

萬華媒體

One Media Group Limited
萬華媒體集團有限公司
Stock Code 股份代號：426

ANNUAL REPORT 2019/2020
二〇一九至二〇二〇年年報

萬華 媒體

萬華 媒體

CONTENTS

CORPORATE INFORMATION	2
CHAIRMAN'S STATEMENT	3
SNAPSHOTS OF THE YEAR	5
MANAGEMENT DISCUSSION AND ANALYSIS	7
REPORT OF THE DIRECTORS	10
CORPORATE GOVERNANCE REPORT	17
INDEPENDENT AUDITOR'S REPORT	30
CONSOLIDATED INCOME STATEMENT	34
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	35
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	36
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	38
CONSOLIDATED STATEMENT OF CASH FLOWS	39
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	40
FIVE-YEAR FINANCIAL SUMMARY	92

CORPORATE INFORMATION

NON-EXECUTIVE DIRECTOR

Ms. TIONG Choon (*Chairman*)

EXECUTIVE DIRECTORS

Mr. TIONG Kiew Chiong

Mr. LAM Pak Cheong

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. YU Hon To, David

Mr. LAU Chi Wah, Alex

Mr. CHAU Cheuk Wah

AUDIT COMMITTEE

Mr. YU Hon To, David (*Chairman*)

Mr. LAU Chi Wah, Alex

Mr. CHAU Cheuk Wah

REMUNERATION COMMITTEE

Mr. LAU Chi Wah, Alex (*Chairman*)

Mr. YU Hon To, David

Mr. CHAU Cheuk Wah

Mr. TIONG Kiew Chiong

NOMINATION COMMITTEE

Mr. CHAU Cheuk Wah (*Chairman*)

Mr. YU Hon To, David

Mr. LAU Chi Wah, Alex

Mr. TIONG Kiew Chiong

COMPANY SECRETARY

Mr. YEUNG Ying Fat

PRINCIPAL BANKERS

Dah Sing Bank, Limited

Bank of Communications Co., Ltd.

(Hong Kong Branch)

AUDITOR

PricewaterhouseCoopers

Certified Public Accountants

Registered Public Interest Entity Auditor

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

16th Floor, Block A

Ming Pao Industrial Centre

18 Ka Yip Street

Chai Wan

Hong Kong

REGISTERED OFFICE

Clifton House

75 Fort Street

P. O. Box 1350 GT

George Town

Grand Cayman

Cayman Islands

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited

Clifton House

75 Fort Street

P. O. Box 1350 GT

George Town

Grand Cayman

Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

Level 54, Hopewell Centre

183 Queen's Road East

Hong Kong

STOCK CODE

426

WEBSITE

www.omghk.com

CHAIRMAN'S STATEMENT



Financial year ended 31st March 2020 has been a difficult and challenging year for One Media Group Limited (the "Company").

In the first half of 2019, the Hong Kong economy was sluggish due to the trade tensions between China and the USA and subsequently Hong Kong was thrown into chaos when social unrest began in June and continued until December 2019. These battered its economy resulting in Hong Kong's GDP contracting by 1.2% for 2019 when compared to 2018. The situation became worse when Hong Kong was further hit by the coronavirus pandemic in January 2020.

Despite the gloomy economic backdrop, the Group still holds steadfast to its multi-platform media strategy which it will continue to build on to meet the new challenges of the industry.

BUSINESS HIGHLIGHTS

In the financial year under review, the Group had commenced its plan to expand its client base to advertisers who intend to grow their global brand locally. Further, its artist management business had achieved progress by signing on new artists with different talents.

CONTENT AND REVENUE

The Group had continued to build its content depository by producing more videos for the financial year in review. Such videos not only become part of the content for some of its publications but also serve as a platform for advertisers to showcase their brands. Meanwhile "Ming Pao Weekly 明周" ("MP Weekly") remains popular to provide quality and up-to-date contents that are of interest to Hong Kong people. "MING's" which was launched as an independent publication had garnered followers as a stylistic fashion and beauty media. "TopGear 極速誌" ("TopGear") remains a popular choice for car enthusiasts especially its self-curated videos on car reviews. "Ming Watch 明錶" ("Ming Watch") continues to trend as an exclusive watch and lifestyle title. The Group had leveraged on its digital and print platforms to roll out promotion solutions for its advertisers. It has also reaped synergy from its artist management business by using its artists to promote the brands of some of its clients. In the financial year under review, the Group had embarked on customised publication by producing publications for some institutions in Hong Kong.

CHAIRMAN'S STATEMENT

RESOURCES AND INVESTMENTS

The Group is continuously looking for new business development opportunities that have synergy with the existing operations. In addition, the Group is also looking at ways to further improve the cost efficiency. This year it had achieved some savings from its manpower costs due to natural attrition, without compromising quality. Meanwhile, to meet the new demands in the industry, the Group will allocate necessary resources to strengthen the efficiency of the workflow and provide training to its staff.

APPRECIATION

I would like to take this opportunity to thank our readers, followers, advertisers, shareholders and business partners for their trust and support over the years especially in the current challenging environment. We also thank our staff for their diligence and contribution to the Group.

TIONG Choon

Chairman

Hong Kong, 24th June 2020

SNAPSHOTS OF THE YEAR

“MING PAO WEEKLY 明周”



“MING WATCH 明錶”



SNAPSHOTS OF THE YEAR

"MING'S"



"TOPGEAR 極速誌"



MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS SUMMARY

The second half of 2019 was a challenging period for Hong Kong when the social unrest began in June 2019. This battered its economy as the protests continued until December 2019 resulting in Hong Kong's GDP contracting by 1.2% for 2019 when compared to 2018. The already weakened economic situation in Hong Kong became worse when Hong Kong was hit by the coronavirus pandemic in January 2020.

The Group's turnover from continuing operations for the year ended 31st March 2020 declined by 29% to HK\$70,129,000 from HK\$98,600,000 in 2019. Besides, the Group had made non-cash provisions for impairment loss of HK\$9,830,000 for intangible assets, right-of-use assets and property, plant and equipment mainly due to the outbreak of coronavirus pandemic in January 2020 adversely affecting performance for the fourth quarter of the financial year. This led to the loss after tax widening to HK\$26,848,000 from HK\$12,107,000 a year ago. In the previous financial year, after deducting the loss from discontinued operation of HK\$6,678,000, the loss from continuing operations amounted to HK\$5,429,000.

REVIEW OF OPERATIONS

Entertainment and Lifestyle Operation

For the entertainment and lifestyle operation, the Group recorded turnover of HK\$55,092,000 a decline of 32% compared to HK\$81,461,000 recorded in last fiscal year. In addition, the Group has made non-cash provisions for impairment loss of HK\$9,027,000 for intangible assets, right-of-use assets and property, plant and equipment. This resulted in the segment loss of HK\$20,444,000 as compared to a profit of HK\$2,746,000 for the previous financial year.

The deterioration in its performance for this financial year was mainly due to the weak retail sales especially for luxury brands caused by the protests in Hong Kong which started in June 2019 and continued until December 2019. The continuous protests had adversely affected the retail sector with shops having to close for business on days when the protests became overwhelming. These events impacted the advertising revenue of MP Weekly and "Ming's" as their advertisers faced with shrinking sales. The situation was made worse when the coronavirus pandemic started in January 2020 which led to consumers staying at home away from crowded malls. To date the coronavirus has brought the world to its knees with it spreading globally at an alarming rate.

MP Weekly continues to maintain its position as a popular entertainment and cultural title on both print and digital platforms in Hong Kong. During the year, it had continued to play a role in providing quality and up to date content about topics that were of interest to the people of Hong Kong. Meanwhile "Ming's" since its debut as a separate publication since March 2018 has lived up to its reputation as a stylistic local fashion and beauty brand, particularly for the young.

The Group continues to build its portfolio of self-curated videos and expand its client base for the sale of its creative advertisement solutions in both print and digital platforms. Apart from its effort to develop the business of organising marketing events for advertisers, government and other organisations to diversify its revenue stream, the Group has also expanded into customised publishing for some institutions in Hong Kong.

The Group is working on growing its artist management and event management business. The Group has managed to increase the number of artists it manages and this business has also provided synergy to its advertising business as the Group can pitch advertisement solutions with product endorsements by these artists.

In terms of cost, the Group continuously reviews ways to reduce its cost. For the financial year under review, it has benefited from some savings in manpower cost through natural attrition. The objective was to improve the operation efficiency through the reorganisation of duties.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATIONS *(Continued)*

Watch and Car Operation and Others

The turnover for the watch and car operation segment for the fiscal year in review had declined by 12% to HK\$15,037,000 compared to HK\$17,139,000 in last financial year. In addition, the Group has made non-cash provisions for impairment loss of HK\$803,000 for intangible assets, right-of-use assets and property, plant and equipment. Segment loss had widened to HK\$3,528,000 from HK\$1,453,000 recorded in the previous year. The decline in the performance of this segment was mainly due to the drop in its revenue resulting from weak consumer demands caused by the protests and coronavirus pandemic in Hong Kong.

Nevertheless, TopGear remains a leading automobile title with a Hong Kong edition and a Taiwan edition, respectively, backed by an international publication. Meanwhile, Ming Watch is a professional high-end watch title offering feature stories while covering the latest industry trends in Hong Kong which had extended its business to Taiwan, focusing on not just watches but also lifestyle content.

SUSTAINABILITY

The Group has integrated sustainability measures in its strategy, decision making and operations to ensure that its operations have minimal impact on the environment while producing and delivering credible and quality contents, services and products. Each year the Group reviews 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, the Group also carries out training and development activities for its employees and implements health and safety measures in its operations for the safety of its employees. It promotes ethical business practices by setting up sound procurement practices and measures. The Group reaches out to the local community and its shareholders with its yearly social activities.

OUTLOOK

The Group expects the new financial year to be extremely challenging with the coronavirus pandemic crippling global economy. The pandemic has caused businesses to close and restricted movement of global population. As the spread of the same has yet to be met with the introduction of a vaccine, it is expected that the global economy will remain weak. Amidst such environment, it is expected that advertising spending will contract continuously. The Group however will continue to focus on building up its portfolio of self-curated videos and improving its digital capabilities to meet the demands of its customers and expand its client base. It will also keep on looking for ways to contain cost and improve operational efficiency.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

As at 31st March 2020, the Group's net current assets amounted to HK\$4,976,000 (2019: HK\$23,690,000) and the total equity attributable to the equity holders of the Company was HK\$13,054,000 (2019: HK\$54,052,000). The Group had no bank borrowings (2019: Nil) and 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 zero at 31st March 2020 and 2019.

During the year ended 31st March 2020, the Company has obtained a facility from its fellow subsidiary of HK\$25,000,000 at a rate of 1.6% per annum over Hong Kong Inter-bank Offer Rate. As at 31st March 2020, the Company did not have any draw down of the facility.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

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

CONTINGENT LIABILITIES

As at 31st March 2020, the Group did not have any material contingent liabilities or guarantees (2019: Nil).

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.

MANAGEMENT DISCUSSION AND ANALYSIS

TREASURY POLICY

The Group's treasury policy has in place its principal objectives to pursue the enhancement of controls over the treasury functions and the lowering of the Group's costs of funds. It also aims to ensure that at all times the Group has sufficient cash resources to meet its financial obligations as they fall due, including taxes and dividends and provide funds for capital expenditure and investment opportunities as they arise. To minimise interest risk, the Group will continue to closely monitor its loan portfolio and compare the interest margin spread of its existing agreements with market interest rates and offers from banks.

PLEDGE OF ASSETS

As at 31st March 2020 and 2019, none of the Group's assets were pledged to secure any banking facilities.

CAPITAL COMMITMENTS

As at 31st March 2020, the Group did not have any material capital commitments (31st March 2019: Nil).

CAPITAL STRUCTURE

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the year ended 31st March 2020.

CLOSURE OF THE REGISTER OF THE MEMBERS

The registers of the Company will be closed from Thursday, 20th August 2020 to Tuesday, 25th August 2020, 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, 19th August 2020.

EMPLOYEES

As at 31st March 2020, the Group has approximately 153 employees (2019: 152 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 hybrid retirement benefit scheme operated by the Company's fellow subsidiary and the Mandatory Provident Fund scheme for its employees.

REPORT OF THE DIRECTORS

The directors (the “Directors”) of the Company submit their report together with the audited consolidated financial statements for the year ended 31st March 2020.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The activities of the subsidiaries are set out in Note 16 to the consolidated financial statements.

An analysis of the Group’s performance for the year by operating segment is set out in Note 5 to the consolidated financial statements.

BUSINESS REVIEW

The business review of the Group for the year ended 31st March 2020 is set out in the sections headed “Chairman’s Statement”, “Management Discussion and Analysis”, “Corporate Governance Report” and “Five-Year Financial Summary” on pages 3 to 4, pages 7 to 9, pages 17 to 29, and page 92 respectively of this Annual Report and the Environmental, Social and Governance Report of the Company.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated income statement on page 34. During the year ended 31st March 2020 and 31st March 2019, the Directors did not recommend the payment of dividend.

SHARES ISSUED IN THE YEAR

The Company has not issued any shares in the year. Details of the share capital information of the Company are set out in Note 22 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company as at 31st March 2020, including the share premium, available for distribution, calculated in accordance with the provisions of Companies Law of the Cayman Islands, amounted to HK\$1,510,000 (2019: HK\$97,661,000).

Under the laws of the Cayman Islands, the share premium is distributable to the shareholders (the “Shareholders”) of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business. The share premium may also be distributed in the form of fully paid bonus shares.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company’s Articles of Association (the “Articles”), or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 92.

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.

REPORT OF THE DIRECTORS

DIRECTORS

The Directors during the year and up to the date of this report were:

Ms. TIONG Choon[#] (*Chairman*)
 Mr. TIONG Kiew Chiong (*Deputy Chairman*)
 Mr. LAM Pak Cheong
 Mr. YU Hon To, David*
 Mr. YANG, Victor* (resigned on 1st August 2019)
 Mr. LAU Chi Wah, Alex*
 Mr. CHAU Cheuk Wah* (appointed on 1st September 2019)

[#] Non-executive Directors

* Independent non-executive Directors

In accordance with Article 108(a) of the Articles, Ms. TIONG Choon and Mr. YU Hon To, David will retire by rotation at the forthcoming annual general meeting but, being eligible, will offer themselves for re-election. In addition, pursuant to Article 112 of the Articles, Mr. CHAU Cheuk Wah will retire at the forthcoming annual general meeting but, being eligible, will offer himself for re-election.

The Company has received annual written confirmations from each of the independent non-executive Directors in regard to their independence to the Company and considers that each of the independent non-executive Directors is independent to the Company.

DIRECTORS' SERVICE CONTRACTS

Each of the Directors has entered into a letter of appointment with the Company for a term of three years commencing from 1st April 2020 to 31st March 2023, except for Ms. TIONG Choon, who has entered into letter of appointment with the Company for a term of three years commencing from 1st April 2018 to 31st March 2021; and Mr. CHAU Cheuk Wah, whose appointment letter with the Company commenced from 1st September 2019 to 31st March 2022.

