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OOH Holdings Limited
奧傳思維控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8091)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2022

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the “**Directors**”) of OOH Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

HIGHLIGHTS

- Total revenue increased by 17.6% from approximately HK\$47.2 million for the year ended 31 March 2021 (“**FY2021**”) to approximately HK\$55.5 million for the year ended 31 March 2022 (“**FY2022**”). The increase was mainly attributable to the increase in revenue from Transportation Business from approximately HK\$45.4 million for FY2021 to approximately HK\$54.4 million for FY2022.
- Gross profit increased by 61.6% from approximately HK\$15.1 million for FY2021 to approximately HK\$24.4 million for FY2022, and gross profit margin increased from 32.0% for FY2021 to 44.0% for FY2022.
- Loss attributable to owners of the Company amounted to approximately HK\$3.1 million for FY2022 compared to approximately HK\$4.7 million for FY2021.

ANNUAL RESULTS

The board of Directors (the “**Board**”) of the Company is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 March 2022 together with the comparative figures for the year ended 31 March 2021, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2022

	<i>Notes</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue	4, 5	55,481	47,197
Cost of sales		(31,072)	(32,112)
Gross profit		24,409	15,085
Other income and gains, net		2,324	2,257
Change in fair value of financial assets at fair value through profit or loss (“ FVTPL ”)		(5,698)	–
Selling expenses		(6,954)	(5,676)
Administrative expenses		(14,960)	(14,618)
Other operating expenses		(384)	(900)
Finance costs	6	(1,381)	(1,216)
Loss before income tax expense	7	(2,644)	(5,068)
Income tax expense	8	(78)	(52)
Loss and total comprehensive loss for the year		(2,722)	(5,120)
Loss and total comprehensive loss for the year attributable to:			
Owners of the Company		(3,050)	(4,692)
Non-controlling interests		328	(428)
		(2,722)	(5,120)
		<i>HK cents</i>	<i>HK cents</i>
Loss per share			
Basic and diluted	10	(0.42)	(0.65)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2022

	<i>Notes</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		2,371	3,147
Right-of-use assets	11	30,933	35,247
Intangible assets	12	3,226	2,726
		<u>36,530</u>	<u>41,120</u>
Current assets			
Inventories		3,161	3,151
Financial assets at FVTPL	13	1,456	7,154
Trade receivables	14	5,370	3,740
Deposits, prepayments and other receivables	15	2,124	2,894
Tax recoverable		–	150
Cash and bank balances		37,019	38,858
		<u>49,130</u>	<u>55,947</u>
Current liabilities			
Trade payables	16	196	337
Accruals and other payables	17	1,389	1,644
Contract liabilities	18	5,594	8,126
Lease liabilities	11	11,209	14,906
Tax payables		23	18
		<u>18,411</u>	<u>25,031</u>
Net current assets		<u>30,719</u>	<u>30,916</u>
Total assets less current liabilities		<u>67,249</u>	<u>72,036</u>
Non-current liabilities			
Lease liabilities	11	17,205	19,299
Net assets		<u>50,044</u>	<u>52,737</u>
CAPITAL AND RESERVES			
Capital and reserves attributable to owners of the Company			
Share capital	19	7,200	7,200
Reserves		42,844	45,851
		<u>50,044</u>	<u>53,051</u>
Non-controlling interests	20	–	(314)
Total equity		<u>50,044</u>	<u>52,737</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

1. GENERAL INFORMATION

OOH Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 28 June 2016 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as revised and consolidated) of the Cayman Islands and its shares have been listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 5 January 2017 (“**Listing Date**”). The address of its registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business is Suite A5, 9/F, Jumbo Industrial Building, 189 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong.

The principal activity of the Company (together with its subsidiaries as the “**Group**”) is investment holding. The Group is principally engaged in the provision of advertising display services. The principal activities of the subsidiaries are set out in note 30 to the consolidated financial statements of the annual report to be published in late June 2022.

As at 31 March 2022, the directors of the Company (the “**Directors**”) consider Goldcore Global Investments Limited (“**Goldcore**”), a company incorporated in the British Virgin Islands (“**BVI**”) with limited liability as the immediate and ultimate holding company.

2. ADOPTION OF NEW OR AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

(a) Adoption of new or amended HKFRSs

In the current year, the Group has applied for the first time the following new or amended HKFRSs, issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), which are relevant and effective for the Group’s consolidated financial statements for the annual period beginning on 1 April 2021:

Amendments to HKAS 39, HKFRSs 4, 7, 9 and 16	Interest Rate Benchmark Reform — Phase 2
Amendments to HKFRS 16	Covid-19-Related Rent Concession
Amendments to HKFRS 16	Covid-19-Related Rent Concessions Beyond 30 June 2021

Amendments to HKAS 39, HKFRSs 4, 7, 9 and 16: Interest Rate Benchmark Reform — Phase 2

The amendments address issues that might affect financial reporting when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the interest rate benchmark reform (the “**Reform**”). The amendments complement those issued in November 2019 and relate to:

- changes to contractual cash flows — a company will not have to derecognise or adjust the carrying amount of financial instruments for changes required by the Reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate;
- hedge accounting — a company will not have to discontinue its hedge accounting solely because it makes changes required by the Reform, if the hedge meets other hedge accounting criteria; and
- disclosures — a company will be required to disclose information about new risks arising from the reform and how it manages the transition to alternative benchmark rates.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HKFRS 16: Covid-19–Related Rent Concessions
Amendments to HKFRS 16: Covid-19–Related Rent Concessions Beyond 30 June 2021

The amendments exempt lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and allow lessees to account for such rent concessions as if they were not lease modifications. It applies to COVID-19–related rent concessions that reduce lease payments due on or before 30 June 2022. The amendments do not affect lessors.

