65
	<hr/>	<hr/>
	1,540	2,299
	<hr/> <hr/>	<hr/> <hr/>

15 LEASES

(a) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Right-of-use assets		
Properties	—	—
	<u>—</u>	<u>—</u>
	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Lease liabilities		
Current	94	1,414
Non-current	80	—
	<u>174</u>	<u>1,414</u>

Addition to the right-of-use assets during the year ended 31st March 2022 amounted to HK\$216,000 (2021: HK\$Nil).

For the year ended 31st March 2022, the Group made a provision for impairment of HK\$165,000 (2021: HK\$Nil) for the right-of-use assets.

The lease liabilities are related to the lease agreements for office space, storage space and parking spaces.

(b) Amounts recognised in the consolidated income statement

The consolidated income statement shows the following amounts relating to leases:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Depreciation of right-of-use assets	51	–
Provision for impairment on right-of-use assets	165	–
	-----	-----
Interest expenses on lease liabilities	29	75
Expenses relating to short-term leases and variable lease payments not included in lease liabilities	385	643
	=====	=====

The total cash outflow for leases in the year ended 31st March 2022 was HK\$1,868,000 (2021: HK\$2,082,000).

The Group's leasing activities and how these are accounted for

The Group leases various properties. Rental contracts are typically made for fixed periods of 1 to 3 years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

16 LOANS FROM A FELLOW SUBSIDIARY

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Non-current		
Loans from a fellow subsidiary	100,000	115,000
	=====	=====

As at 31st March 2022, the Group has obtained the facilities from its fellow subsidiary of HK\$125 million (31st March 2021: same) consisting of used facilities of HK\$100 million (31st March 2021: HK\$115 million) and unused facilities of HK\$25 million (31st March 2021: HK\$10 million).

The loan drawdown amounted to HK\$100 million, which is not repayable before 29th February 2024 in accordance with the loan facility agreement. The loan is classified as non-current as the Group has an unconditional right to defer settlement of the loan for at least twelve months after the balance sheet date. The loan carries at interest rate of 1.4% over Hong Kong Inter-bank Offer Rate per annum.

MANAGEMENT DISCUSSION AND ANALYSIS

Results Summary

Hong Kong's GDP grew 6.3% in 2021. However the economy contracted by 4% year-on-year in the first quarter of 2022, after an increase of 4.7% in the fourth quarter in 2021. The fifth wave of COVID-19 pandemic caused by the Omicron variant in early 2022 posed a threat to the pace of recovery. The Group's performance followed a similar trend of the economy over the period.

The Group's turnover from operations for the year ended 31st March 2022 fell marginally by 2% to HK\$45,039,000 as compared to HK\$45,943,000 recorded in the last financial year. The Group recorded a loss attributable to owners of the Company of HK\$12,332,000 as compared to the loss of HK\$17,255,000 in the last financial year, reducing by around 29%. The Group recognised the one-off other income and gains of HK\$5,158,000 and HK\$9,130,000 for the years ended 31st March 2022 and 2021, respectively. Excluding these one-off other income and gains, the loss for the year ended 31st March 2022 was HK\$17,490,000 compared to HK\$26,385,000 in the last financial year, reducing by around 34%. The improvement of reduction in loss was mainly due to the overall cost savings of the Group's operations.

Review of Operations

Entertainment and Lifestyle Operation

For the year in review, the Group's entertainment and lifestyle operation recorded a turnover of HK\$33,348,000 which was a 5% decline as compared to HK\$35,199,000 recorded last financial year. However, it managed to narrow its segment loss from HK\$9,613,000 in last financial year to HK\$7,104,000 in this financial year. Excluding the one-off other income and gains of HK\$5,050,000 and HK\$7,412,000 for the years ended 31st March 2022 and 2021, respectively, the segment loss would amount to HK\$12,154,000 compared to HK\$17,025,000 in last financial year. The improvement was mainly due to the overall cost savings for this segment.

In 2021, as people learned to cope with the COVID-19 pandemic, commercial activities resumed in Hong Kong albeit with some restrictions. However general retail market of luxury goods remained weak, which had affected the advertisement spend on "Ming Pao Weekly 明周" ("MP Weekly") and "Ming's".

MP Weekly has managed 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 renowned stylistic fashion and beauty title particularly for the young generation. To drive revenue, both titles had to reach out to new advertising segments by introducing various advertisement solutions to attract new advertisers. These include producing short films on certain tailor-made topics with an avenue to showcase relevant brands of the advertisers. Through www.searchingb.com, its joint-venture e-commerce platform of beauty-related products, MP Weekly and Ming's were also exploring another revenue model of promoting relevant products of the advertisers.