None of the Directors who is proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable within one year without payment of compensation, other than statutory compensation.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE GROUP'S BUSINESS

Save as disclosed in Note 31 to the consolidated financial statements "Related Party Transactions", no transactions, arrangements and contracts of significance in relation to the Group's business to which the Company's subsidiaries, fellow subsidiaries or its parent company was a party and in which a Director of the Company and the Director's connected entities had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Non-executive Director

TIONG Choon, aged 51, was appointed as a non-executive Director of the Company on 1st December 2017 and appointed as the Chairman of the Company on 1st April 2018. She is an executive director of Media Chinese International Limited ("Media Chinese", which together with its subsidiaries, the "Media Chinese Group"), the holding company of the Company which is listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and Bursa Malaysia Securities Berhad ("Bursa Malaysia"). Ms. TIONG has started her career with Rimbunan Hijau Group since 1991 and served in various managerial and senior positions in plantation and hospitality sectors. She holds a Bachelor of Economics Degree from Monash University, Australia.

She is currently a non-independent non-executive director of Jaya Tiasa Holdings Berhad, a listed company in Malaysia.

Ms. TIONG is a daughter of Tan Sri Datuk Sir TIONG Hiew King, a niece of Dato' Sri Dr. TIONG Ik King and a distant relative of Mr. TIONG Kiew Chiong. Both Tan Sri Datuk Sir TIONG Hiew King and Dato' Sri Dr. TIONG Ik King are substantial Shareholders of the Company, Mr. TIONG Kiew Chiong is the Deputy Chairman and an executive Director of the Company.

REPORT OF THE DIRECTORS

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT *(Continued)*

Executive Directors

TIONG Kiew Chiong, aged 60, was appointed as an executive Director in March 2005 and is the Deputy Chairman of the Company. Mr. TIONG is also the Chairman of the executive committee of the Company (the "Executive Committee") and a member of the Remuneration Committee and Nomination Committee of the Company. He has been an executive director of Media Chinese since May 1998 and is currently the Group Chief Executive Officer and the Chairman of the Group Executive Committee of Media Chinese. Media Chinese is the holding company of the Company which is listed on the Stock Exchange and Bursa Malaysia. Mr. TIONG has extensive experience in the media and publishing business. He is one of the founders of "The National", an English newspaper in Papua New Guinea launched in 1993. Mr. TIONG obtained his Bachelor of Business Administration (Honours) from York University, Toronto, Canada in 1982. Mr. TIONG currently sits on the board of various subsidiaries of the Company.

He is a distant relative of Tan Sri Datuk Sir TIONG Hiew King, Dato' Sri Dr. TIONG Ik King and Ms. TIONG Choon. Both Tan Sri Datuk Sir TIONG Hiew King and Dato' Sri Dr. TIONG Ik King are substantial Shareholders of the Company. Ms. TIONG Choon is the Chairman and a non-executive Director of the Company.

LAM Pak Cheong, aged 51, was appointed as the Chief Executive Officer and an executive Director of the Company in April 2011, in charge of overseeing all the operations of the Group. He is also the Editorial Director of the Group, managing editorial matters of all publications and a member of the Executive Committee of the Company. Mr. LAM is also the Head of Finance and a member of the Hong Kong Executive Committee of Media Chinese, the holding company of the Company which is listed on the Stock Exchange and Bursa Malaysia. Mr. LAM has extensive experience in corporate development, media operations, mergers and acquisitions and corporate governance. He is an associate of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators. Mr. LAM obtained his Master of Business Administration in Financial Services jointly from the University of Manchester and the University of Wales, Bangor in the United Kingdom and Master of Corporate Governance from the Hong Kong Polytechnic University. Mr. LAM currently holds directorships in various subsidiaries of the Company.

Independent non-executive Directors

YU Hon To, David, aged 72, has been an independent non-executive Director of the Company since June 2005. He is also the Chairman of the Audit Committee, and a member of the Remuneration Committee and Nomination Committee of the Company. Mr. YU is a fellow of the Institute of Chartered Accountants in England and Wales and an associate of the Hong Kong Institute of Certified Public Accountants. He was formerly a partner of an international accounting firm with extensive experience in corporate finance, auditing and corporate management.

Mr. YU is currently an independent non-executive director of Media Chinese, the holding company of the Company which is listed on the Stock Exchange and Bursa Malaysia. Mr. YU also serves as an independent non-executive director of China Renewable Energy Investment Limited, China Resources Gas Group Limited, Haier Electronics Group Co., Limited, Keck Seng Investments (Hong Kong) Limited, MS Group Holdings Limited, New Century Asset Management Limited (the manager of New Century Real Estate Investment Trust which is listed on the Stock Exchange) and Playmates Holdings Limited, which are listed companies in Hong Kong. In the past three years preceding 31st March 2020, Mr. YU had been an independent non-executive director of Synergis Holdings Limited.

REPORT OF THE DIRECTORS

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT *(Continued)*

Independent non-executive Directors *(Continued)*

LAU Chi Wah, Alex, aged 56, was appointed as an independent non-executive Director of the Company in September 2014. He is also the Chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of the Company. Mr. LAU has over 30 years of experience in the field of corporate finance and accounting in managing initial public offerings and fund-raising exercises and advising listed companies on mergers and acquisitions, takeovers, buyouts and other corporate transactions. Mr. LAU is an associate of the Institute of Chartered Accountants in England and Wales since June 1988 and an associate of the Hong Kong Institute of Certified Public Accountants since 1990. He graduated from the University of East Anglia in the United Kingdom in 1984 with a Bachelor of Science in Accountancy degree. He also obtained an Advance Diploma in Corporate Finance from the Institute of Chartered Accountants in England and Wales in 2006.

Mr. LAU is currently an independent non-executive director of China Conch Venture Holdings Limited which is a listed company in Hong Kong.

CHAU Cheuk Wah, aged 65, was appointed as an independent non-executive Director of the Company on 1st September 2019. He is also the Chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee of the Company. Mr. CHAU has extensive experience in the banking and finance industry in Hong Kong and Mainland China with various global financial institutes. He graduated from The Chinese University of Hong Kong with a bachelor degree in Business Administration. Mr. CHAU served as a non-executive director of Universal Technologies Holdings Limited (Stock code:1026), which is a listed company on the Main Board of the Stock Exchange from 3rd June 2019 to 29th May 2020.

Senior management

CHAN Yiu On, aged 63, joined the Media Chinese Group in July 2005, is the Chief Operating Officer of the Group. Mr. CHAN is also a member of the Executive Committee. He is in charge of the overall sales and marketing and the general management of the business operation of the Group. Mr. CHAN has over 40 years of extensive experience in media industry in Hong Kong. Prior to joining the Media Chinese Group, he had worked in several media companies engaged in the business of advertising, media agency, terrestrial TV, print publishing and radio broadcasting. He is very familiar with the media industry and is an experienced senior executive of the advertising industry in Hong Kong.

YEUNG Ying Fat, aged 52, joined the Media Chinese Group in February 1997, is the Financial Controller of the Group. Mr. YEUNG was appointed as Company Secretary of the Company in April 2011. He is in charge of the financial, management accounting and company secretarial affairs of the Group. Mr. YEUNG has extensive experience in financial accounting and management accounting. He is a member of the Hong Kong Institute of Certified Public Accountants. Prior to joining the Media Chinese Group, he had worked in several international accounting firms for more than 4 years. Mr. YEUNG obtained his Bachelor of Management in Accounting from the University of Lethbridge in Canada.

REPORT OF THE DIRECTORS

DIRECTORS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31st March 2020, the interests and short positions of the Directors, chief executives and their associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified or as required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

(a) Interests in shares in the Company

Name of Director	Number of shares held	Nature of interests	Percentage of issued ordinary shares
Ms. TIONG Choon	26,000	Personal interests	0.01%
Mr. LAM Pak Cheong	3,000,000 ^(Note)	Corporate interests	0.75%

All the interests stated above represent long positions in the shares of the Company.

Note:

The corporate interests of Mr. LAM Pak Cheong of 3,000,000 shares are held by Venture Logic Investments Limited, in which Mr. LAM holds 100% of its equity interests.

(b) Interests in shares in Media Chinese

Name of Director	Number of shares held				Percentage of issued ordinary shares in Media Chinese
	Personal interests	Family interests	Corporate interests	Aggregate interests	
Ms. TIONG Choon	2,654,593	1,023,632	653,320	4,331,545	0.26%
Mr. TIONG Kiew Chiong	4,087,539	–	–	4,087,539	0.24%

All the interests stated above represent long positions in the shares of Media Chinese.

Save as disclosed above, as at 31st March 2020, none of the Directors, chief executives and their associates had any interests and short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

At no time during the year were rights to acquire benefits by means of the acquisition of shares, underlying shares or debentures of the Company granted to any Directors or their respective spouses or children under 18 years of age, or were any such rights exercised by them; or was the Company or its holding companies or any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors to acquire such rights in any other body corporates.

REPORT OF THE DIRECTORS

SUBSTANTIAL SHAREHOLDERS AND PERSONS WHO HAVE AN INTEREST AND SHORT POSITIONS DISCLOSEABLE UNDER DIVISIONS 2 AND 3 OF PART XV OF THE SFO

The register of interests in shares and short positions maintained under Section 336 of the SFO shows that as at 31st March 2020, the Company had been notified of the following interests in shares representing 5% or more of the Company's issued share capital:

Name of Shareholder	Number of shares held	Capacity	Percentage of issued ordinary shares
Tan Sri Datuk Sir TIONG Hiew King	292,700,000 ^(Note)	Interest of controlled corporation	73.01%
Dato' Sri Dr. TIONG Ik King	292,700,000 ^(Note)	Interest of controlled corporation	73.01%
Comwell Investment Limited	292,700,000 ^(Note)	Beneficial owner	73.01%

All the interests stated above represent long positions in the shares of the Company.

Note:

These shares were wholly-owned by Comwell Investment Limited, an indirect wholly-owned subsidiary of Media Chinese. Tan Sri Datuk Sir TIONG Hiew King, a substantial shareholder of Media Chinese, is deemed interested in Media Chinese in an aggregate of 64.85% by virtue of his personal interests, family interests and corporate interests. Dato' Sri Dr. TIONG Ik King, a director and substantial shareholder of Media Chinese, is deemed interested in Media Chinese in an aggregate of 16.84% by virtue of his personal interests and corporate interests.

Save as disclosed above, the Company had not been notified of any other interests representing 5% or more of the issued share capital of the Company as shown in the said register as at 31st March 2020.

MANAGEMENT CONTRACTS

Unless otherwise disclosed in this report, no contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

MAJOR SUPPLIERS AND CUSTOMERS

During the year, the Group purchased less than 30% of its goods and services from its 5 largest suppliers and sold less than 30% of its goods and services to its 5 largest customers.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group will disclose further details in its Environmental, Social and Governance Report which will be published subsequent to this Annual Report in accordance with the requirement of Rule 13.91 and the reporting framework of Appendix 27 of the Listing Rules.

RELATIONSHIPS WITH SUPPLIERS, CUSTOMERS AND OTHER STAKEHOLDERS

The Group understands that it is important to maintain good relationship with its suppliers, customers and other stakeholders. To maintain its competitiveness, the Group always delivers quality services to its customers. During the year, the Group had no material dispute with its suppliers, customers and other stakeholders.

RELATED-PARTY TRANSACTIONS

Details of related-party transactions entered into by the Group in the normal course of business during the year ended 31st March 2020 are disclosed in Note 31 to the consolidated financial statements. They did not constitute connected transactions or continuing connected transactions which are required to comply with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report, based on the information that is publicly available to the Company and within the knowledge of the Directors, it is confirmed that there is sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

REPORT OF THE DIRECTORS

PERMITTED INDEMNITY

The Articles of the Company provide that Directors for the time being of the Company shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices except such (if any) as they shall incur or sustain through their own fraud or dishonesty.

The Company has taken out insurance against the liability and costs associated with defending any proceedings which may be brought against the Directors of the Company and its subsidiaries.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into during the year and subsisted at the end of the year.

BANK LOANS AND OTHER BORROWINGS

The Group had no bank loans and other borrowings as at 31st March 2020 and 2019.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

During the year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

COMPETING BUSINESS

Set out below is information disclosed pursuant to Rule 8.10 of the Listing Rules:

Media Chinese is a dual-listed company in Hong Kong and Malaysia. It is an investment holding company which principal activities include publishing, printing and distribution of newspapers, magazines, digital contents and books primarily in Chinese language, and the provision of travel and travel related services in Hong Kong, North America, Malaysia and other Southeast Asian countries ("Remaining Business"). The substantial shareholders of Media Chinese are Tan Sri Datuk Sir TIONG Hiew King, who is also a substantial Shareholder of the Company, and Dato' Sri Dr. TIONG Ik King, who is a non-executive director and the Chairman of Media Chinese. In addition, Ms. TIONG Choon is a non-executive Director of the Company and an executive director of Media Chinese; and Mr. TIONG Kiew Chiong is an executive Director of the Company and Media Chinese. As the contents and demographic readership of the publications of the Group and those of Media Chinese Group are different, the Directors consider that there is a clear delineation between the businesses of the Media Chinese Group and the Group and that there is no competition between the Remaining Business and the business of the Group. In addition, the Group is carrying on its business independently of, and at arm's length with, Media Chinese Group.

Save as disclosed above, none of the Directors or their respective associates have any interest in a business which competes or is likely to compete with the business of the Group during the year.

AUDITOR

The consolidated financial statements have been audited by PricewaterhouseCoopers who retires and, being eligible, offers itself for re-appointment at the forthcoming annual general meeting.

By order of the Board

TIONG Kiew Chiong

Director

Hong Kong, 24th June 2020

CORPORATE GOVERNANCE REPORT

Good corporate governance practices are crucial to the smooth and effective operation of a company and its ability to attract investment and protect shareholders' interest. The Company is firmly committed to statutory and regulatory corporate governance standards and adheres to the principles of corporate governance emphasising transparency, independence, accountability, responsibility and fairness.

The Company has adopted the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules as its own code on corporate governance practices. The Company has complied throughout the year with the code provisions as set out in the CG Code.

CONDUCT ON SHARE DEALINGS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as the code for securities transactions by the Directors. 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.

The Directors have confirmed, following specific enquiry by the Company, their compliance with the required standard as set out in the Model Code during the year ended 31st March 2020.

THE BOARD OF DIRECTORS

Composition and function

The Board of Directors currently comprises six Directors as follows:

Name of Director	Title
Non-executive Director	
Ms. TIONG Choon	Non-executive Director and Chairman
Executive Directors	
Mr. TIONG Kiew Chiong	Executive Director and Deputy Chairman
Mr. LAM Pak Cheong	Executive Director and Chief Executive Officer
Independent non-executive Directors	
Mr. YU Hon To, David	Independent non-executive Director
Mr. LAU Chi Wah, Alex	Independent non-executive Director
Mr. CHAU Cheuk Wah	Independent non-executive Director

For qualifications, experience, expertise and relationships (if any) of the board members, please refer to the biographies of each of the Directors as set out on pages 11 to 13.

The Directors have given sufficient time and attention to the Group's affairs, and have disclosed to the Company annually the number and the nature of offices held in public companies or organisations and other significant commitments. The Board of Directors believes that the balance of executive Directors, non-executive Director and independent non-executive Directors is reasonable and adequate to provide sufficient balances to protect the interests of the Shareholders and the Group.

CORPORATE GOVERNANCE REPORT

THE BOARD OF DIRECTORS *(Continued)*

Composition and function *(Continued)*

Pursuant to the written guidelines adopted by the Company, specific matters are reserved to the Board of Directors for its decision and certain matters are delegated to the senior management.