The adoption of the amendments results in gain on rent concessions of approximately HK\$901,000 recognised in profit or loss during the year ended 31 March 2022.

(b) New or amended HKFRSs that have been issued but are not yet effective

At the date of authorisation of these consolidated financial statements, the HKICPA has issued the following new or amended HKFRSs that are not yet effective for the current year, which the Group has not early adopted.

Amendments to HKAS 16	Proceeds before Intended Use ¹
Amendments to HKAS 37	Cost of Fulfilling a Contract ¹
Amendments to HKFRS 3	Reference to the Conceptual Framework ¹
Annual Improvements to HKFRSs	2018–2020 Cycle ¹
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current ²
Amendments to HKAS 1	Disclosure of Accounting Policies ²
Amendments to HKAS 8	Definition of Accounting Estimates ²
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ²
HKFRS 17	Insurance Contracts ²
Amendment to HKFRS 17	Initial Application of HKFRS 17 and HKFRS 9 — Comparative Information ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

¹ Effective for annual periods beginning on or after 1 January 2022

² Effective for annual periods beginning on or after 1 January 2023

³ The effective date to be determined

The Directors are in the process of making an assessment of the possible impact on the future adoption of the new or amended HKFRSs. So far, the Directors are of the opinion that the adoption of the new or amended HKFRSs in future periods will not have any material impact on the consolidated financial statements.

3. BASIS OF PREPARATION

3.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with HKFRSs, which collective term includes all applicable HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Companies Ordinance. In addition, the consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”).

3.2 Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for financial assets at fair value through profit or loss which are measured at fair values as explained in the accounting policies set out in note 4 to the consolidated financial statements of the annual report to be published in late June 2022.

All amounts have been rounded to the nearest thousand except when otherwise indicated.

3.3 Foreign currency translation

The consolidated financial statements are presented in Hong Kong Dollars (“**HK\$**”), which is the same as the functional currency of the Company.

Transactions entered into by group entities in currencies other than the currency of the primary economic environment in which they operate (the “**functional currency**”) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise.

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as foreign exchange reserve (attributed to non-controlling interests as appropriate). Exchange differences recognised in profit or loss of group entities’ separate financial statements on the translation of long-term monetary items forming part of the Group’s net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as foreign exchange reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of reporting period. Exchange differences arising are recognised in the foreign exchange reserve.

4. SEGMENT INFORMATION

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is defined on the basis of the internal management reporting information that is provided to and regularly reviewed by the executive Directors in order to allocate resources and assess performance of the segment.

The executive Directors consider the advertising display business from the perspective of advertising platforms available, and determine that the Group has the following reportable operating segments:

- Provision of advertising display services over the transportation media platforms (“**Transportation Business**”);
- Provision of advertising display services over the healthcare media platforms (“**Healthcare Business**”);
- Provision of advertising display services over the self-pickup lockers platforms (“**Logistic Advertising Business**”); and
- Sale of Mizimamei branded food and beverage products and franchise of Mizimamei brand in Hong Kong (“**Food and Beverage Business**”), which was franchised to an independent third party in the mid of May 2021.

Segment revenue and results

Segment revenue below represents revenue from external customers. There was no inter-segment revenue during the year. The chief operating decision makers assess the performance of the operating segments mainly based on revenue and gross profit of each operating segment. Corporate and other unallocated expenses include selling expenses, administrative expenses and other expenses which are common costs incurred for the operating segments as a whole and therefore they are not included in the measure of the segments’ performance that is used by the chief operating decision makers as a basis for the allocation of resources and assessment of segment performance. Other income and gains, net, finance costs and income tax expense are also not allocated to individual operating segment.

There were no segment assets and liabilities information provided to the chief operating decision makers.

The segment revenue and results, and the totals presented for the Group’s operating segments reconciled to the Group’s key financial figures as presented in the consolidated financial statements are as follows:

	Transportation Business HK\$’000	Healthcare Business HK\$’000	Logistic Advertising Business HK\$’000	Food and Beverage Business HK\$’000	Total HK\$’000
Year ended 31 March 2022					
Revenue					
— From external customers	54,430	656	166	229	55,481
Cost of sales	(30,535)	(159)	(96)	(282)	(31,072)
Gross profit/(loss)	<u>23,895</u>	<u>497</u>	<u>70</u>	<u>(53)</u>	24,409
Unallocated other income and gains, net					2,324
Corporate and other unallocated expenses					(27,996)
Finance costs					(1,381)
Loss before income tax expense					<u>(2,644)</u>

	Transportation Business HK\$'000	Healthcare Business HK\$'000	Logistic Advertising Business HK\$'000	Food and Beverage Business HK\$'000	Total HK\$'000
Year ended 31 March 2021					
Revenue					
— From external customers	45,428	542	156	1,071	47,197
Cost of sales	(30,236)	(161)	(67)	(1,648)	(32,112)
Gross profit/(loss)	<u>15,192</u>	<u>381</u>	<u>89</u>	<u>(577)</u>	15,085
Unallocated other income and gains, net					2,257
Corporate and other unallocated expenses					(21,194)
Finance costs					<u>(1,216)</u>
Loss before income tax expense					<u>(5,068)</u>

Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical markets, major platforms and service lines and timing of revenue recognition.