For the year in review, the Group's artist management business continued to synergize with its operation as its artists can assist in promoting the Group's and the advertisers' products and services through product endorsements or hosting shows on its platforms.

Watch and Car Operation and Others

The watch and car operation segment recorded a turnover of HK\$11,691,000 which was a 9% increase as compared to HK\$10,744,000 in the previous year. This segment had managed to narrow its losses to HK\$637,000 from HK\$3,085,000 recorded last year. Excluding the one-off other income and gains of HK\$108,000 and HK\$1,718,000 for the year ended 31st March 2022 and 2021, respectively, the segment loss would amount to HK\$745,000 compared to HK\$4,803,000 in last financial year. The improvement was mainly due to the overall cost savings for this segment.

“TopGear 極速誌” which is backed by an international publication, maintains its position as a leading automobile title with a Hong Kong edition and a Taiwan edition, capturing readers by its informative and fun car review videos. “MING Watch 明錶” a publication with emphasis on high-end watches and covering the latest industry trends in Hong Kong remains popular among watch lovers with its gripping and distinctive pictorial style. It focuses not just on watches but also men's lifestyle products.

Sustainability

In order to ensure its business is sustainable and bring value to its shareholders, the Group will continue to integrate sustainability measures into its strategy, decision making and operations. Sustainability risks will also be an item on its risk register where it will map its sustainability material issues to the risks and impact of such material issues to its operations. The Group will continue its annual engagement with relevant stakeholders to review its material sustainability issues. The Group is aware of the importance of climate action hence it will continue to review the areas in which it can reduce its GHG emissions. Since the COVID-19 pandemic, the Group has enhanced health and safety measures at work to prevent the spread of COVID-19 virus at the workplace and create a safe and inclusive working environment. Further, to enforce governance in its operations, it has implemented policies and processes for areas like editorial, procurement, anti-bribery and finance. The Group also believes in community investment thus it had continued its support for the local community with its yearly social activities.

Significant Investment

As at 31st March 2022, the Group held 12,000,000 ordinary shares (31st March 2021: 12,000,000 ordinary shares) of Most Kwai Chung, representing 4.4% (31st March 2021: 4.4%) equity interests in Most Kwai Chung. Dividend received from these ordinary shares was HK\$408,000 during the financial year (2021: HK\$576,000). Most Kwai Chung, a Cayman Islands incorporated company listed on the Main Board of the Stock Exchange (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\$4,980,000 as at 31st March 2022 (2021: HK\$7,320,000) and it was approximately 4.9% (2021: 5.5%) 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 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 on 28th March 2018 (the "Listing"). The carrying value of the investment for 12,000,000 ordinary shares was HK\$1,768,000 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

In early 2022, the emergence of the Omicron variant in Hong Kong had led to the implementation of more severe social distancing measures. This had created a dent in the momentum of its economic recovery. Advertisers have started to hold up their promotion and advertising spending since these severe social distancing measures were implemented. The Group therefore expects the new financial year to continue to be challenging. Managing costs has remained a top priority for the Group in this new financial year. For the year of 2021, the Group has lost some manpower in various departments through natural attrition. Recruiting new talents with right skill sets would be one of the priorities of the Group to enhance the efficiency of operation. It will continue to develop its digital capabilities in order to roll out more creative multi-platform advertisement solutions to attract new advertisers.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

As at 31st March 2022, the Group's net current assets amounted to HK\$85,700,000 (2021: HK\$112,476,000) and the total deficit attributable to the owners of the Company was HK\$9,037,000 (2021: total equity attributable to the owners of the Company of HK\$5,513,000). The Group had cash and cash equivalents of HK\$90,259,000 (2021: HK\$115,082,000) and loans from a fellow subsidiary of HK\$100,000,000 (2021: HK\$115,000,000) and the gearing ratios, which is defined as the ratio of total liabilities divided by total assets was 108.8% at 31st March 2022 (2021: 95.9%).

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 2022, the Group did not have any material contingent liabilities or guarantees (2021: Nil).

CLOSURE OF THE REGISTER OF THE MEMBERS

The registers of the Company will be closed from Monday, 15th August 2022 to Thursday, 18th August 2022, 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 12th August 2022.

EMPLOYEES

As at 31st March 2022, the Group has approximately 106 employees (2021: 122 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, Mrs. WONG HUNG Flavia Yuen Yee and Mr. LAU Chi Wah, Alex. The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31st March 2022 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, Mrs. WONG HUNG Flavia Yuen Yee, 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, Mrs. WONG HUNG Flavia Yuen Yee, 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 2022 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, 26th May 2022

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, Mrs. WONG HUNG Flavia Yuen Yee and Mr. LAU Chi Wah, Alex, being independent non-executive directors.

The Company's Annual Report 2021/22 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 2022.