The Board of Directors, led by its Chairman, is responsible for, inter alia:

- (a) reviewing and approving the strategic direction of the Group established by executive Directors in conjunction with the management;
- (b) reviewing and approving objectives, strategies and business development plans set by the Executive Committee;
- (c) monitoring the performance of the Chief Executive Officer and the senior management;
- (d) assuming the responsibility for corporate governance;
- (e) approving the nominations of the Directors; and
- (f) reviewing the effectiveness of the internal control system of the Group.

The senior management and the Executive Committee are responsible for:

- (a) formulating strategies and business development plans, submitting the same to the Board of Directors for approval and implementing such strategies and business development plans thereafter;
- (b) submitting report on the Group's operations to the Board of Directors on a regular basis to ensure effective discharge of the Board's responsibilities;
- (c) reviewing annual budgets and submitting the same to the Board of Directors for approval;
- (d) reviewing salary increment proposal and remuneration policy and submitting the same to the Board of Directors for approval; and
- (e) assisting the Board of Directors in conducting the review of the effectiveness of the internal control system of the Group.

The Board of Directors has also formulated written guidelines determining which matters require a decision of the full board and the Executive Committee.

CORPORATE GOVERNANCE REPORT

THE BOARD OF DIRECTORS *(Continued)*

Independence of independent non-executive Directors

Pursuant to the requirements of the Listing Rules, the Company has received annual written confirmation from each independent non-executive Director of his independence to the Group. The Group has reviewed and considered all independent non-executive Directors to be independent.

Proceedings and retirement of Directors

In accordance with the Articles, subject to the manner of retirement by rotation of Directors from time to time prescribed under the Listing Rules and notwithstanding any contractual or other terms on which any Director may be appointed or engaged, at each annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.

Every non-executive Director and independent non-executive Director has entered into a letter of appointment with the Company for a specific term, details of which are set out in "Directors' Service Contracts" paragraph in the Report of Directors on page 11. All Directors are subject to retirement and re-election by rotation at the annual general meeting under the Articles.

All Directors have access to board papers and related materials and are provided with adequate information on a timely manner. The Directors may, if necessary, seek legal or other independent professional advice at the expense of the Company pursuant to a written guideline adopted by the Board of Directors. In respect of regular board meetings or committee meetings, the agenda is sent out to the Directors at least 14 days before the meeting and the accompanying papers are sent at least three days before the intended date of meeting for information. The Company also provides the Directors with monthly updates on the performance of the Group.

Directors' responsibilities

In relation to the financial reporting, all Directors acknowledge their responsibilities for preparing the consolidated financial statements of the Group. Directors are indemnified against all costs and liabilities that may be incurred by them in the execution of their duties. Appropriate directors' and officers' liability insurance cover has also been arranged to indemnify the Directors for liabilities arising out of corporate activities.

CORPORATE GOVERNANCE REPORT

GOVERNANCE STRUCTURE

As an integral part of good corporate governance, the Board of Directors has established the following committees whose authority, functions, composition and duties of each of the committees are set out below:

1. Executive Committee

The Executive Committee is the decision-making body for day-to-day operation of the Group which currently comprises Mr. TIONG Kiew Chiong, Mr. LAM Pak Cheong and Mr. CHAN Yiu On. Mr. TIONG Kiew Chiong is the Chairman of the Executive Committee.

The main duties of the Executive Committee include performing duties delegated by the Board of Directors and exercising the authorities and rights authorised by the same pursuant to the written guidelines.

2. Remuneration Committee

The Remuneration Committee currently has four members, namely, Mr. LAU Chi Wah, Alex, Mr. YU Hon To, David, Mr. CHAU Cheuk Wah and Mr. TIONG Kiew Chiong. Except for Mr. TIONG Kiew Chiong who is an executive Director, the rest are all independent non-executive Directors. Mr. LAU Chi Wah, Alex is the Chairman of the Remuneration Committee.

Written terms of reference have been adopted by the Board of Directors in compliance with the Listing Rules and are available on both the Company's and the Stock Exchange's websites. The functions of the Remuneration Committee include, among other things:

- (a) making recommendations to the Board of Directors on the Company's policy and structure for remuneration of the Directors and senior management;
- (b) making recommendations to the Board of Directors on establishing a formal and transparent procedure for developing policy on remuneration; and
- (c) making recommendations to the Board of Directors on the remuneration packages of individual executive Directors and senior management; and the remuneration of non-executive Directors.

The remuneration of all Directors are set out in Note 10 to the consolidated financial statements.

During the year, the Remuneration Committee has reviewed the remuneration policy and structure of the executive Directors and senior management of the Company. In August 2019, the Remuneration Committee reviewed and made recommendation to the Board of Directors on the remuneration of Mr. CHAU Cheuk Wah, who was appointed as a new independent non-executive Director of the Company with effect from 1st September 2019. It has also reviewed the specific remuneration packages including the terms of employment and performance-based bonus of the Directors and senior management of the Company and offered recommendations on the same to the Board of Directors.

CORPORATE GOVERNANCE REPORT

GOVERNANCE STRUCTURE *(Continued)*

3. Nomination Committee

The Nomination Committee currently has four members, namely, Mr. CHAU Cheuk Wah, Mr. YU Hon To, David, Mr. LAU Chi Wah, Alex and Mr. TIONG Kiew Chiong. Except for Mr. TIONG Kiew Chiong who is an executive Director, the rest are all independent non-executive Directors. Mr. CHAU Cheuk Wah is the Chairman of the Nomination Committee.

Written terms of reference have been adopted by the Board of Directors in compliance with the Listing Rules and are available on both the Company's and the Stock Exchange's websites. The functions of the Nomination Committee include, among other things:

- (a) reviewing the structure, size and composition of the Board at least annually and making recommendations on any proposed changes to the Board of Directors to complement the Company's corporate strategy;
- (b) identifying individual suitably qualified to become Board members and selecting or making recommendations to the Board on the selection of individuals nominated for directorship; and
- (c) assessing the independence of independent non-executive Directors.

During the year, with reference to the board diversity policy of the Company, the Nomination Committee has reviewed and is of the opinion that the size, structure, board diversity and composition of the Board of Directors is adequate for the Company. In August 2019, the Nomination Committee reviewed the profile and qualification of Mr. CHAU Cheuk Wah and made recommendations to the Board of Directors for his appointment as a new independent non-executive Director of the Company. In addition, it has assessed the independence of independent non-executive Directors and concludes that all independent non-executive Directors have complied with the independence criteria under the Listing Rules.

The Nomination Committee has adopted a nomination policy (the "Nomination Policy") which sets out the procedure and criteria for the selection, appointment and reappointment of directors. The selection criteria that the Nomination Committee has to consider in evaluating and selecting a candidate for directorship include the following:

- (a) character and integrity;
- (b) qualifications including professional and education qualifications, skills, knowledge, expertise and experience that are relevant to the Company's business and corporate strategy;
- (c) commitment and willingness to devote sufficient time to discharge duties as a member of the Board;
- (d) Board Diversity Policy and any measurable objectives adopted for achieving diversity on the Board; and
- (e) such other perspectives appropriate to the Company's business or as suggested by the Board.

CORPORATE GOVERNANCE REPORT

GOVERNANCE STRUCTURE *(Continued)*

3. Nomination Committee *(Continued)*

The procedure for the appointment and reappointment of a director is summarised as follows:

(a) Nomination by the Nomination Committee

- (i) The Nomination Committee reviews the structure, size and composition (including the balance mix of skills, knowledge and experience) of the Board periodically and makes recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (ii) When it is necessary to fill a causal vacancy or appoint an additional director, the Nomination Committee identifies or selects candidates as recommended, with or without assistance from external agencies or the Company, pursuant to the criteria set out in the Nomination Policy;
- (iii) If the process yields one or more desirable candidates, the Nomination Committee shall rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable);
- (iv) The Nomination Committee makes recommendation to the Board including the terms and conditions of the appointment; and
- (v) The Board deliberates and decides on the appointment based upon the recommendation of the Nomination Committee.

(b) Re-election of Director at Annual General Meeting

- (i) In accordance with the Articles, every director shall be subject to retirement by rotation at least once every three years and shall be eligible for re-election at each annual general meeting;
- (ii) The Nomination Committee shall review the overall performance and contribution of the retiring director to the Company. The Nomination Committee shall also review the expertise and professional qualifications of the retiring director, who offered himself/herself for re-election at the annual general meeting, to determine whether such director continues to meet the criteria as set out in the Nomination Policy;
- (iii) Based on the review made by Nomination Committee, the Board shall make recommendations to shareholders on candidates standing for re-election or reappointment at the annual general meeting of the Company, and provide the available biographical information of the retiring directors in accordance with the Listing Rules to enable shareholders to make the informed decision on the re-election of such candidates at annual general meeting of the Company.

(c) Nomination by shareholders

The shareholders of the Company may propose a person for election as a director in accordance with the Articles and applicable law, details of which are set out in the "Procedures for Shareholders to Propose a Person for Election as a Director" on the Company's website at www.omghk.com and paragraph "Shareholders' Right" in the Corporate Governance Report on page 29.

CORPORATE GOVERNANCE REPORT

GOVERNANCE STRUCTURE *(Continued)*

4. Audit Committee

The Audit Committee comprises all three independent non-executive Directors, namely Mr. YU Hon To, David, Mr. LAU Chi Wah, Alex and Mr. CHAU Cheuk Wah. Mr. YU Hon To, David is the Chairman of the Audit Committee.

Written terms of reference have been adopted by the Board of Directors in compliance with the Listing Rules and are available on both the Company's and the Stock Exchange's websites. The roles and functions of the Audit Committee include, among other things:

- (a) acting as the key representative body for overseeing the relationship with the Company's external auditor;
- (b) making recommendations to the Board of Directors on the appointment, re-appointment and removal of the external auditor;
- (c) reviewing the financial information of the Group including monitoring the integrity of the Group's consolidated financial statements, annual report and accounts, half-year report, quarterly reports and reviewing significant financial reporting judgments contained therein; and
- (d) reviewing and discussing the Group's financial controls, risk management and internal control systems with management to ensure that management has performed its duty to have effective systems. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting and financial reporting function.

During the year, the Audit Committee has regularly met with the management and the external auditor and reviewed and made recommendations to the following matters:

- (a) reviewed the audited consolidated financial statements for the year ended 31st March 2020, the interim report for the six months ended 30th September 2019 and the quarterly financial reports for the quarters ended 30th June 2019, 30th September 2019, 31st December 2019 and 31st March 2020;
- (b) reviewed and considered the report from the external auditor on the audit of the Group's consolidated financial statements;
- (c) made recommendations to the Board of Directors for the appointment of the external auditor and reviewed the proposed audit fees for the year ended 31st March 2020;
- (d) reviewed the external auditor's audit plan, audit strategy and scope of work for the year under review;
- (e) reviewed the internal audit resource requirements, internal audit plan, internal audit reports, recommendations and management response;
- (f) reviewed the risk assessment report of the Group. Significant risk issues were summarised and communicated to the Board of Directors;
- (g) reviewed the continuing connected transactions entered into by the Group;
- (h) reviewed the arrangement (including investigation and follow-up action) that employees of the Group to raise concerns about possible improprieties in financial reporting, internal control or other matters through the whistleblowing policy adopted by the Company; and
- (i) reviewed the training programmes of the staff of the Group's accounting and financial reporting function.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE FUNCTION

The Board of Directors is responsible for performing the corporate governance duties as set out below:

- (a) to develop and review the Company's policies and practices on corporate governance;
- (b) to review and monitor the training and continuous professional development of Directors and senior management;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (e) to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report under Appendix 14 to the Listing Rules.

During the year, the Board of Directors has reviewed the Company's compliance with the CG Code and disclosure in the Corporate Governance Report, the training and continuous professional development of Directors and senior management as well as the practices on compliance with legal and regulatory requirements.

TRAINING FOR DIRECTORS

The Company continuously provides updates to the Directors with the latest developments and changes to the Listing Rules and other applicable regulatory requirements and provides training to improve the Directors' knowledge and skills.

The Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company has prepared a training record in order to assist the Directors to record the training that have undertaken.

Below is a summary of the training the Directors had received during the year under review:

Name of Director	Type of training
Ms. TIONG Choon	A, B
Mr. TIONG Kiew Chiong	A, B
Mr. LAM Pak Cheong	A, B
Mr. YU Hon To, David	A, B
Mr. YANG, Victor (resigned on 1st August 2019)	A, B
Mr. LAU Chi Wah, Alex	A, B
Mr. CHAU Cheuk Wah (appointed on 1st September 2019)	A, B

A: attending seminars/conferences/workshops/forums

B: reading journals and updates relating to the economy, media business or director's duties and responsibilities, etc.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The remuneration of the members of the senior management, who are not Directors but act as members of Executive Committee of the Company, for the year ended 31st March 2020 by bands is set out below:

Remuneration bands	Number of persons
HK\$1,000,001 to HK\$2,000,000	1

Details regarding the Directors' remuneration and the five highest paid employees as required to be disclosed pursuant to Appendix 16 to the Listing Rules are set out in Notes 9 and 10 to the consolidated financial statements.

CORPORATE GOVERNANCE REPORT

NUMBER OF MEETINGS AND THE ATTENDANCE RATE

The following table shows the number of general meeting, board meetings and committee meetings held during the year under review as well as the attendance rate of each Director:

Name of Director	General Meeting	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting
Ms. TIONG Choon	1/1	4/5	N/A	N/A	N/A
Mr. TIONG Kiew Chiong	1/1	5/5	N/A	2/2	2/2
Mr. LAM Pak Cheong	1/1	5/5	N/A	N/A	N/A
Mr. YU Hon To, David	1/1	5/5	4/4	2/2	2/2
Mr. YANG, Victor (resigned on 1st August 2019)	0/1	1/5	1/4	1/2	0/2
Mr. LAU Chi Wah, Alex	1/1	5/5	4/4	2/2	2/2
Mr. CHAU Cheuk Wah (appointed on 1st September 2019)	0/1	2/5	2/4	0/2	1/2

THE DIVISION OF RESPONSIBILITIES BETWEEN THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

With a view to maintaining an effective segregation of duties, the positions of the Chairman and the Chief Executive Officer are split and each plays a distinctive role. The Chairman is mainly responsible for the leadership and effective operation of the Board of Directors and ensuring that all key and appropriate issues are discussed by the Board of Directors in a timely and constructive manner, and the Chief Executive Officer is delegated with the authority and is mainly responsible for the operation of the Group's business and the implementation of the approved strategies with a view to achieving the corporate objectives.

COMPANY SECRETARY

The Company Secretary is a full time employee of the Company and reports to the Chairman of the Board of Directors and the Chief Executive Officer. He is responsible for advising the Board of Directors on governance matters. During the year under review, the Company Secretary has complied with the professional training requirements under the CG Code.

BOARD DIVERSITY POLICY

The Company adopted a board diversity policy ("Board Diversity Policy") which sets out the approach to achieve and maintain diversity on the Board of Directors in order to enhance its effectiveness. The Company endeavours to ensure that the Board of Directors has the appropriate balance of skills, experience, expertise and diversity of perspectives. The appointments of board members will continue to be made on merit basis, and candidates will be considered against objective criteria, having due regard for the benefits of diversity of the Board of Directors. Pursuant to the Board Diversity Policy, the Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of service. The Board of Directors will set up and review the measurable objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives. The Board of Directors will also review and monitor from time to time the implementation of the Board Diversity Policy, as appropriate, to ensure its continued effectiveness.