	Transportation Business HK\$'000	Healthcare Business HK\$'000	Logistic Advertising Business HK\$'000	Food and Beverage Business HK\$'000	Total HK\$'000
Year ended 31 March 2022					
Primary geographical markets					
Hong Kong (place of domicile)	<u>54,430</u>	<u>656</u>	<u>166</u>	<u>229</u>	<u>55,481</u>
Major services lines					
Advertising display services					
— Bus	51,810	—	—	—	51,810
— Taxi	1,846	—	—	—	1,846
— Others	774	—	—	—	774
— Hospitals and clinics	—	656	—	—	656
— Self-pickup lockers	—	—	166	—	166
Food and beverage services	<u>54,430</u>	<u>656</u>	<u>166</u>	<u>229</u>	<u>55,252</u>
	<u>—</u>	<u>—</u>	<u>—</u>	<u>229</u>	<u>229</u>
	<u>54,430</u>	<u>656</u>	<u>166</u>	<u>229</u>	<u>55,481</u>
Timing of revenue recognition					
Transferred over time	54,430	656	166	—	55,252
At a point in time	—	—	—	229	229
	<u>54,430</u>	<u>656</u>	<u>166</u>	<u>229</u>	<u>55,481</u>

	Transportation Business <i>HK\$'000</i>	Healthcare Business <i>HK\$'000</i>	Logistic Advertising Business <i>HK\$'000</i>	Food and Beverage Business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31 March 2021					
Primary geographical markets					
Hong Kong (place of domicile)	45,428	542	156	1,071	47,197
Major services lines					
Advertising display services					
— Bus	43,829	—	—	—	43,829
— Taxi	1,303	—	—	—	1,303
— Others	296	—	—	—	296
— Hospitals and clinics	—	542	—	—	542
— Self-pickup lockers	—	—	156	—	156
	45,428	542	156	—	46,126
Food and beverage services	—	—	—	1,071	1,071
	45,428	542	156	1,071	47,197
Timing of revenue recognition					
Transferred over time	45,428	542	156	—	46,126
At a point in time	—	—	—	1,071	1,071
	45,428	542	156	1,071	47,197

Geographical information

The Company is an investment holding company and the principal place of the Group's operation is in Hong Kong. For the purpose of segment information disclosures under HKFRS 8, the Group regards Hong Kong as its place of domicile.

The following table provides an analysis of the Group's revenue from external customers and non-current assets other than financial instruments ("Specified non-current assets").

	Revenue from external customers		Specified non-current assets	
	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Hong Kong (place of domicile)	55,481	47,197	36,530	41,120

Information about major customers

No single customer contributed to 10% or more of the Group's revenue during the years ended 31 March 2022 and 31 March 2021.

5. REVENUE

Revenue is derived from provision of advertising display services, sale of food and beverage products and franchise of license right during the year. Further details are disclosed in note 4.

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Provision of services		
— At fixed price	51,713	44,033
— At variable price	3,539	2,093
Sale of food and beverage products	144	1,071
Franchise income	85	—
	<u>55,481</u>	<u>47,197</u>

The amount of revenue recognised for the year ended 31 March 2022 that was included in the contract liabilities at the beginning of the year is approximately HK\$7,896,000 (2021: approximately HK\$8,854,000).

The following table provides information about trade receivables and contract liabilities from contracts with customers.

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade receivables (<i>Note 14</i>)	<u>5,370</u>	<u>3,740</u>
Contract liabilities (<i>Note 18</i>)	<u>5,594</u>	<u>8,126</u>

The contract liabilities mainly relate to the advance payments received from customers.

As at 31 March 2022, the aggregate amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts was approximately HK\$15,347,000 (2021: approximately HK\$17,266,000), of which approximately HK\$14,959,000 (2021: approximately HK\$17,044,000) and approximately HK\$388,000 (2021: approximately HK\$222,000) are expected to be recognised as revenue within 12 months and 13–24 months respectively. This amount represents revenue expected to be recognised in the future from partially-completed advertising display service contracts and includes the contract liabilities as disclosed in note 18.

6. FINANCE COSTS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Interest on lease liabilities	<u>1,381</u>	<u>1,216</u>

7. LOSS BEFORE INCOME TAX EXPENSE

Loss before income tax expense is arrived at after charging the following:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Amortisation of intangible assets	94	157
Auditor's remuneration	520	540
Costs of inventories recognised as cost of sales	25	221
Depreciation of property, plant and equipment	1,032	833
Depreciation of right-of-use assets		
— Advertising spaces (included in cost of sales)	18,601	20,791
— Rental premises	209	431
— Office equipment	16	23
Employee costs (including directors' emoluments)		
— Salaries and other benefits in kind	15,341	15,042
— Retirement scheme contributions	333	363
Impairment loss on intangible assets (included in other operating expenses)	—	594
Impairment loss on property, plant and equipment (included in other operating expenses)	—	306
Loss on disposal of a subsidiary (included in other operating expenses)	384	—
Waiver of amount due from non-controlling interests	160	—
Write-off of inventories	56	—
Write-off of property, plant and equipment	34	—
Short-term lease expenses		
— Advertising spaces (included in cost of sales)	7,129	6,180
— Rental premises	460	517
	<u>78</u>	<u>1</u>

8. INCOME TAX EXPENSE

The amount of taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Current tax — Hong Kong Profits Tax		
— Tax for the year	78	45
— Over-provision for previous years	—	(44)
	<u>78</u>	<u>1</u>
Current tax — Taiwan Profits Tax		
— Under-provision for previous years	—	51
	<u>78</u>	<u>52</u>

The Group companies incorporated in the Cayman Islands and BVI are tax-exempted as no business is carried out in the Cayman Islands and BVI under the laws of the Cayman Islands and BVI respectively.