CORPORATE GOVERNANCE REPORT

INSIDE INFORMATION

The Company is committed to promoting consistent disclosure practices aiming at timely, accurate, complete and broadly disseminated disclosure of inside information about the Group to the market in accordance with applicable laws and regulatory requirements. With respect to procedures and internal controls for the handling and dissemination of inside information, the Company:

- (a) is required to disclose inside information as soon as reasonably practicable in accordance with the SFO and the Listing Rules;
- (b) conducts its affairs with close regard to the “Guidelines on Disclosure of Inside Information” issued by the Securities and Futures Commission; and
- (c) ensures, through its own internal reporting processes and the consideration of their outcome by Board of Directors and senior management, the appropriate handling and dissemination of inside information.

DIVIDEND POLICY

The Company adopted a dividend policy (the “Dividend Policy”) which aims to set out the principles and guidelines that the Company intends to apply in relation to the declaration, payment or distribution of its profits as dividend to the Shareholders provided that there are distributable profits and the normal operations of the Group are not affected. In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will take into consideration the Group’s actual and expected financial performance during the year, the financial situation and liquidity of the Group, the investment plans and the Group’s expected working capital requirements, as well as other factors that the Board of Directors may consider relevant. The payment of dividend is also subject to compliance with applicable rules and regulations under the laws of Cayman Islands, the laws of Hong Kong and the Articles.

REMUNERATION POLICY

The Group remunerates its employees based on the operating results, individual performance and comparable market statistics. Other employee benefits include provident fund scheme, medical insurance, training and development activities and discretionary bonuses.

CONSTITUTIONAL DOCUMENTS

During the year under review, there was no change on the Company’s Memorandum and Articles of Association (“M&A”). A copy of the latest consolidated version of the M&A is available on the websites of the Company and the Stock Exchange.

EXTERNAL AUDITOR

PricewaterhouseCoopers (“PwC”) was appointed as the Group’s external auditor for the year ended 31st March 2020. During the year, PwC and its other member firms provided the following audit services to the Group:

	HK\$’000
Audit services	700

PwC will retire and offer itself for re-appointment at the annual general meeting of the Company to be held in August 2020. A statement by PwC about its reporting responsibilities on the consolidated financial statements of the Group is set out in the “Independent Auditor’s Report” section on pages 30 to 33.

PUBLIC FLOAT

Based on the information that is publicly available and within the knowledge of the Directors, the Company has maintained a sufficient public float of its share capital in Hong Kong stock market throughout the financial year ended 31st March 2020.

CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT AND INTERNAL CONTROL

It is the responsibility of the Board of Directors to ensure that the Group establishes and maintains sound and effective risk management and internal control systems and review the effectiveness of such systems to safeguard Shareholders' investment and the Group's assets.

The Board of Directors is of the view that the risk management and internal control systems are designed to manage and mitigate the Group's risks within the acceptable risk appetite, rather than to eliminate the risk of failure to achieve business objectives and strategies. In view of the inherent limitations in any system, such system can only provide reasonable but not absolute assurance against material misstatements, losses, frauds, breaches of laws and regulations, and unforeseen emerging risks.

1. Risk management

(a) Risk management framework

The Group has established appropriate control structure and systematic process for identifying, evaluating, monitoring and managing significant risks pertinent to the achievement of its overall corporate objectives and strategies throughout the year. This process is regularly reviewed by the Board of Directors.

The Audit Committee assists the Board of Directors in (i) reviewing the adequacy and effectiveness of the Group's risk management and internal control systems; (ii) reviewing management's identification of the significant risks in accordance with the Group's risk management policy; and (iii) reporting to the Board of Directors of any significant failures or potential breaches of the Group's risk management policy.

The Executive Committee, acting as the Risk Management Committee ("RMC"), ensures on behalf of the Board of Directors that business risks are identified, assessed, managed and monitored across the businesses of the Group. The RMC reports to the Board of Directors on changes in the risk landscape and developments in the management of principal risks. The RMC is responsible for overseeing the implementation of the risk management framework, reviewing the risk management processes periodically and ensuring that ongoing measures taken are adequate to manage, address or mitigate the identified significant risks. The same principle applies to the Risk Management Unit ("RMU") where risk monitoring accountability rests with the RMU of the operating companies within the Group. The RMU comprises key management staff from each division within the operating company.

(b) Risk management process

The risk management process is cascaded through the Group. All key management and heads of departments have to identify, evaluate and manage risks associated with the business operations on an ongoing basis with defined parameters, and record these in the risk register. It is mandatory for this process to take place at least once a year, and follow-up review regularly.

For each risk identified, the management will assess the root causes, consequences and mitigating controls. An assessment is then made taking into account the probability of the risk occurring and the impact before and after mitigating controls. The content of the risk register is determined through discussions with senior management and review by the RMU. At the RMU meetings, the RMU assessed the overall risk profile of the operating company, identified the significant risks, updated the risk register and prepared the action plans for mitigation. Risk assessment reports comprising the action plans on significant risk are tabled to the RMC. The deliberation of risks and related mitigating responses are carried out at regular management meetings. In essence, risks are dealt with, and contained at, the respective subsidiaries, and are communicated upwards to the Audit Committee and the Board of Directors.

CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT AND INTERNAL CONTROL *(Continued)*

2. Internal control and internal audit function

The Group's internal control framework covers (i) the setting of a defined management structure with limits of authority and clear lines of accountability; and (ii) the establishment of regular reporting of financial information. The relevant executive Directors and senior management have been delegated with respective level of authorities. Yearly budgets of the Group are reviewed and approved by the Board of Directors. The relevant executive Directors and senior management have specific responsibility for monitoring the performance of business operating units. Monthly financial reports and quarterly financial review have been provided to the members of the Executive Committee and all Directors. This helps the Board of Directors and the Group's management to monitor the Group's business operations and to plan on a prudent and timely basis.

The Internal Audit Function of Media Chinese, the holding company of the Company, evaluates the adequacy and effectiveness of risk management and internal control systems. It coordinates with an independent international accounting firm to undertake reviews of the Group's operations and internal controls system. During the year, a review of the Group's internal control system and procedures in respect of the business operations was conducted. The scope of review was proposed by the management and approved by the Audit Committee. In addition, the Board of Directors has considered the adequacy of resources, qualifications and experience of the staff of the Group's accounting and financial reporting function, and their training programmes.

3. Review of adequacy and effectiveness

The Board has reviewed the adequacy and effectiveness of the Group's risk management framework and internal control activities to ensure that necessary actions have been or are being taken to rectify weaknesses identified during the year.

The Board has also received assurance from the Chief Executive Officer and Financial Controller that the Group's system of risk management and internal control, in all material aspects, is operating adequately and effectively. For the financial year under review, there were no material control failures or adverse compliance events that have directly resulted in any material loss to the Group.

In this connection, the Board concludes that an effective system of risk management and internal control is in place to safeguard the shareholders' investment and the Group's assets.

CORPORATE GOVERNANCE REPORT

SHAREHOLDERS' RIGHTS

1. Shareholders' communications and procedures for raising enquiries

The Board of Directors has established a Shareholders' communication policy setting out the principles of the Company in relation to the Shareholders' communication, with the objective of providing our Shareholders with detailed information about the Company so that they can exercise their rights as Shareholders in an informed manner. The Company uses a range of communication tools to ensure its Shareholders are kept well informed of key business imperatives. These include general meetings, quarterly, interim and annual reports, announcements and circulars. Procedure for voting by poll has been read out by the chairman at the annual general meeting held in 2019. In addition, separate resolution was proposed by the chairman in respect of each separate issue, including re-election of Directors, and voted by way of poll. The Company announced the results of the poll in the manner prescribed under the Listing Rules.

Shareholders may direct their questions about their shareholdings to the Company's Hong Kong branch share registrar: Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong. Other enquiries or comments raised by any Shareholder can be mailed to the Board of Directors at the Company's head office in Hong Kong at 16th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong or sent through email to corpcom@omghk.com.

2. Convening of extraordinary general meeting on requisition by Shareholders and putting forward proposal at general meeting

There are no provisions allowing Shareholders to propose new resolutions at the general meetings under the Cayman Islands Companies Law. However, Shareholders are requested to follow the Articles where a Shareholder or Shareholders holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company having the right of voting at general meetings of the Company may requisition the Directors to convene an extraordinary general meeting ("EGM") by depositing a written requisition to the Company.

The written requisition must state the purposes of the meeting (including the resolutions to be considered at the meeting), signed by the requisitionists, addressed to the Board of Directors or the Company Secretary of the Company and deposited at the registered office of the Company at Clifton House, 75 Fort Street, P.O. Box 1350 GT, George Town, Grand Cayman, Cayman Islands with a copy to the head office of the Company at 16th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong. If the Directors do not within twenty-one days from the date of the deposit of the requisition proceed duly to convene an EGM, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene an EGM.

If a Shareholder wishes to propose a person for election as a Director in a general meeting, unless the person proposed to be elected as a Director is a Director retiring at the general meeting or is recommended by the Board of Directors for election, a Shareholder shall submit: (i) a notice in writing (the "Nomination Notice") signed by a Shareholder duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose that person for election as a Director; and (ii) a notice in writing signed by that person of his consent to be elected as a Director to the registered office of the Company at Clifton House, 75 Fort Street, P.O. Box 1350 GT, George Town, Grand Cayman, Cayman Islands with a copy to the head office of the Company at 16th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong for the attention of the Company Secretary no earlier than the day after the despatch of the notice of the general meeting for such election of Director(s) and ending no later than seven days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least seven days.

The Nomination Notice must state the full name of the person proposed for election as a Director and include such person's biographical details as required by the Listing Rules.

Alternatively, if no general meeting has already been convened, a Shareholder may propose a person for election as a Director by requisitioning the Company to convene an EGM, provided that he is holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company having the right of voting at general meetings of the Company.

INDEPENDENT AUDITOR'S REPORT



羅兵咸永道

To the Shareholders of One Media Group Limited

(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of One Media Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 34 to 91, which comprise:

- the consolidated statement of financial position as at 31st March 2020;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31st March 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (Continued)

Key audit matter identified in our audit is related to impairment of non-financial assets within segment of Entertainment and lifestyle operation.

Key Audit Matter

How our audit addressed the Key Audit Matter

Impairment of non-financial assets within segment of Entertainment and lifestyle operation ("Entertainment segment")

Refer to Note 4 (Critical accounting estimates and judgements), Note 13 (Property, plant and equipment), Note 14 (Leases) and Note 15 (Intangible assets) to the consolidated financial statements.

As at 31st March 2020, the carrying amount of non-financial assets of the Group before impairment provision amounting to HK\$10.5 million, of which HK\$9.6 million were within the Entertainment segment. Non-financial assets of Entertainment segment mainly comprised property, plant and equipment, right-of-use assets and intangible assets.

During the year ended 31st March 2020, the Group incurred substantial operating loss compared to a budgeted profit, which represented an impairment indicator of these non-financial assets.

In carrying out the impairment assessment of Entertainment segment as a cash-generating unit ("CGU") basis as required by IAS 36 "Impairment of assets", the Group performed impairment assessment of the CGU to support the determination of the recoverable amounts, which are determined as the higher of the value-in-use ("VIU") calculations and fair value less cost of disposal ("FVLCD") calculations. In the absence of a market comparable, the management adopted the income approach to prepare a 5-year discounted cash flow forecast ("DCF") to determine the recoverable amounts of the CGU under both VIU and FVLCD methods. Individual assets are then further assessed for its recoverable amount if impairment is necessary for the CGUs.

Preparation of the DCF required the use of many assumptions and exercise of significant judgements in determining these assumptions.

Key assumptions adopted and judgements exercised in the preparation of the DCF included:

- Print advertising revenue growth rates;
- Digital advertising revenue growth rates;
- Circulation revenue growth rates; and
- Discount rates

The recoverable amounts of these assets within Entertainment segment determined were lower than their carrying amounts, and management assessed the recoverable amount of property, plant and equipment based on quoted prices in secondary market to be HK\$0.6 million. As a result, provision for impairment of HK\$0.7 million, HK\$3.7 million and HK\$4.6 million in respect of property, plant and equipment, right-of-use assets and intangible assets, respectively were made within Entertainment segment for the year ended 31st March 2020.

We focused on this area due to the significance of the carrying amounts of these non-financial assets of the Entertainment segment to the consolidated statement of financial position and high level of judgements and estimations are required by management in determining the recoverable amounts of these non-financial assets at the date of consolidated statement of financial position.

We tested management's impairment assessment of the non-financial assets of the Entertainment segment by assessing the DCF used in the calculations as set out below.

- Comparing the key input data in management's DCF to the Board's approved budget and business plan;
- Assessing the methodology adopted and the mathematical accuracy of the underlying DCF calculations;
- Assessing the reasonableness of management's key assumptions and judgements exercised in DCF in relation to:
 - Print advertising revenue growth rates, digital advertising revenue growth rates and circulation revenue growth rates by comparing them to historical performance and business plan, as well as benchmarking against industry forecast; and
 - Discount rates by comparing with the cost of capital of comparable companies with assistance of our in house valuation specialists.

We assessed the reasonableness of management determined recoverable amount of individual assets within the CGU by reference to the available market prices.

Based on the above procedures performed, we found the judgement and estimates made by management in determining the recoverable amounts of these non-financial assets of the Entertainment segment to be supportable based on the evidence we gathered.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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.

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group'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 to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated 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. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr. WONG Ka Keung, Johnny.

Pricewaterhousecoopers
Certified Public Accountants

Hong Kong, 24th June 2020

CONSOLIDATED INCOME STATEMENT

Year ended 31st March

	Note	2020 HK\$'000	2019 HK\$'000
Continuing operations			
Turnover	5	70,129	98,600
Cost of goods sold		(55,498)	(61,652)
Gross profit			
Other income	5	2,969	1,454
Selling and distribution expenses		(15,457)	(20,652)
Administrative expenses		(28,649)	(22,967)
Operating loss			
Finance costs	6 7	(26,506) (199)	(5,217) –
Loss before income tax			
Income tax expense	11	(26,705) (143)	(5,217) (212)
Loss for the year from continuing operations			
Loss for the year from discontinued operation (attributable to owners of the company)	12	–	(6,678)
Loss for the year			
Loss attributable to:			
— Owners of the Company			
— from continuing operations		(26,848)	(5,429)
— from discontinued operation		–	(6,678)
Non-controlling interests		(26,848)	(12,107)
Loss for the year			
Loss per share attributable to owners of the Company for the year (expressed in HK cents per share)			
— from continuing operations		(6.7)	(1.3)
— from discontinued operation		–	(1.7)
Basic and diluted			
	27	(6.7)	(3.0)

The above consolidated income statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31st March

	Note	2020 HK\$'000	2019 HK\$'000
Loss for the year		(26,848)	(12,107)
Other comprehensive (loss)/income:			
<i>Items that have been reclassified or may be reclassified subsequently to profit or loss</i>			
Release of currency translation reserve upon disposal of subsidiaries	12	–	1,682
Currency translation differences		(1)	(607)
<i>Items that will not be reclassified to profit or loss</i>			
Changes in fair value on financial asset at fair value through other comprehensive income	17	(14,074)	(46,575)
Actuarial loss on long service payment obligations	26	(75)	(32)
Total comprehensive loss for the year		(40,998)	(57,639)
Total comprehensive loss for the year attributable to:			
— Owners of the Company arises from:			
Continuing operations		(40,998)	(56,583)
Discontinued operation		–	(1,056)
		(40,998)	(57,639)
Non-controlling interests		–	–
		(40,998)	(57,639)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st March

	Note	2020 HK\$'000	2019 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	13	679	1,627
Intangible assets	15	–	4,894
Right-of-use assets	14	–	–
Financial asset at fair value through other comprehensive income	17	9,821	23,895
Total non-current assets		10,500	30,416
Current assets			
Inventories	18	379	482
Trade and other receivables	20	8,673	16,811
Income tax recoverable		–	391
Cash and cash equivalents	21	9,976	22,843
Total current assets		19,028	40,527
Total assets		29,528	70,943
EQUITY			
Equity attributable to owners of the Company			
Share capital	22	401	401
Share premium	22	457,543	457,543
Other reserves	23	(338,955)	(324,805)
Accumulated losses		(105,935)	(79,087)
Total equity		13,054	54,052

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st March

	Note	2020 HK\$'000	2019 HK\$'000
LIABILITIES			
Non-current liabilities			
Long service payment obligations	26	137	54
Lease liabilities	14	2,285	–
Total non-current liabilities		2,422	54
Current liabilities			
Trade and other payables	24	8,567	12,620
Contract liabilities	5	2,263	3,116
Amounts due to fellow subsidiaries	24	976	1,101
Lease liabilities	14	2,205	–
Income tax payable		41	–
Total current liabilities		14,052	16,837
Total liabilities		16,474	16,891
Total equity and liabilities		29,528	70,943

The consolidated financial statements on pages 34 to 91 were approved by the Board of Directors on 24th June 2020 and were signed on its behalf

TIONG Kiew Chiong
Director

LAM Pak Cheong
Director

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31st March

	Attributable to owners of the company				Total	Non-controlling interests	Total equity
	Share capital	Share premium	Other reserves	Accumulated losses			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1st April 2018	401	457,543	(279,273)	(66,980)	111,691	-	111,691
Comprehensive income							
Loss for the year	-	-	-	(12,107)	(12,107)	-	(12,107)
Other comprehensive income/(loss)							
Currency translation differences	-	-	(607)	-	(607)	-	(607)
Release of currency translation reserve upon disposal of subsidiaries	-	-	1,682	-	1,682	-	1,682
Actuarial loss on long service payment obligations	-	-	(32)	-	(32)	-	(32)
Change in fair value on financial asset at fair value through other comprehensive income	-	-	(46,575)	-	(46,575)	-	(46,575)
Total comprehensive loss for the year	-	-	(45,532)	(12,107)	(57,639)	-	(57,639)
At 31st March 2019	401	457,543	(324,805)	(79,087)	54,052	-	54,052
At 1st April 2019	401	457,543	(324,805)	(79,087)	54,052	-	54,052
Comprehensive income							
Loss for the year	-	-	-	(26,848)	(26,848)	-	(26,848)
Other comprehensive loss							
Currency translation differences	-	-	(1)	-	(1)	-	(1)
Actuarial loss on long service payment obligations	-	-	(75)	-	(75)	-	(75)
Change in fair value on financial asset at fair value through other comprehensive income	-	-	(14,074)	-	(14,074)	-	(14,074)
Total comprehensive loss for the year	-	-	(14,150)	(26,848)	(40,998)	-	(40,998)
At 31st March 2020	401	457,543	(338,955)	(105,935)	13,054	-	13,054

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31st March

	<i>Note</i>	2020 HK\$'000	2019 HK\$'000
Cash flows from operating activities			
Cash used in operations	29	(11,591)	(7,883)
Hong Kong income tax refund		289	402
Finance costs paid		(199)	–
Net cash used in operating activities		(11,501)	(7,481)
Cash flows from investing activities			
Purchase of property, plant and equipment		(507)	(587)
Purchase of intangible assets		(6)	(11)
Interest received		179	114
Dividend received		1,053	1,034
Proceeds from disposal of property, plant and equipment	29	46	–
Proceeds from disposal of subsidiaries		–	69
Proceeds from disposal of investment in joint ventures	29	–	9
Net cash generated from investing activities		765	628
Cash flows from financing activities			
Principal element of lease payment		(2,130)	–
Net cash used in financing activities		(2,130)	–
Net decrease in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		22,843	29,761
Currency translation loss on cash and cash equivalents		(1)	(65)
Cash and cash equivalents at end of the year		9,976	22,843

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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 Clifton House, 75 Fort Street, P.O. Box 1350 GT, George Town, 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 24th June 2020.

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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

(i) New and amended standards and interpretations 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 2019:

IAS 19	Plan amendment, curtailment or settlement (amendments)
IAS 28	Long-term interests in associates and joint ventures (amendments)
IFRS 9	Prepayment features with negative compensation (amendments)
IFRS 16	Leases (new standard)
IFRIC-Int 23	Uncertainty over income tax treatments (new interpretation)
Annual improvements Project	Annual improvements 2015–2017 cycle (amendments)

The Group changed its accounting policies as a result of adopting IFRS 16 “Leases”. The Group elected to adopt the simplified transition approach and has not restated comparatives for the 2019 reporting period. This is disclosed in Note 2.2. Other amendments and interpretations 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

(ii) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31st March 2020 reporting periods and have not been early adopted by the Group.

		Effective for accounting periods beginning on or after
IAS 1	Classification of liabilities as current or non-current (amendments)	1st January 2022
IAS 1 and IAS 8	Definition of material (amendments)	1st January 2020
IFRS 3	Definition of business (amendments)	1st January 2020
IAS 39, IFRS 7 and IFRS 9	Interest rate benchmark reform (amendments)	1st January 2020
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments)	To be determined
IFRS 17	Insurance Contracts (new standard)	1st January 2023
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting	1st January 2020

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Impact on the financial statements from the adoption of IFRS 16

This note explains the impact of the adoption of IFRS 16 “Leases” on the Group’s consolidated financial statements.

As indicated in Note 2.1 above, the Group has adopted IFRS 16 retrospectively from 1st April 2019, but has not restated prior period comparatives, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balances of the Group’s consolidated statement of financial position as at 1st April 2019. The new accounting policies are disclosed in Note 2.21.

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as “operating leases” under the principles of IAS 17 “Leases”. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1st April 2019, except for short-term leases and leases for which the underlying asset is of low value, to which the respective lease payments associated with those leases are recognised as an expense on a straight-line basis over the lease term. The lessee’s incremental borrowing rate applied to the lease liabilities on 1st April 2019 was 3.5%.

(i) Measurement of lease liabilities

The Group had outstanding lease commitments of HK\$7,116,000 as at 31st March 2019.

	1st April 2019 HK\$’000
Discounted using the lessee’s incremental borrowing rate at the date of initial application	6,751
Less: short-term leases not recognised as a liability	(131)
Lease liability recognised as at 1st April 2019	6,620
Of which are:	
Current lease liabilities	2,130
Non-current lease liabilities	4,490
	6,620

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Impact on the financial statements from the adoption of IFRS 16 *(Continued)*

(ii) Measurement of right-of-use assets

The associated right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated statement of financial position as at 31st March 2019.

(iii) Adjustment recognised on adoption of IFRS 16

The change in accounting policy affected the following items in the consolidated statement of financial position as at 1st April 2019:

- Right-of-use assets — increased by HK\$6,620,000
- Lease liabilities — increased by HK\$6,620,000

There was no impact to the Group's accumulated losses as at 1st April 2019.

(iv) Practical expedients applied

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review — there were no onerous contracts as at 1st April 2019;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1st April 2019 as short-term leases;
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contain a lease at the date of initial application. Instead for contracts entered into before the transition date the Group relied on its assessment made applying IAS 17 "Leases" and IFRIC-Int 4 "Determining whether an Arrangement Contains a Lease".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.3 Subsidiaries

2.3.1 Consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

(a) *Business combination*

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

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

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

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquired entity and the acquisition date fair value of any previous equity interest in the acquired entity over the fair value of the identifiable net assets acquired is recorded as goodwill. If these amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in the consolidated income statement as a bargain purchase.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.3 Subsidiaries *(Continued)*

2.3.1 Consolidation *(Continued)*

(b) *Changes in ownership interests*

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity.

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

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2.3.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.4 Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the associate in profit or loss, and the Group's share of movements in other comprehensive income of the associate in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an associate equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of associates is tested for impairment in accordance with the policy described in Note 2.10.

2.5 Joint arrangements

Under IFRS 11 "Joint Arrangements", investments in joint arrangement are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor rather than the legal structure of the joint arrangement. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

Joint ventures are accounted for using the equity method of accounting. Under the equity method of accounting, the investment is initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the joint venture in profit or loss, and the Group's share of movements in other comprehensive income of the joint venture in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in a joint venture equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of joint ventures is tested for impairment in accordance with the policy described in Note 2.10.

2.6 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee that makes strategic decisions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.7 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in HK\$, which is the Company's functional currency and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the consolidated income statement.

Foreign exchange gains and losses that relate to cash and cash equivalents are presented in the consolidated income statement within "finance costs". All other foreign exchange gains and losses are presented in the consolidated income statement within "Other gains/(losses)".

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

(c) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii) income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income.

On consolidation, currency translation differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, such currency translation differences that were recorded in equity are recognised in the consolidated income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in consolidated statement of comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.8 Property, plant and equipment

Property, plant and equipment, comprising leasehold improvements, furniture, fixtures and office equipment, computer equipment and motor vehicles, are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Leasehold improvements	10%–25%
Furniture, fixtures and office equipment	20%–30%
Computer equipment	30%
Motor vehicles	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.10).

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated income statement.

2.9 Intangible assets

(a) Goodwill

Goodwill is measured as described in Note 2.3. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments (Note 5).

(b) Computer software

Acquired software costs are capitalised on the basis of the costs incurred to acquire and bring to use the specific software and are stated in the consolidated statement of financial position at cost less accumulated amortisation and impairment.

Amortisation of computer software is charged to the consolidated income statement on a straight-line basis over the assets' estimated useful lives, which does not exceed five years.

(c) Trademarks

Trademarks acquired in a business combination are recognised at fair value at the acquisition date. The trademarks have a finite useful life and are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method over the expected useful lives of 30 years of the trademarks.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.10 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal ("FVLCD") and value in use ("VIU"). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or "CGU"). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. The critical accounting estimates and judgements related to impairment of non-financial assets are disclosed in Note 4.

2.11 Financial assets

2.11.1 Classification

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

- those to be measured subsequently at fair value (either through other comprehensive income ("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 either be recorded in profit or loss or 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 reclassifies debt investments when and only when its business model for managing those assets changes.

2.11.2 Recognition and de-recognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised 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.

2.11.3 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.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.11 Financial assets *(Continued)*

2.11.3 Measurement *(Continued)*

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its 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 other 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 income statement.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "Other gains/(losses)". Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in "Other gains/(losses)" and impairment losses are presented as a separate line item in the income statement.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented within "Other gains/(losses)" in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investments. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of FVPL are recognised in profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

2.11.4 Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and other 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.

2.11.5 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods includes the paper cost for printing. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.13 Trade and other receivables

Trade and other receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. See Note 2.11.4 for a description of the Group's impairment policies.

2.14 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, bank deposits and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.15 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.16 Trade and other payables

Trade and other payables represents liabilities to pay for goods or services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

2.17 Current and deferred income tax

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company's subsidiaries, joint ventures and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Current and deferred income tax (Continued)

(b) Deferred income tax

Inside basis difference

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred tax liabilities are not recognised if they arise from initial recognition of goodwill. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only if it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from interests in subsidiaries, joint ventures and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same tax jurisdiction on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.18 Employee benefits

(a) Pension obligations

The Group's fellow subsidiary, Ming Pao Holdings Limited, operates a hybrid retirement benefit scheme (the "Scheme") comprising a defined benefit plan and defined contribution plan in which the Group shares the risks associated with the Scheme with Media Chinese International Limited ("Media Chinese"), and a Mandatory Provident Fund Scheme ("MPF Scheme") for its employees in Hong Kong. Overseas employees are under separate pension schemes which are defined contribution plans set up in the countries in which the Group operates. A defined contribution plan is a pension plan under which the Group pays contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current year and prior periods. The assets of these retirement plans are held separately from those of the Group in independently administered funds. Defined contribution plans are generally funded by payments from the Group and/or employees.

The Group's contributions to the defined contribution plans of the Scheme and MPF Scheme are expensed as incurred. The Group's contributions to the defined contribution plan of the Scheme are reduced by the Group's contributions forfeited by those employees who leave the plans prior to vesting fully.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.18 Employee benefits *(Continued)*

(b) Long service payment

The Group's net obligations in respect of long service payment to its employees on cessation of employment in certain circumstances under the Hong Kong Employment Ordinance is the amount of future benefits that the employees have earned in return for their services in the current and prior periods.

The obligation is calculated using the projected unit credit method, discounted to its present value and reduced by entitlements accrued under the Group's retirement plans that are attributed to contributions made by the Group. The discount rate is the yield at reporting date based on Hong Kong Government's Exchange Fund Notes which have terms to maturity approximating to the terms of the related obligations. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in full in the consolidated statement of comprehensive income in the year in which they occur.

(c) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of financial position date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(d) Bonus plans

The expected cost of bonus plans is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by the employees and a reliable estimate of the obligation can be made. Liabilities for bonus plans are expected to be settled within 12 months of the reporting date and are measured at the amounts expected to be paid when they are settled.

2.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.20 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, business tax, returns, rebates and discounts and after eliminating sales within the Group. The Group recognises revenue when specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised when or as the control of goods or services is transferred to a customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods and services may be transferred over time or at a point in time. Control of the goods and services is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods and services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods and services.

Revenue from the circulation and subscription sales of periodicals, net of trade discounts and returns, is recognised at a point in time when control of goods transferred to customers, which generally coincides with the date of delivery. Unearned subscription fees received from subscribers are recorded as contract liabilities in the consolidated statement of financial position.

Advertising income, net of trade discounts, is recognised over time when the relevant advertisement in periodicals are published and the Group has an enforceable right to payment for performance completed to date.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance).

Media business income is recognised in the period in which the services are rendered.

2.21 Leases

Until 31st March 2019, leases of property, plant and equipment where the Group, as lessee, had substantially all the risks and rewards of ownership were classified as finance leases. Finance leases were capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, were included in other short-term and long-term payables. Each lease payment was allocated between the liability and finance cost. The finance cost was charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases was depreciated over the assets' useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership were not transferred to the Group as lessee were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.21 Leases *(Continued)*

From 1st April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases for real estate for which the Group is lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Asset and liability arising from a lease are initially measured on a present value basis. Lease liability includes the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at 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 that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- Where possible, uses recent third-party financing received by the individual lessee as starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- Uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for lease held by the Group, which does not have recent third party financing; and
- Makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.21 Leases *(Continued)*

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use assets are depreciated over the underlying asset's useful life.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

2.22 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders in respect of final dividends and approved by the directors in respect of interim dividends.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose itself to a variety of financial risks: credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by management according to the policies of the Group. Financial risks are identified and evaluated in close co-operation within the Group.