Hong Kong Profits Tax is calculated at 8.25% on the first HK\$2 million of estimated assessable profits and at 16.5% for the portion of the estimated assessable profits above HK\$2 million for the years ended 31 March 2022 and 2021. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates continue to be taxed at a flat rate of 16.5%.

During the year ended 31 March 2021, Taiwan Profit Seeking Enterprise Income Tax arising from operations in Taiwan was calculated at 20% on the estimated assessable profits.

Income tax expense for the year can be reconciled to the loss before income tax expense in the consolidated statement of profit or loss and other comprehensive income as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Loss before income tax expense	<u>(2,644)</u>	<u>(5,068)</u>
Tax calculated at the domestic tax rate of 16.5% (2021: 16.5%)	(436)	(836)
Tax effect on adoption of two-tiered profits tax rates	(75)	(55)
Tax effect of different tax rate of a foreign operation	–	(4)
Tax effect of non-deductible items	411	566
Tax effect of non-taxable items	(241)	(310)
Tax effect of temporary differences not recognised	14	32
Utilisation of unrecognised tax losses	(6)	–
Under-provision for previous years	–	7
Tax effect of tax losses not recognised	421	662
Others	<u>(10)</u>	<u>(10)</u>
Income tax expense	<u>78</u>	<u>52</u>

At the end of the reporting period, the Group had tax losses arising in Hong Kong of approximately HK\$10,820,000 (2021: approximately HK\$8,155,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of tax losses arising from subsidiaries in Hong Kong, as it is uncertain whether that taxable profits will be available against which the tax losses can be utilised in the foreseeable future. The tax losses have no expiry date.

No deferred tax on temporary differences was recognised for the years ended 31 March 2022 and 2021 as there were no material temporary differences.

9. DIVIDEND

The Board does not recommend the payment of a final dividend for the years ended 31 March 2022 and 31 March 2021.

10. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to owners of the Company is based on the following data:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Loss		
Loss for the purposes of basic and diluted loss per share	<u>(3,050)</u>	<u>(4,692)</u>
	<i>'000</i>	<i>'000</i>
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	<u>720,000</u>	<u>720,000</u>

The weighted average of 720,000,000 ordinary shares for the years ended 31 March 2022 and 31 March 2021 were the same as the number of ordinary shares of the Company in issue throughout the years.

Diluted loss per share were the same as the basic loss per share as the Group had no potential dilutive ordinary shares in issue during the years ended 31 March 2022 and 2021.

11. RIGHT-OF-USE ASSETS/LEASE LIABILITIES

The Group leases office equipment, certain advertising spaces and rental premises in Hong Kong. The leases comprise only fixed payments over the lease term.

Restrictions or covenants

The Group is required to keep those advertising spaces and rental premises in a good state of repair and return them in their original condition at the end of the lease.

Extension and termination options

Certain lease contracts have granted lessee extension or termination options to the Group which are only exercisable by the Group but not by the respective lessor. These options aim to provide flexibility to the Group in managing the leased assets. The extension option in the leases of the advertising spaces is normally exercised because these advertising spaces are exclusive. The Group seldom exercises options that were not included in the lease liabilities. As at 31 March 2022, about 21% (2021: 29%) of lease contracts contain an extension option. The undiscounted potential future lease payments not included in lease liabilities amounted to approximately HK\$5,876,000 (2021: approximately HK\$6,247,000).

Right-of-use Assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Leased for own use, carried at depreciated cost:		
Advertising spaces	30,680	34,769
Rental premises	253	462
Office equipment	<u>–</u>	<u>16</u>
	<u>30,933</u>	<u>35,247</u>

Movements of right-of-use assets during the year:

	Advertising spaces <i>HK\$'000</i>	Rental premises <i>HK\$'000</i>	Office equipment <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2020	37,028	399	39	37,466
Additions	950	570	–	1,520
Depreciation	(20,791)	(431)	(23)	(21,245)
Effect of lease modification	15,365	(76)	–	15,289
Reassessment of lease liabilities	2,217	–	–	2,217
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March and 1 April 2021	34,769	462	16	35,247
Additions	2,256	–	–	2,256
Depreciation	(18,601)	(209)	(16)	(18,826)
Effect of lease modification	1,520	–	–	1,520
Reassessment of lease liabilities	10,736	–	–	10,736
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2022	30,680	253	–	30,933

The lease modification during the years ended 31 March 2022 and 2021 related to renewal of leases which did not contain extension options.

Lease liabilities

The analysis of the present value of future lease payments is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Current liabilities	11,209	14,906
Non-current liabilities	17,205	19,299
	<hr/>	<hr/>
	28,414	34,205
	<hr/> <hr/>	<hr/> <hr/>

Movements of lease liabilities during the year:

	Advertising spaces <i>HK\$'000</i>	Rental premises <i>HK\$'000</i>	Office equipment <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2020	35,300	418	40	35,758
Additions	950	570	–	1,520
Repayment of lease liabilities	(21,047)	(458)	(24)	(21,529)
Interest expenses	1,193	22	1	1,216
Effect of lease modification	15,099	(76)	–	15,023
Reassessment of lease liabilities	2,217	–	–	2,217
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March and 1 April 2021	33,712	476	17	34,205
Additions	2,256	–	–	2,256
Repayment of lease liabilities	(20,523)	(229)	(17)	(20,769)
Interest expenses	1,367	14	–	1,381
Rent concessions	(901)	–	–	(901)
Effect of lease modification	1,506	–	–	1,506
Reassessment of lease liabilities	10,736	–	–	10,736
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2022	28,153	261	–	28,414