(a) Credit risk

Credit risk is the risk of a loss resulting from the failure of one of the Group's counterparties to discharge its contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and by monitoring exposures in relation to such limits.

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit loss. It considers available reasonable and supportive forwarding-looking information. The Group makes periodic assessments on the recoverability of the receivables based on the background and reputation of the customers, historical settlement records, past experience and available, reasonable and supportive forwarding-looking information. Management considers the expected credit loss is immaterial.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Credit risk (Continued)

The credit quality of the other receivables has been assessed with reference to historical information about the counterparties default rates and financial position of the counterparties. The directors are of the opinion that the credit risk of other receivables is low due to the sound collection history of the receivables due from them. Therefore, expected credit loss rate of the other receivables is assessed to be immaterial.

The Group maintains cash and cash equivalents and short-term bank deposits with reputable financial institutions from which management believes the risk of loss to be remote. The management assesses the credit quality of outstanding cash and cash equivalents and short-term bank deposits balances as high and considers there is no individually significant exposure. Maximum exposure to credit risk at the reporting date is the carrying amount of the cash at banks.

(b) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities. The Group maintains its liquidity mainly through funding generated from the daily operation of its subsidiaries and the availability under committed credit lines.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Within 1 year HK\$'000	Later than 1 year but not later than 5 years HK\$'000	Total HK\$'000
Trade and other payables	6,439	–	6,439
Amounts due to fellow subsidiaries	976	–	976
Lease liabilities	2,329	2,329	4,658
As at 31st March 2020	9,744	2,329	12,073
	Within 1 year HK\$'000	Later than 1 year but not later than 5 years HK\$'000	Total HK\$'000
Trade and other payables	12,620	–	12,620
Amounts due to fellow subsidiaries	1,101	–	1,101
As at 31st March 2019	13,721	–	13,721

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Interest rate risk

The Group's interest rate risk arises primarily from cash at bank and short term bank deposits. Deposits at variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group's deposits are placed with authorised financial institutions and manages this risk by placing deposits at various maturities and interest rate terms. The Group currently does not hedge its exposure to cash flow and fair value interest rate risk. The Group analyses its interest rate exposure on a regular basis and will consider the interest rate exposure when enter into any financing, renewal of existing positions and alternative financing transactions.

At 31st March 2020, if interest rates on bank deposits held at variable rates had been 50 basis point higher/lower with all variables held constant, post-tax loss for the year would have been HK\$35,000 (2019: HK\$42,000) lower/higher, mainly as a result of higher/lower interest income on bank deposit.

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, repurchase shares, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by equity attributable to owners of the Company. Net debt is calculated as total borrowings less cash and cash equivalents. Equity attributable to owners of the Company is "total equity", as shown in the consolidated statement of financial position plus net debt.

During the year ended 31st March 2020, the Company has obtained a facility from its fellow subsidiary of HK\$25,000,000 at a rate of 1.6% per annum over Hong Kong Inter-bank Offer Rate.

As at 31st March 2020, the Group had no bank and other borrowings (2019: Nil), gearing ratio was Nil (2019: Nil).

3.3 Fair value estimation

The Group analyses the financial instruments carried at fair value as at 31st March 2020 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The Group's financial asset at fair value through other comprehensive income is recognised under level 1 of the fair value hierarchy, as it is traded in active markets which is based on quote market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, price services or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes estimates and judgements concerning the future based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The key assumption concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Impairment of non-financial assets

The Group has performed assessment on the carrying value of the trademarks and determined whether further impairment provision or reversal of previous impairment loss was required. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The recoverable amount of a cash-generating unit (“CGU”) is determined based on the higher of FVLCD and VIU models. The methodologies are based upon number of key estimates and other information, both internal and external, including (i) print advertising revenue growth rate; (ii) digital advertising revenue growth rate; (iii) circulation revenue growth rate; and (iv) discount rate.

These calculations require the use of estimates. Changes in these estimates and other information could have a significant impact on the recoverable amount of the CGU and could result in further impairment charge or reversal of previous impairment loss, whereas the reversal is only recognised where there is an increase in the estimated service potential of an asset since the date when the last impairment loss was recognised. The determination of whether there is no change in the underlying estimates, other information and estimated services potential of an asset requires significant management judgement.

Based on the results of management’s impairment assessment of the non-financial assets, provision for impairment of HK\$774,000, HK\$4,413,000 and HK\$4,643,000 in respect of property, plant and equipment, right-of-use assets and intangible assets, respectively were made for the year ended 31st March 2020.

5 REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in media business in Hong Kong and Taiwan, including but not limited to magazine publishing and digital media business.

Turnover consists of advertising income and revenue from circulation and subscription sale of periodicals. Turnover and other income recognised during the year are as follows:

	2020 HK\$'000	2019 HK\$'000
Turnover	70,129	98,600
Other income		
Bank interest income	179	99
Dividend income	1,053	–
Other media business income	1,737	1,355
	2,969	1,454
Total revenue and income	73,098	100,054

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 REVENUE AND SEGMENT INFORMATION *(Continued)*

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 external 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 2020 and 2019 are as follows:

	Year ended 31st March 2020		
	Media Business		
	Continuing operations		
	Hong Kong and Taiwan		Total HK\$'000
	Entertainment and lifestyle operation HK\$'000	Watch and car operation and others HK\$'000	
Turnover	55,092	15,037	70,129
Segment loss	(20,444)	(3,528)	(23,972)
Unallocated expenses (net)			(2,733)
Loss before income tax			(26,705)
Income tax expense			(143)
Loss for the year			(26,848)
Other segmental information:			
Interest income	179	-	179
Finance costs	165	34	199
Provision for impairment on property, plant and equipment	732	42	774
Provision for impairment on intangible assets	4,632	11	4,643
Provision for impairment on right-of-use assets	3,663	750	4,413
Depreciation of property, plant and equipment	602	74	676
Amortisation of intangible assets	248	9	257
Depreciation of right-of-use assets	1,832	375	2,207

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 REVENUE AND SEGMENT INFORMATION (Continued)

	Year ended 31st March 2019				
	Media Business			Discontinued operation	
	Continuing operations				
	Hong Kong and Taiwan				
	Entertainment and lifestyle operation HK\$'000	Watch and car operation and others HK\$'000	Sub total HK\$'000	Mainland China HK\$'000	Total HK\$'000
Turnover	81,461	17,139	98,600	463	99,063
Segment profit/(loss)	2,746	(1,453)	1,293	(6,678)	(5,385)
Unallocated expenses					(6,510)
Loss before income tax					(11,895)
Income tax expense					(212)
Loss for the year					(12,107)
Other segmental information:					
Interest income	98	–	98	16	114
Depreciation of property, plant and equipment	624	85	709	–	709
Amortisation of intangible assets	276	14	290	–	290

Note:

During the year ended 31st March 2019, the Group disposed of its entire equity interest in two subsidiaries in Mainland China. The related financial information of the disposed entities is presented as discontinued operation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 REVENUE AND SEGMENT INFORMATION *(Continued)*

(a) Disaggregation of revenue

	2020 HK\$'000	2019 HK\$'000
Timing of revenue recognition		
— At a point in time	14,478	17,353
— Overtime	55,651	81,710
	70,129	99,063

(b) Liabilities related to contracts with customers

	2020 HK\$'000	2019 HK\$'000
Contract liabilities related to subscription income	468	611
Contract liabilities related to advertising income	1,795	2,505
Contract liabilities	2,263	3,116

The Group has recognised the following assets and liabilities related to contracts with customers:

(i) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current year related to carried-forward contract liabilities.

	2020 HK\$'000	2019 HK\$'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year		
— Subscription income	611	533
— Advertising income	2,216	1,796
	2,827	2,329

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 REVENUE AND SEGMENT INFORMATION (Continued)

The segment assets and liabilities as at 31st March 2020 and 2019 are as follows:

	Hong Kong and Taiwan		Total HK\$'000	Eliminations HK\$'000	Unallocated HK\$'000	Group HK\$'000
	Entertainment and lifestyle operation HK\$'000	Watch and car operation and others HK\$'000				
As at 31st March 2020						
Total assets	35,471	3,284	38,755	(9,227)	-	29,528 ^(Note)
Total assets include:						
— Additions to non-current assets (other than deferred income tax assets)	5,996	1,137	7,133	-	-	7,133
Total liabilities	(13,967)	(11,693)	(25,660)	9,227	(41)	(16,474)
As at 31st March 2019						
Total assets	78,161	4,214	82,375	(11,823)	391	70,943
Total assets include:						
— Additions to non-current assets (other than deferred income tax assets)	488	110	598	-	-	598
Total liabilities	(14,099)	(14,615)	(28,714)	11,823	-	(16,891)

Note: Total non-financial assets before impairment provision amounting to HK\$10,509,000, comprising of property, plant and equipment amounting to HK\$1,453,000, right-of-use assets amounting to HK\$4,413,000 and intangible assets amounting to HK\$4,643,000. Non-financial assets before impairment provision within the entertainment and lifestyle operation ("Entertainment segment") amounting to HK\$9,632,000, comprising of property, plant and equipment amounting to HK\$1,337,000, right-of-use assets amounting to HK\$3,663,000 and intangible assets amounting to HK\$4,632,000 as at 31st March 2020. Based on the results of management's impairment assessment, provision for impairment of HK\$732,000, HK\$3,663,000 and HK\$4,632,000 in respect of property, plant and equipment, right-of-use assets and intangible assets, respectively were made within Entertainment segment for the year ended 31st March 2020.

Segment assets consist primarily of property, plant and equipment, intangible assets, right-of-use assets, financial asset at fair value through other comprehensive income, inventories, trade and other receivables and cash and cash equivalents. They exclude income tax recoverable.

Segment liabilities comprise operating liabilities. They exclude income tax payable.

The eliminations relate to intercompany receivables and payables between the operating segments.

The total of non-current assets located in Hong Kong is HK\$10,500,000 (2019: HK\$30,416,000).

Major customers

There is no single customer contribution over 10% of the total revenue of the Group for the year ended 31st March 2020 (2019: Nil).

The five largest customers accounted for approximately 20.9% (2019: 23.3%) of revenue for the year ended 31st March 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 OPERATING LOSS

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

	2020 HK\$'000	2019 HK\$'000
Paper consumed	401	1,027
Printing costs	9,190	10,152
Depreciation of property, plant and equipment (Note 13)	676	709
Amortisation of intangible assets (Note 15)	257	290
Depreciation of right-of-use assets (Note 14)	2,207	–
Provision for impairment on property, plant and equipment (Note 13)	774	–
Provision for impairment on intangible assets (Note 15)	4,643	–
Provision for impairment on right-of-use assets (Note 14)	4,413	–
Employee benefit expense (including directors' emoluments) (Note 9)	50,983	54,100
Expense relating to short-term leases (Note 14)	435	–
Operating lease expenses	–	3,064
(Gain)/loss on disposal of property, plant and equipment (Note 29)	(41)	4
Bad debts written off	99	90
Auditor's remuneration	700	911
Professional fees recharge (Note 31(i))	(2,565)	–
Support service fee	5,277	5,336
Licence fee and royalty charges	578	599
Advertising and promotion expenses	1,870	2,411
Distribution costs	697	990
Sales commission	1,199	2,073

7 FINANCE COSTS

	2020 HK\$'000	2019 HK\$'000
Interest expenses on lease liabilities	199	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	2020 HK\$'000	2019 HK\$'000
At 1st April	–	1,115
De-recognition of investment in a joint venture ("JV")	–	(81)
Dividend received	–	(1,034)
At 31st March	–	–

During the year ended 31st March 2019, the Group has entered into an agreement with an independent third party to sell all its interest in a JV for approximately HK\$9,000. The disposal was completed last year.

Set out below is the associate of the Group as at 31st March 2020 and 2019.

Nature of investment in associate as at 31st March 2020 and 2019:

Name of associates	Place of incorporation	Effective equity interest		Principal activities	Measurement method
		2020	2019		
ByRead Inc. ("ByRead")	The Cayman Islands	24.97%	24.97%	Note (i)	Equity

Note:

- (i) 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.

The Group recognised an allowance for impairment of HK\$23,467,000 of the investment in ByRead during the year ended 31st March 2015. Management has performed the assessment and did not consider any reversal of impairment being necessary for the year ended 31st March 2020.

For the year ended 31st March 2020, the associate incurred losses and the Group shared the losses of the associate up to its interest in the associate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9 EMPLOYEE BENEFIT EXPENSE, INCLUDING DIRECTORS' EMOLUMENTS

	2020 HK\$'000	2019 HK\$'000
Wages and salaries	47,659	50,917
Pension costs — defined contribution plans and MPF	1,932	2,003
Staff welfare and allowances	1,392	1,180
	50,983	54,100

Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include one (2019: one) director whose emoluments are reflected in the analysis presented in Note 10. The emoluments payable to the remaining four (2019: four) individuals during the year are as follows:

	2020 HK\$'000	2019 HK\$'000
Basic salaries, other allowances and benefits in kind	3,932	4,419
Bonuses	113	169
Contributions to pension scheme	94	65
	4,139	4,653

The emoluments of the four (2019: four) remaining individuals fell within the following bands:

	Number of individuals	
	2020	2019
Emolument bands		
HK\$500,000–HK\$1,000,000	3	1
HK\$1,000,001–HK\$1,500,000	–	2
HK\$1,500,001–HK\$2,000,000	1	1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(a) Directors' emoluments (Continued)

For the year ended 31st March 2019

Name of Director	Fees HK\$'000	Salary HK\$'000	Discretionary bonuses HK\$'000	Housing allowance HK\$'000	Estimated money value of other benefits HK\$'000	Employer's contribution to a retirement benefit scheme HK\$'000	Remunerations paid or receivable in respect of accepting office as director HK\$'000	Emoluments paid or receivable in respect of directors' other services in connection with the management of the affairs of the Company or its subsidiary undertaking HK\$'000	Total HK\$'000
<i>Non-executive Director</i>									
Ms. TIONG Choon	130	-	-	-	-	-	-	-	130
<i>Executive Directors</i>									
Mr. TIONG Kiew Chiong	130	-	-	-	-	-	-	-	130
Mr. LAM Pak Cheong	130	1,876	63	-	8	18	-	-	2,095
<i>Independent non-executive Directors</i>									
Mr. YU Hon To, David	180	-	-	-	-	-	-	-	180
Mr. LAU Chi Wah, Alex	150	-	-	-	-	-	-	-	150
Mr. YANG, Victor	140	-	-	-	-	-	-	-	140

#1 Mr. CHAU Cheuk Wah was appointed as an independent non-executive Director with effect from 1st September 2019.

#2 Mr. YANG, Victor resigned as an independent non-executive Director with effect from 1st August 2019.

Save as disclosed above, there was no arrangement during the years ended 31st March 2020 and 2019 under which a Director waived or agreed to waive any remuneration, and no emoluments were paid by the Group to the Directors as an inducement to join or upon joining the Group, or as compensation for loss of office.

(b) Directors' termination benefits

None of the directors received any termination benefits during the years ended 31st March 2020 and 2019.

(c) Consideration provided to third parties for making available directors' services

During the years ended 31st March 2020 and 2019, the Company did not pay consideration to any third parties for making available directors' services.