Future lease payments are due as follows:

At 31 March 2022

	Minimum lease payments <i>HK\$'000</i>	Interest <i>HK\$'000</i>	Present value <i>HK\$'000</i>
Not later than one year	12,148	939	11,209
Later than one year and not later than two years	8,914	516	8,398
Later than two years and not later than five years	9,020	213	8,807
	<u>30,082</u>	<u>1,668</u>	<u>28,414</u>

At 31 March 2021

	Minimum lease payments <i>HK\$'000</i>	Interest <i>HK\$'000</i>	Present value <i>HK\$'000</i>
Not later than one year	16,033	1,127	14,906
Later than one year and not later than two years	10,948	522	10,426
Later than two years and not later than five years	9,219	346	8,873
	<u>36,200</u>	<u>1,995</u>	<u>34,205</u>

The analysis of income and expense items in relation to leases recognised in profit or loss is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Depreciation of right-of-use assets	18,826	21,245
Interest on lease liabilities	1,381	1,216
Short-term lease expenses	7,589	6,697
Gain on lease modification	(14)	(266)
Gain on rent concessions	(901)	–
Total amounts recognised in profit or loss	<u>26,881</u>	<u>28,892</u>

Commitments under leases

As at 31 March 2022, the Group was committed to approximately HK\$1,617,000 for short-term lease (2021: approximately HK\$2,093,000).

12. INTANGIBLE ASSETS

	Club membership <i>HK\$'000</i> <i>(Note (a))</i>	License right <i>HK\$'000</i> <i>(Note (b))</i>	Total <i>HK\$'000</i>
At 1 April 2020			
Cost	2,626	942	3,568
Accumulated amortisation and impairment losses	–	(91)	(91)
Net carrying amount	<u>2,626</u>	<u>851</u>	<u>3,477</u>
Year ended 31 March 2021			
Opening net carrying amount	2,626	851	3,477
Amortisation	–	(157)	(157)
Impairment loss <i>(Note (c))</i>	–	(594)	(594)
Closing net carrying amount	<u>2,626</u>	<u>100</u>	<u>2,726</u>
At 31 March and 1 April 2021			
Cost	2,626	942	3,568
Accumulated amortisation and impairment losses	–	(842)	(842)
Net carrying amount	<u>2,626</u>	<u>100</u>	<u>2,726</u>
Year ended 31 March 2022			
Opening net carrying amount	2,626	100	2,726
Amortisation	–	(94)	(94)
Reversal of impairment loss <i>(Note (c))</i>	–	594	594
Closing net carrying amount	<u>2,626</u>	<u>600</u>	<u>3,226</u>
At 31 March 2022			
Cost	2,626	942	3,568
Accumulated amortisation	–	(342)	(342)
Net carrying amount	<u>2,626</u>	<u>600</u>	<u>3,226</u>

Notes:

- (a) The club membership represents the membership debenture of The Aberdeen Marina Club Limited which has no specific maturity date pursuant to the terms and conditions of the membership. It is tested for impairment annually and whenever there is an indication that the debenture may be impaired. The Directors consider that no impairment loss has been identified with reference to market value.
- (b) The license right represents an exclusive right to distribute and market the Mizimamei branded food and beverage products and its retail brand in Hong Kong. On 3 May 2019, the Group entered into an agreement with an independent third party to acquire an exclusive right to distribute and market its branded food and beverage products and the retail brand of the individual third party in Hong Kong, including but not limited to the right to set up self-operated retail outlets in Hong Kong and the right to franchise the brand to potential local retailers in Hong Kong through franchising arrangement (the “**Agreement**”) at a consideration of US\$120,000 (equivalent to approximately HK\$942,000). This license right was recognised as an intangible asset as it became effective in 2019. Pursuant to a supplementary agreement entered into by the parties during the year ended 31 March 2021, the parties have agreed that the license right shall be extended for three more years (originally 6 years), i.e. 9 years in total, with other terms remain the same as stated in the Agreement. No additional consideration is required to be paid by the Group.
- (c) The license right is stated at cost less accumulated amortisation and impairment losses and is tested for impairment wherever there is an indicator that the license right may be impaired. During the year ended 31 March 2022, the Group entered into an agreement with an independent third party for franchising the brand for franchising income based on the revenue split from the franchisee. The recoverable amount of the license right has been determined from a value in use calculation based on cash flow projections covering the remaining period of the franchising cooperation (i.e. 5.4 years) and a pre-tax discount rate of 4.125%. Therefore, a reversal of impairment losses of HK\$594,000 has been recognised. The tenancy of the retail outlet was ended during the year ended 31 March 2022.

Due to the underperformance of the retail outlet under the segment of Food and Beverage Business, management had conducted impairment assessment as at 31 March 2021. The recoverable amount of the cash generating unit (“**CGU**”) had been determined from a value in use calculation based on cash flow projections from approved budgets covering a five-year period and a pre-tax discount rate of 20%. The estimated recoverable amount of the CGU of approximately HK\$218,000 fell short of its carrying amount by approximately HK\$900,000 and accordingly, impairment losses of HK\$306,000 and HK\$594,000 were allocated to the segment’s property, plant and equipment and license right, respectively, and recognised in other operating expenses for the year ended 31 March 2021.

13. FINANCIAL ASSETS AT FVTPL

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Listed debt investments	<u>1,456</u>	<u>7,154</u>

Listed debt investments represent corporate bonds publicly traded on Singapore Exchange with fixed coupon rates. Management has determined to hold these corporate bonds for trading and therefore classified these bonds as financial assets at FVTPL under current assets.

14. TRADE RECEIVABLES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade receivables	<u>5,370</u>	<u>3,740</u>

Analysis of trade receivables that are not impaired as of each reporting period is as follows:

Based on invoice date

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
0–90 days	1,025	1,304
91–180 days	3,659	1,635
181–365 days	479	705
Over 365 days	207	96
	<u>5,370</u>	<u>3,740</u>

Based on revenue recognition date

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
0–90 days	2,794	2,401
91–180 days	2,395	741
181–365 days	181	598
	<u>5,370</u>	<u>3,740</u>

Trade receivables are mainly attributable to the provision of advertising display services of which advance payments are normally required. However, the Group might offer credit terms to certain customers ranging from 30 to 60 days from the end of the contract period. Overdue balances are reviewed regularly by senior management.

The following table reconciled the impairment loss of trade receivables for the year:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
At beginning of the year	–	307
Write-off	–	(307)
	<u>–</u>	<u>–</u>
At the end of the year	<u>–</u>	<u>–</u>

The maximum exposure to credit risk as at 31 March 2022 and 31 March 2021 was the carrying amount mentioned above. Trade receivables that were not impaired related to a large number of independent customers that had a good track record of credit with the Group. In general, the Group does not hold any collateral or other credit enhancements over these balances.

The Group applies the simplified approach to provide for expected credit losses (“ECLs”) prescribed by HKFRS 9, which permit the use of lifetime ECLs provision for all trade receivables. To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. ECLs also incorporate forward-looking information. As at 31 March 2022 and 31 March 2021, the Directors considered ECLs against the gross amounts of trade receivables as immaterial.

15. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Payments in advance	1,378	1,663
Deposits	346	464
Prepayments	400	478
Other receivables	–	289
	<u>2,124</u>	<u>2,894</u>

The maximum exposure to credit risk at the reporting date is the carrying amounts of each class of receivables mentioned above. The Group does not hold any collateral as security.

16. TRADE PAYABLES

Based on the receipts of services and goods, which normally coincided with the invoice dates, ageing analysis of the Group’s trade payables as at the end of each reporting period is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
0–90 days	188	324
91–180 days	–	13
181–365 days	8	–
	<u>196</u>	<u>337</u>

17. ACCRUALS AND OTHER PAYABLES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Accrued expenses	815	1,137
Other payables	574	507
	<u>1,389</u>	<u>1,644</u>

18. CONTRACT LIABILITIES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Contract liabilities arising from:		
Advertising display services	5,594	8,126
	<u>5,594</u>	<u>8,126</u>

These contract liabilities represent advance payments received from customers for services that have not yet been performed to the customers which are rendered over the period of display of the advertisements.

During the fourth quarter of the year ended 31 March 2022, there was a decrease in the advertising display business of the Group, thereby reducing the amounts arising from the receipts of advances.

As at 31 March 2022, the contract liabilities that were expected to be settled after more than 12 months amounted to approximately HK\$Nil (2021: approximately HK\$230,000).

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Balance at beginning of the year	8,126	9,045
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(7,896)	(8,854)
Increase in contract liabilities as a result of billing in advance of advertising display service, excluding those recognised as revenue in the current year	5,364	7,935
	<u>5,594</u>	<u>8,126</u>
Balance at end of the year	5,594	8,126

19. SHARE CAPITAL

	2022		2021	
	Number of shares '000	Amount HK\$'000	Number of shares '000	Amount HK\$'000
Authorised:				
Ordinary shares of HK\$0.01 each	<u>7,200,000</u>	<u>72,000</u>	<u>7,200,000</u>	<u>72,000</u>
			Number of shares '000	Amount HK\$'000
Issued:				
At 1 April 2020, 31 March 2021 and 31 March 2022			<u>720,000</u>	<u>7,200</u>

20. NON-CONTROLLING INTERESTS

(a) MSMM Company Limited (“MSMM”)

During the year ended 31 March 2022, MSMM allotted 1,121,330 shares to Medic Savvy Media Limited by way of capitalization of the shareholder’s loan of an amount of approximately HK\$1,121,000. Upon the completion of the allotment, the Group’s equity interests in MSMM increased from 65% to 83.5%. The Group subsequently disposed of its 83.5% equity interest in MSMM at a consideration of approximately HK\$8,000, which was determined with reference to the then net asset value of MSMM. The Group recorded a loss of approximately HK\$384,000 from the disposal while the non-controlling interests of debit balance of approximately HK\$392,000 was derecognised.

(b) OOH La La Printing and Production Limited (“OOH La La”)

During the year ended 31 March 2022, Media Savvy Limited acquired 30% of the issued shares of OOH La La at a consideration of HK\$3,000. Upon the completion of the acquisition, the Group holds 100% of the equity interests in OOH La La.

The acquisition of 30% equity interests in OOH La La constituted a change in the equity interest of a subsidiary without a loss of control and was accounted for as an equity transaction. The difference between the carrying amount of the non-controlling interests in OOH La La of approximately HK\$46,000 at the date of the acquisition and the fair value of the consideration paid, amounted to approximately HK\$43,000, was recognised in retained earnings.

During the year ended 31 March 2022, OOH La La, paid an interim dividend of HK\$360,000 to the non-controlling interests.