(d) Information about loans, quasi-loans and other dealings in favour of directors, bodies corporate controlled by and entities connected with such directors

As at 31st March 2020 and 2019, there are no loans, quasi-loans and other dealing arrangements in favour of directors, bodies corporate controlled by and entities connected with such directors.

(e) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of 31st March 2020 and 2019 or at any time during the years ended 31st March 2020 and 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2019: 16.5%) on the estimated assessable profit during the year ended 31st March 2020.

	2020	2019
	HK\$'000	HK\$'000
Current income tax		
— Hong Kong profits tax	143	212

The income tax on the Group's loss before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated companies as follows:

	2020	2019
	HK\$'000	HK\$'000
Continuing operations		
— Loss before income tax	26,705	5,217
Tax calculated at domestic tax rates applicable to profits in the respective countries (<i>Note</i>)	(4,412)	(873)
Effects of		
— Income not subject to tax	(667)	(38)
— Expenses not deductible for tax purposes	1,835	88
— Tax losses for which no deferred income tax asset was recognised	3,430	1,038
— Temporary differences not recognised	2	12
— Utilisation of previously unrecognised tax losses	(45)	(15)
Income tax expense	143	212

Note: The weighted average applicable tax rate was 16.5% (2019: 16.7%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12 DISPOSAL OF SUBSIDIARIES AND DISCONTINUED OPERATION

During the year ended 31st March 2019, the Group disposed of its entire equity interests in two of its subsidiaries, Beijing OMG Advertising Company Limited ("Beijing OMG Advertising") and Beijing Times Resource Technology Consulting Limited ("Beijing TRT"). The total consideration was approximate to the net assets value of disposed companies. The principal activity of these two companies was operation of magazines in Mainland China. As a result of the disposal, a loss of HK\$1,641,000 has been recognised in the consolidated income statement. The effect of the disposal is summarised as follows:

	2019 HK\$'000
Gain on disposal before release of currency translation reserve	41
Release of currency translation reserve	(1,682)
Net loss on disposal of subsidiaries	(1,641)

Upon disposal of Beijing OMG Advertising and Beijing TRT, the Group would cease the magazines operation in Mainland China.

The results of the discontinued operation for the year ended 31st March 2019 are presented below:

	2019 HK\$'000
Revenue and other income	479
Expenses	(5,516)
Loss before income tax of discontinued operation	(5,037)
Income tax expense	–
Loss after income tax of discontinued operation	(5,037)
Gain on disposal of subsidiaries before release of currency translation reserve	41
Release of currency translation reserve	(1,682)
Loss from discontinued operation	(6,678)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$'000	Furniture, fixtures and office equipment HK\$'000	Computer equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
At 31st March 2018					
Cost	5,381	6,899	8,868	2,175	23,323
Accumulated depreciation	(5,306)	(6,064)	(7,932)	(1,847)	(21,149)
Accumulated impairment	(42)	(48)	(283)	(48)	(421)
Net book amount	33	787	653	280	1,753
Year ended 31st March 2019					
Opening net book amount	33	787	653	280	1,753
Currency translation differences	–	–	–	–	–
Additions	–	432	155	–	587
Disposals	–	(4)	–	–	(4)
Depreciation (<i>Note 6</i>)	–	(394)	(253)	(62)	(709)
Closing net book amount	33	821	555	218	1,627
At 31st March 2019					
Cost	2,821	6,803	7,954	1,060	18,638
Accumulated depreciation	(2,746)	(5,934)	(7,116)	(794)	(16,590)
Accumulated impairment	(42)	(48)	(283)	(48)	(421)
Net book amount	33	821	555	218	1,627

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13 PROPERTY, PLANT AND EQUIPMENT (Continued)

	Leasehold improvements HK\$'000	Furniture, fixtures and office equipment HK\$'000	Computer equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
Year ended 31st March 2020					
Opening net book amount	33	821	555	218	1,627
Currency translation differences	-	-	-	-	-
Additions	-	139	368	-	507
Disposals	-	(5)	-	-	(5)
Depreciation (Note 6)	-	(400)	(214)	(62)	(676)
Impairment (Note 6)	(33)	(344)	(397)	-	(774)
Closing net book amount	-	211	312	156	679
At 31st March 2020					
Cost	2,821	5,990	7,702	1,060	17,573
Accumulated depreciation	(2,746)	(5,435)	(6,721)	(856)	(15,758)
Accumulated impairment	(75)	(344)	(669)	(48)	(1,136)
Net book amount	-	211	312	156	679

Notes:

- (a) Entertainment segment includes property, plant and equipment before impairment provision amounting to HK\$1,337,000 as at 31st March 2020. For the year ended 31st March 2020, the Group made an additional provision for impairment of approximately HK\$732,000 for the property, plant and equipment within Entertainment segment based on the recoverable amounts as determined by the higher of VIU calculations and FVLCD calculations. Management applied the 5-year discounted cash flows forecast ("DCF") to determine the recoverable amounts under both VIU and FVLCD methods. Discount rates used by management in the DCF is 21.8% (FY19: 21.8%).
- (b) Depreciation expenses of approximately HK\$445,000 (2019: HK\$471,000), HK\$159,000 (2019: HK\$168,000) and HK\$72,000 (2019: HK\$70,000) are included in cost of goods sold, selling and distribution expenses, and administrative expenses, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14 LEASES

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

	2020 HK\$'000	
Right-of-use assets		
Initial recognition as at 1st April		6,620
Depreciation (Note 6)		(2,207)
Impairment (Note 6)		(4,413)
Closing net book amount		–
	31st March 2020 HK\$'000	1st April 2019 HK\$'000
Lease liabilities		
Current	2,205	2,130
Non-current	2,285	4,490
	4,490	6,620

Note: Entertainment segment includes right-of-use assets before impairment provision amounting to HK\$3,663,000 as at 31st March 2020. For the year ended 31st March 2020, the Group made a provision for impairment of approximately HK\$3,663,000 for the right-of-use assets within Entertainment segment. The details of impairment assessment performed by management is disclosed in Note 13.

The lease liabilities are related to the lease agreements entered between the Group and a fellow subsidiary 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:

	2020 HK\$'000
Depreciation of right-of-use assets	
Properties	2,207
Interest expense	199
Expenses related to short-term leases	435

The total cash outflow for leases in the year ended 31st March 2020 was HK\$2,764,000.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15 INTANGIBLE ASSETS

	Computer software (Note (a)) HK\$'000	Goodwill (Note (b)) HK\$'000	Trademarks (Note (a)) HK\$'000	Total HK\$'000
At 31st March 2018				
Cost	1,484	2,725	75,600	79,809
Accumulated amortisation	(1,284)	–	(13,173)	(14,457)
Accumulated impairment	–	(2,725)	(57,454)	(60,179)
Net book amount	200	–	4,973	5,173
Year ended 31st March 2019				
Opening net book amount	200	–	4,973	5,173
Additions	11	–	–	11
Amortisation expenses (Note 6)	(85)	–	(205)	(290)
Closing net book amount	126	–	4,768	4,894
At 31st March 2019				
Cost	1,443	–	75,600	77,043
Accumulated amortisation	(1,317)	–	(13,378)	(14,695)
Accumulated impairment	–	–	(57,454)	(57,454)
Net book amount	126	–	4,768	4,894

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15 INTANGIBLE ASSETS (Continued)

	Computer software <i>(Note (a))</i> HK\$'000	Goodwill <i>(Note (b))</i> HK\$'000	Trademarks <i>(Note (a))</i> HK\$'000	Total HK\$'000
Year ended 31st March 2020				
Opening net book amount	126	–	4,768	4,894
Additions	6	–	–	6
Amortisation expenses <i>(Note 6)</i>	(52)	–	(205)	(257)
Impairment <i>(Note 6)</i>	(80)	–	(4,563)	(4,643)
Closing net book amount	–	–	–	–
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)
Net book amount	–	–	–	–

- (a) Computer software is stated at cost less accumulated amortisation and impairment provision and is amortised using the straight-line basis over five years.

The trademarks arose from the publishing titles of Ming Pao Weekly ("MP Weekly"). The management determined the publishing of MP Weekly to be the corresponding CGU.

Trademarks are stated at cost less accumulated amortisation and impairment provision and are amortised using the straight-line basis over thirty years.

Entertainment segment includes trademark and computer software before impairment provision amounting to HK\$4,563,000 and HK\$69,000 respectively as at 31st March 2020. For the year ended 31st March 2020, the Group made a provision for impairment of approximately HK\$4,563,000 for the trademark and HK\$69,000 for the computer software within Entertainment segment. The details of impairment assessment performed by management is disclosed in Note 13.

- (b) During the year ended 31st March 2019, the Group has disposed the PRC operation and the related cost and accumulated impairment loss of goodwill of HK\$2,725,000 has been written-off.
- (c) Amortisation expense of approximately HK\$33,000 (2019: HK\$56,000), HK\$12,000 (2019: HK\$20,000) and HK\$212,000 (2019: HK\$214,000) is included in cost of goods sold, selling and distribution, and administrative expenses, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16 INTERESTS IN SUBSIDIARIES

The following is a list of the principal subsidiaries at 31st March 2020:

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital	Interest held by the Group
Loka Investment Limited	British Virgin Islands, limited liability company	Investment holding in Hong Kong and PRC	1 share at no par value for HK\$1	100%
MediaNet Advertising Limited	Hong Kong, limited liability company	Investment holding in Taiwan	HK\$100 issued share capital	100%
Ming Pao Finance Limited	British Virgin Islands, limited liability company	Licensing of trademarks in Hong Kong	10 ordinary shares of US\$1 each	100%
Ming Pao Magazines Limited	Hong Kong, limited liability company	Magazines publishing in Hong Kong	HK\$1,650,000 issued share capital	100%
One Media Holdings Limited	British Virgin Islands, limited liability company	Investment holding in Hong Kong	20,000 ordinary shares of US\$0.01 each	#100%
Polyman Investment Limited	British Virgin Islands, limited liability company	Investment holding in Hong Kong	1 share at no par value for HK\$1	100%
Sky Success Enterprises Limited	British Virgin Islands, limited liability company	Investment holding in Hong Kong	1 share at no par value for US\$1	100%
ST Productions Limited	Hong Kong, Limited liability company	Artist and events management in Hong Kong	HK\$4,000,003 issued share capital	80%
Taiwan One Media Group Limited	Taiwan, limited liability company	Magazine publishing in Taiwan	TWD1,000,000	100%
Tronix Investment Limited	British Virgin Islands, limited liability company	Investment holding in Hong Kong	1 share at no par value for US\$1	100%

#1 Shares held directly by the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17 FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Classification of financial assets 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 more relevant.

Equity investments at fair value through other comprehensive income

	2020 HK\$'000	2019 HK\$'000
Trading securities — listed securities		
At the beginning of the year	23,895	70,470
Fair value loss recognised in other comprehensive income	(14,074)	(46,575)
At the end of the year (<i>Note</i>)	9,821	23,895

Note: The balance represents the fair value of the ordinary shares of Most Kwai Chung Limited which are listed on the Main Board of The Stock Exchange of Hong Kong Limited. Dividends from the above equity investments held at FVOCI totalling HK\$1,053,000 (2019: Nil) has been recognised in consolidated income statement.

18 INVENTORIES

	2020 HK\$'000	2019 HK\$'000
Raw materials	321	410
Finished goods	58	72
	379	482

The cost of inventories recognised as expense and included in cost of goods sold amounted to HK\$401,000 (2019: HK\$1,027,000).

19 FINANCIAL INSTRUMENTS BY CATEGORY

The accounting policies for financial instruments have been applied to the items below:

	Financial assets through other comprehensive income HK\$'000	Financial assets at amortised cost HK\$'000	Total HK\$'000
Assets			
At 31st March 2020			
Financial assets through other comprehensive income	9,821	–	9,821
Trade and other receivables	–	7,787	7,787
Cash and cash equivalents	–	9,976	9,976
Total	9,821	17,763	27,584

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19 FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

	Financial assets at fair value through other comprehensive income HK\$'000	Financial assets at amortised cost HK\$'000	Total HK\$'000
At 31st March 2019			
Financial assets at fair value through other comprehensive income	23,895	–	23,895
Trade and other receivables	–	14,315	14,315
Cash and cash equivalents	–	22,843	22,843
Total	23,895	37,158	61,053

	Financial liabilities at amortised costs HK\$'000
Liabilities	
At 31st March 2020	
Trade and other payables excluding non-financial liabilities	6,439
Amounts due to fellow subsidiaries	976
Lease liabilities	4,490
Total	11,905
At 31st March 2019	
Trade and other payables excluding non-financial liabilities	12,620
Amounts due to fellow subsidiaries	1,101
Total	13,721

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20 TRADE AND OTHER RECEIVABLES

	2020 HK\$'000	2019 HK\$'000
Trade receivables	7,459	13,798
Other receivables and deposits	328	517
Barter receivables	153	148
Prepayments and advances	733	2,348
	8,673	16,811

At 31st March 2020 and 2019, 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 2020 and 2019, the ageing analysis of the Group's trade receivables by invoice date is as follows:

	2020 HK\$'000	2019 HK\$'000
0 to 60 days	4,052	7,585
61 to 120 days	1,651	3,609
121 to 180 days	1,270	1,249
Over 180 days	486	1,355
	7,459	13,798

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20 TRADE AND OTHER RECEIVABLES *(Continued)*

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

	2020 HK\$'000	2019 HK\$'000
Hong Kong dollars	7,343	13,442
New Taiwan dollars	116	356
	7,459	13,798

For the year ended 31st March 2020, the Group did not recognise any provision for loss allowance (2019: Nil) of its trade receivables, but it directly wrote off an amount of HK\$99,000 (2019: HK\$90,000) as bad debts. The individually impaired receivables mainly relate to customers which were in unexpectedly difficult economic situations.

Movements on the Group's provision for loss allowance of trade receivables are as follows:

	2020 HK\$'000	2019 HK\$'000
At 1st April	–	699
Reversal of impairment of receivables	–	(699)
Currency translation differences	–	–
At 31st March	–	–

The creation and release of provision for loss allowance of trade receivables have been included in "selling and distribution expenses" in the consolidated income statement. Amounts in the allowance account are generally utilised to write off receivables when there is no expectation of further recovery.

The maximum exposure to credit risk at the reporting date is the carrying amount of trade and other receivables net of provision for loss allowance. The Group does not hold any collateral as security.

None of the trade receivables (2019: Nil) are secured by deposits and bank guarantees provided by the customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21 CASH AND CASH EQUIVALENTS

	2020 HK\$'000	2019 HK\$'000
Cash at bank and on hand	9,976	12,718
Short-term bank deposits	–	10,125
	9,976	22,843
Maximum exposure to credit risk	9,886	22,746

The effective interest rate on average short-term bank deposits was 2.08% (2019: 1.54%). These deposits have maturity ranged from 30 days to 90 days.

Cash and cash equivalents include the following for the purposes of the consolidated statement of cash flows:

	2020 HK\$'000	2019 HK\$'000
Cash and cash equivalents	9,976	22,843

Included in the cash and cash equivalents of the Group are bank deposits denominated in Renminbi placed with banks in Mainland China amounting to HK\$228,000 (2019: HK\$909,000), of which the remittance is subject to foreign exchange control.