During the year ended 31 March 2021, the Group disposed of its 70% equity interest in Toppa Media Savvy Limited at a consideration of approximately HK\$38,000. Accordingly, non-controlling interests of approximately HK\$16,000 was derecognised.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group continued its principal business in the provision of out-of-home advertising spaces and services to its customers, which comprise end users aiming to promote their brands, products or services, and advertising agents acting for such advertisers. We also offer our customers design, production and advertisement logistics services on the different advertising platforms.

During the year ended 31 March 2022, the Group's principal business, Transportation Business, has recorded a slight growth in inventory of exclusive minibus advertising spaces in our fixed route minibus network from 1,406 units as at 31 March 2021 to 1,461 units as at 31 March 2022. The bus advertising revenue, which comprises revenue generated from minibus advertising and the New Lantao Bus (“**NLB**”) advertising platform, being the Group's principal business, recorded an increase in gross profit margin from approximately 33.3% for the year ended 31 March 2021 to approximately 44.0% for that of 2022. Such increase was contributed by (i) the increase of revenue by virtue of better market sentiment; (ii) the concessions on license fee given by the minibus operators in view of the business environment as a result of the outbreak of COVID-19; and (iii) the increase in production utilization of our in-house printing facilities for production of advertising stickers.

The Group has commenced the exclusive advertising partnership agreement for the use of advertising spaces on NLB on 1 September 2021. This new advertising platform maintains a healthy development in terms of the number of advertisers whereas the Group has new advertising packages to bundle other media platforms with NLB advertising platform to raise the advertisers' awareness to the Group's new venture.

The Group has continued the franchising arrangement with an independent third party for the Mizimamei branded food and beverage operations. The change in operation model has led to the decrease in gross loss margin of Food and Beverage Business from approximately 53.9% for the year ended 31 March 2021 to approximately 23.1% for that of 2022.

The Group has continued the business of pre-owned private vehicle trading which aims on car trading market, especially for vintage and classic automobile. As of the date herein, the Group has successfully traded some vehicles and obtained a reasonable profit for each transaction. However, the Hong Kong Environmental Protection Department announced the termination of exemption for classic vehicles and petrol vehicles imported for personal use from the Noise Control (Motor Vehicles) Regulation and the Air Pollution Control (Vehicle Design Standards) (Emission) Regulations at the vehicle's first registration (the “**Termination of Exemption**”), with effect from 1 June 2022 and the change brought a huge impact to the Group's business in that segment. The importation of classic vehicles or petrol vehicles can now only rely on the purpose of “personal use” route by submitting relevant documents to the Hong Kong Environmental Protection Department to prove that the vehicle has been tested and complied with the Noise Control (Motor Vehicles) Regulation and the Air Pollution Control (Vehicle Design Standards) (Emission) Regulations before the vehicle's first registration in Hong Kong. The term “personal use” does not cater commercial importation whereas the applicant must have owned the vehicle outside Hong Kong for more than six

months and the applicant must normally reside in that country or region prior to the application for relevant exemption. The Termination of Exemption made the trading of classic cars difficult and it is expected that the trading price of classic cars will be increased generally since the supply is limited pursuant to the Termination of Exemption. The Group shall continue to monitor the market sentiment of the Termination of Exemption and to make necessary adjustments to the business strategies.

FINANCIAL REVIEW

Revenue

Total revenue of the Group increased by approximately 17.6% from approximately HK\$47.2 million for the year ended 31 March 2021 to approximately HK\$55.5 million for that of 2022. Such increase was mainly due to (i) the increase of revenue generated from bus advertising; and (ii) the increase of revenue generated from taxi advertising.

Revenue generated from bus advertising increased by approximately 18.3% from approximately HK\$43.8 million for the year ended 31 March 2021 to approximately HK\$51.8 million for that of 2022. Such increase was mainly due to the increase of revenue generated from both direct and agency clients by virtue of better market sentiments and increased in governmental tender projects. Revenue generated from taxi advertising increased by approximately 38.5% from approximately HK\$1.3 million for the year ended 31 March 2021 to approximately HK\$1.8 million for that of 2022. Such increase was mainly due to the increase of revenue generated by direct clients and governmental tender projects. Revenue generated from private hospital and clinics media increased from approximately HK\$0.5 million for the year ended 31 March 2021 to approximately HK\$0.7 million for that of 2022 mainly due to the increase of revenue generated by direct clients.

Revenue generated from Logistic Advertising Business remained relatively stable at approximately HK\$0.1 million for the year ended 31 March 2021 and approximately HK\$0.2 million for that of 2022. Revenue generated from the provision of other types of advertising services (for example advertising spaces in other out-of-home media formats) increased from approximately HK\$0.3 million for the year ended 31 March 2021 to approximately HK\$0.8 million for that of 2022. Such increase was mainly due to the increase of revenue generated by (i) railway advertising platform; (ii) truck body advertising platform; and (iii) retro car body advertising platform through the Volkswagen retro van purchased by the Group.

Revenue generated from Food and Beverage Business decreased from approximately HK\$1.1 million for the year ended 31 March 2021 to approximately HK\$0.2 million for that of 2022. Such decrease was mainly due to the completion of the tenancy of the retail outlet located in Central in the mid of May 2021 and the change in operation model of Food and Beverage Business, namely the franchising of the Mizimamei brand to an independent third party for operation since May 2021.

Cost of Sales and Gross Profit Margin

Cost of sales decreased by approximately 3.2% from approximately HK\$32.1 million for the year ended 31 March 2021 to approximately HK\$31.1 million for that of 2022. The decrease was mainly due to (i) the decrease of license fee in the minibus advertising due to the license fee concession following the outbreak of COVID-19; (ii) the decrease of license fee due to the completion of the contract with the operator of tour bus; and (iii) the increase in the utilization of the Group's in-house printing facilities that lower the production cost of advertising stickers.