22 SHARE CAPITAL AND PREMIUM

	Number of shares (in thousands)	Nominal values of ordinary shares of HK\$0.001 each HK\$'000	Share premium HK\$'000	Total HK\$'000
Issued and fully paid:				
At 31st March 2019, 1st April 2019 and 31st March 2020	400,900	401	457,543	457,944

The total authorised number of ordinary shares is 4,000 million shares (2019: 4,000 million shares).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23 OTHER RESERVES

	Merger reserve HK\$'000 (Note)	Currency translation reserve HK\$'000	Long service payment reserve HK\$'000	Financial asset through other comprehensive income reserve HK\$'000	Others HK\$'000	Total HK\$'000
At 1st April 2018	(343,050)	6,813	(349)	46,170	11,143	(279,273)
Currency translation differences	-	(607)	-	-	-	(607)
Release of currency translation reserve upon disposal of subsidiaries	-	1,682	-	-	-	1,682
Actuarial loss on long service payment obligations	-	-	(32)	-	-	(32)
Fair value loss on through other comprehensive income financial asset	-	-	-	(46,575)	-	(46,575)
At 31st March 2019	(343,050)	7,888	(381)	(405)	11,143	(324,805)
At 1st April 2019	(343,050)	7,888	(381)	(405)	11,143	(324,805)
Currency translation differences	-	(1)	-	-	-	(1)
Actuarial loss on long service payment obligations	-	-	(75)	-	-	(75)
Fair value loss on through other comprehensive income financial asset	-	-	-	(14,074)	-	(14,074)
At 31st March 2020	(343,050)	7,887	(456)	(14,479)	11,143	(338,955)

Note:

Pursuant to a group reorganisation exercise (the "Reorganisation") to rationalise the structure of the Company and its subsidiaries in preparation for the listing of the Company's shares on the Stock Exchange, the Company became the holding company of the companies now comprising the Group on 26th September 2005. Merger reserve of the Group mainly represents the difference between the nominal value of the issued capital of One Media Holdings Limited acquired and the fair value of shares allotted as consideration by the Company as part of the Reorganisation in preparing for the listing of the Company's shares in 2005.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

	2020 HK\$'000	2019 HK\$'000
Trade payables	3,046	4,174
Other payables	5,521	8,446
Trade and other payables	8,567	12,620
Contract liabilities (Note 5)	2,263	3,116
Amounts due to fellow subsidiaries (Note 31 (ii))	976	1,101
	11,806	16,837

The ageing of the amounts due to fellow subsidiaries arising from related-party trade related 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 2020 and 2019, the ageing analysis of the trade payables by invoice date is as follows:

	2020 HK\$'000	2019 HK\$'000
0 to 60 days	1,983	2,333
61 to 120 days	720	1,677
121 to 180 days	17	103
Over 180 days	326	61
	3,046	4,174

25 DEFERRED INCOME TAX

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of HK\$14,520,000 (2019: HK\$11,364,000) in respect of losses of HK\$86,915,000 (2019: HK\$67,700,000) that can be carried forward against future taxable income. These tax losses have not been recognised due to uncertainty of their future recoverability.

The expiry dates of these tax losses are shown as follows:

	2020 HK\$'000	2019 HK\$'000
Expiring in the first to fifth year	2,105	2,274
With no expiry date	84,810	65,426
	86,915	67,700

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26 LONG SERVICE PAYMENT OBLIGATIONS

The provision for long service payment represents the present value of the obligation to make such payment. Current service costs and interest on obligation were recognised during the year and included in employee benefit expense (Note 9).

The amount recognised in the consolidated statement of financial position is as follows:

	2020	2019
	HK\$'000	HK\$'000
Present value of the unfunded long service payment obligations	137	54

The movements during the year include the offsetting of current service costs and interest on obligation against long service payment made during the year. The movements of present value of long service payment obligations are as follows:

	2020	2019
	HK\$'000	HK\$'000
At 1st April	54	50
Current service cost	8	3
Actuarial losses on obligations	75	32
Actual benefits paid	–	(31)
At 31st March	137	54

The amounts recognised in consolidated statement of comprehensive income are as follows:

	2020	2019
	HK\$'000	HK\$'000
Cumulative amount of actuarial losses at beginning of the year	(381)	(349)
Actuarial losses during the year	(75)	(32)
Cumulative amount of actuarial losses at the end of the year	(456)	(381)

The principal actuarial assumptions used are as follows:

	2020	2019
Discount rate (%)	0.8	2.2
Expected inflation rate (%)	2.5	2.5
Expected rate of future salary increases (%)	2.5	3.5
Interest on employee balances in the Scheme (%)	4.5	5.0
Interest on employer balances in the Mandatory Provident Fund Scheme (%)	3.5	4.0

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27 LOSS PER SHARE

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.

	2020 HK\$'000	2019 HK\$'000
Weighted average number of ordinary shares in issue (<i>in thousands</i>)	400,900	400,900
Loss from continuing operations attributable to owners of the Company	(26,848)	(5,429)
Basic and diluted loss per share from continuing operations attributable to owners of the Company (<i>HK cents per share</i>)	(6.7)	(1.3)
Loss from discontinued operation attributable to owners of the Company	–	(6,678)
Basic and diluted loss per share from discontinued operation attributable to owners of the Company (<i>HK cents per share</i>)	–	(1.7)
Basic and diluted loss per share (<i>HK cents per share</i>)	(6.7)	(3.0)

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 2020 and 2019.

28 DIVIDENDS

The Board of Directors did not recommend the payment of dividend for the year ended 31st March 2020 and 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

	2020 HK\$'000	2019 HK\$'000
Loss before income tax	(26,705)	(11,895)
Adjustments for:		
— Depreciation of property, plant and equipment	676	709
— Amortisation of intangible assets	257	290
— Depreciation of right-of-use assets	2,207	—
— (Gain)/loss on disposal of property, plant and equipment	(41)	4
— Loss on disposal of JVs	—	72
— Gain on disposal of subsidiaries	—	(41)
— Release of currency translation reserve	—	1,682
— 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	—
— Interest income	(179)	(114)
— Dividend income	(1,053)	—
— Finance costs	199	—
— Bad debts written off	99	90
— Foreign currency translation loss on operating activities	—	(571)
— Costs related to long service payment scheme	8	3
Changes in working capital:		
— Inventories	103	924
— Trade and other receivables	8,039	3,578
— Amounts due to fellow subsidiaries	(125)	137
— Contract liabilities	(853)	3,116
— Trade and other payables	(4,053)	(5,867)
Cash used in operations	(11,591)	(7,883)

In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment and proceeds from disposal of investment in a JV comprise:

	2020 HK\$'000	2019 HK\$'000
Property, plant and equipment — net book value (Note 13)	5	4
Gain/(loss) on disposal of property, plant and equipment	41	(4)
Proceeds from disposal of property, plant and equipment	46	—
	2020 HK\$'000	2019 HK\$'000
Investment in a JV (Note 8)	—	81
Loss on disposal of a JV	—	(72)
Proceeds from disposal of investment in a JV	—	9

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

Reconciliation of liabilities arising from financing activities

	Leases liabilities HK\$'000	Total liabilities from financial activities HK\$'000
As at 1st April 2018 and 31st March 2019	–	–
Recognised on adoption of IFRS 16 <i>(see Note 2.2)</i>	6,620	6,620
Cash outflows	6,620 (2,130)	6,620 (2,130)
As at 31st March 2020	4,490	4,490

30 COMMITMENTS

Operating lease commitments — group as lessee

The Group leases various offices and warehouses under non-cancellable operating lease agreements. From 1st April 2019, the Group has recognised right-of-use assets for these leases, except for short-term leases. Please see Note 2.21 and Note 14 for details.

As at 31st March 2020, the Group had no material lease commitments for short-term and low-value leases.

The future aggregate minimum lease payments under non-cancellable operating leases as at 31st March 2019 are as follows:

	2019 HK\$'000
No later than 1 year	2,459
Later than 1 year and no later than 5 years	4,657
	7,116

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 RELATED-PARTY TRANSACTIONS

The ultimate parent of the Company is Media Chinese International Limited ("Media Chinese"), a company incorporated in Bermuda.

The following transactions were carried out with related parties:

- (i) During the year ended 31st March 2020, the Group entered into the following transactions with Media Chinese and fellow subsidiaries:

	<i>Note</i>	2020 HK\$'000	2019 HK\$'000
Circulation support services charges	<i>a</i>	939	941
Library services charges	<i>b</i>	83	158
Administrative support and IS programming support services charges	<i>c</i>	5,277	5,337
Charges for leasing and licensing of office space, storage space and parking spaces	<i>d</i>	472	2,576
Ticketing and accommodation expenses	<i>e</i>	279	366
Barter advertising expenses	<i>f</i>	553	586
Barter advertising income	<i>g</i>	(543)	(576)
Type-setting, colour separation and film making expenses	<i>h</i>	1	1
Pension costs — defined contribution plans	<i>i</i>	1,932	2,003
Professional fees recharge	<i>j</i>	(2,565)	–

Notes:

- (a) This represents recharge of circulation support services relating to the distribution, sale and promotion of the publications of the Group by a fellow subsidiary. It is charged on a reimbursement basis.
- (b) This represents recharge by a fellow subsidiary relating to provision of library services including data classification, data indexing and filing, data storage management and retrieval, data provision and newspaper clipping. It is charged on a cost reimbursement basis.
- (c) This represents recharge of administrative, human resources, corporate communications, legal services, information system support services and depreciation on certain computers and office equipment leased from fellow subsidiaries. It is charged on a cost reimbursement basis.
- (d) For the year ended 31st March 2019, this represents charges paid to a fellow subsidiary for the leasing and licensing of office space, storage space and parking spaces, and recognised in the consolidated income statement. The rentals and licence fees are charged at a pre-determined rate calculated by reference to the prevailing market rates.
- For the year ended 31st March 2020, this represents charges paid to a fellow subsidiary for the short-term leasing of parking spaces and rates. HK\$2,329,000 of lease payment was paid to a fellow subsidiary for leasing of office space, storage space and parking spaces.
- (e) This represents ticketing and accommodation expenses paid to a fellow subsidiary. It is charged at a pre-determined rate calculated based on the rates charged to third party customers.
- (f) This represents advertising expenses on a barter basis in accordance with barter advertising agreement entered into with Media Chinese. It is charged at a pre-determined rate calculated based on the rates charged to third party customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 RELATED-PARTY TRANSACTIONS (Continued)

- (i) During the year ended 31st March 2020, the Group entered into the following transactions with Media Chinese and fellow subsidiaries: (Continued)

Notes: (Continued)

- (g) This represents advertising income on a barter basis in accordance with barter advertising agreement entered into with Media Chinese. It is charged at a pre-determined rate calculated based on the rates charged to third party customers.
- (h) This represents type-setting, colour separation and film making expenses charged by a fellow subsidiary. It is charged at a pre-determined rate calculated based on the cost incurred.
- (i) This represents defined contribution cost made to a fellow subsidiary for the Group's pension obligation. There is no stated policy or contractual agreement between the Group and the Media Chinese Group. It is charged based on a pre-determined rate of its employees' salaries.
- (j) This represents recharge of professional fee related to a capital market transaction incurred in prior years. The recharge has been negotiated and agreed with the fellow subsidiary during the year ended 31st March 2020.
- (k) During the year ended 31st March 2020, the Company has obtained a facility from its fellow subsidiary of HK\$25,000,000 at a rate of 1.6% per annum over Hong Kong Inter-bank Offer Rate. As at 31st March 2020, the Company did not have any draw down of the facility.
- (ii) The balances at 31st March 2020 and 31st March 2019 arising from the related party transactions as disclosed in Note 31 (i) above are as follows:

	2020 HK\$'000	2019 HK\$'000
Amounts due to fellow subsidiaries (Note 24)	(976)	(1,101)

The outstanding balances with fellow subsidiaries are aged within 180 days from the invoice date and are unsecured, non-interest bearing and with normal credit terms from 30 days to 180 days.

The lease liabilities related to the lease agreements entered between the Group and a fellow subsidiary for office space, storage space and parking spaces are disclosed in Note 14 (a).

- (iii) Key management compensation

	2020 HK\$'000	2019 HK\$'000
Salaries and other short-term employee benefits	3,446	3,747
Contributions to pension scheme	36	36
	3,482	3,783

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY Statement of financial position of the company

	Note	As at 31st March	
		2020 HK\$'000	2019 HK\$'000
ASSETS			
Non-current asset			
Interests in and amounts due from subsidiaries		12,967	99,363
Current assets			
Other receivables		24	50
Cash and cash equivalents		89	10,145
Total current assets		113	10,195
Total assets		13,080	109,558
EQUITY			
Capital and reserves			
Share capital		401	401
Share premium		457,543	457,543
Other reserves	(a)	11,143	11,143
Accumulated losses	(a)	(456,033)	(359,882)
Total equity		13,054	109,205
LIABILITY			
Current liabilities			
Other payables		26	353
Total current liabilities		26	353
Total liabilities		26	353
Total equity and liabilities		13,080	109,558

The statement of financial position of the Company was approved by the Board of Directors on 24th June 2020 and was signed on its behalf.

TIONG Kiew Chiong
Director

LAM Pak Cheong
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(Continued)

Note:

(a) Reserve movement of the company

	Employee share-based payment reserve HK\$'000	Convertible bond-equity component HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1st April 2018	5,929	5,214	(244,744)	(233,601)
Loss for the year	–	–	(115,138)	(115,138)
At 31st March 2019	5,929	5,214	(359,882)	(348,739)
At 1st April 2019	5,929	5,214	(359,882)	(348,739)
Loss for the year	–	–	(96,151)	(96,151)
At 31st March 2020	5,929	5,214	(456,033)	(444,890)

FIVE-YEAR FINANCIAL SUMMARY

The results of the Group for the last five financial years are as follows:

	2020 HK\$'000	For the year ended 31st March			
		2019 HK\$'000	2018 HK\$'000	2017 HK\$'000	2016 HK\$'000
Turnover	70,129	98,600	94,971	104,094	137,247
Loss attributable to the owners of the Company	(26,848)	(12,107)	(20,550)	(62,019)	(15,605)
Basic loss per share	(HK6.7 cents)	(HK3.0 cents)	(HK5.1 cents)	(HK15.5 cents)	(HK3.9 cents)

The assets and liabilities of the Group for the last five financial years are as follows:

	2020 HK\$'000	As at 31st March			
		2019 HK\$'000	2018 HK\$'000	2017 HK\$'000	2016 HK\$'000
Property, plant and equipment	679	1,627	1,753	2,006	2,598
Intangible assets	–	4,894	5,173	25,302	66,268
Available-for-sale financial asset	–	–	70,470	–	–
Financial asset at fair value through other comprehensive income	9,821	23,895	–	–	–
Investments accounted for using the equity method	–	–	1,115	5,680	5,808
Deferred income tax assets	–	–	–	–	30
Current assets	19,028	40,527	52,975	72,806	97,681
Current liabilities	(14,052)	(16,837)	(19,745)	(20,670)	(24,498)
Net current assets	4,976	23,690	33,230	52,136	73,183
Total assets less current liabilities	15,476	54,106	111,741	85,124	147,887
Lease liabilities	(2,285)	–	–	–	–
Long service payment obligations	(137)	(54)	(50)	(72)	(114)
Capital and reserves attributable to the owners of the Company	13,054	54,052	111,691	85,052	147,773

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