Gross profit margin increased by approximately 12.0 percentage points from approximately 32.0% for the year ended 31 March 2021 to approximately 44.0% for that of 2022, which was mainly due to (i) the increase in gross profit margin of bus advertising from approximately 33.3% for the year ended 31 March 2021 to approximately 44.0% for that of 2022; and (ii) the decrease in loss of Food and Beverage Business due to the change in operation model and commencement of the franchising cooperation.

Change in Fair Value of Financial Assets at FVTPL

The Group recorded change in fair value of financial assets at FVTPL of approximately HK\$5.7 million for the year ended 31 March 2022, which was attributable to loss on corporate bonds (2021: Nil).

Selling Expenses

Selling expenses increased by approximately 22.8% from approximately HK\$5.7 million for the year ended 31 March 2021 to approximately HK\$7.0 million for that of 2022 due to the increase of commission paid to our sales team as a result of the increase in revenue.

Administrative Expenses

Administrative expenses increased by approximately 2.7% from approximately HK\$14.6 million for the year ended 31 March 2021 to approximately HK\$15.0 million for that of 2022. The increased was mainly due to the increase in staff welfare for the purchase of anti-epidemic materials to our staff due to the outbreak of the fifth wave of COVID-19.

Other Operating Expenses

The Group recorded other operating expenses of approximately HK\$384,000 for the year ended 31 March 2022, which was attributable to loss on disposal of a subsidiary (2021: HK\$900,000, which was attributable to the impairment loss of Food and Beverage Business).

Finance Costs

Finance costs increased from approximately HK\$1.2 million for the year ended 31 March 2021 to approximately HK\$1.4 million for that of 2022.

Loss Attributable to Owners of the Company

We recorded loss attributable to owners of the Company of approximately HK\$3.1 million for the year ended 31 March 2022 as compared to approximately HK\$4.7 million for that of 2021.

Capital Structure

Details of the Company's share capital are set out in note 19 in this announcement.

Liquidity and Financial Resources

During the year ended 31 March 2022, the Group mainly financed its operations with its own working capital and the net proceeds from listing. As at 31 March 2022 and 31 March 2021, the Group had net current assets of approximately HK\$30.7 million and approximately HK\$30.9 million respectively, including cash and bank balances of approximately HK\$37.0 million and approximately HK\$38.9 million respectively. The Group did not have any pledged bank deposits as at 31 March 2022 and 31 March 2021.

As at 31 March 2022, the gearing ratio was 0% (2021: 0%), calculated on the Group's bank borrowings over the Group's total equity. As at 31 March 2022 and 31 March 2021, the Group had no bank borrowings.

Significant Investments Held

The Group did not have any significant investments held as at 31 March 2022 and 31 March 2021.

Material Acquisitions or Disposals of Subsidiaries and Affiliated Companies

Save as disclosed in note 20 in this announcement, the Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies for the years ended 31 March 2022 and 31 March 2021.

Future Plans for Material Investments and Capital Assets

Save as those disclosed in the prospectus of the Company dated 23 December 2016 (the "Prospectus"), the Group currently has no other plan for material investments and capital assets.

Contingent Liabilities

The Group did not have any material contingent liabilities as at 31 March 2022 and 31 March 2021.

Commitments

As at 31 March 2022, the Group did not have any capital commitments (2021: Nil).

Charge on Group's Asset

As at 31 March 2022, the Group did not pledge any of its assets as security for any facilities granted to the Group (2021: Nil).

Foreign Exchange Exposure

The Group mainly operated in Hong Kong with most of the transactions settled in HK\$ and did not have significant exposure to risk resulting from changes in foreign currency exchange rates.

Use of Net Proceeds from Listing

The net proceeds from the issue of a total of 180,000,000 new ordinary shares of the Company at the placing price of HK\$0.27 per share under the placing as set out in the Prospectus, after deducting underwriting commission and other expenses relating to the Company's listing, amounted to approximately HK\$29.9 million. The net proceeds were intended to be applied in the same proportion and in the same manner as shown in the Prospectus. Accordingly, approximately 69.7% (HK\$20.9 million), 18.2% (HK\$5.4 million), 9.8% (HK\$2.9 million) and 2.3% (HK\$0.7 million) are applied for (i) expanding our coverage in the minibus advertising network; (ii) expanding our coverage in other transportation advertising platform; (iii) expanding our coverage in the healthcare-related advertising platform; and (iv) enhancing our information management system respectively. An analysis of the utilization of the net proceeds during the period from 5 January 2017 (the "Listing Date") to 31 March 2022 is set out below:

	Amount of usage of net proceeds from the Listing Date to 31 March 2022		Unutilized net proceeds as at 31 March 2022 <i>HK\$ million</i>	Expected timeline for full utilization of the unutilized net proceeds
	Estimated* <i>HK\$ million</i>	Actual <i>HK\$ million</i>		
(i) Expand our coverage in the minibus media	20.9	15.2	5.7	On or before 31 March 2023
(ii) Expand our coverage in other transportation	5.4	3.2	2.2	On or before 31 March 2023
(iii) Expand our coverage in the healthcare-related advertising	2.9	0	2.9	On or before 31 March 2023
(iv) Enhance our information management system	0.7	0.1	0.6	On or before 31 March 2023
Total	29.9	18.5	11.4	

Note: Business strategies are as set out in the Prospectus.

The unutilized net proceeds as at 31 March 2022 were placed as bank deposits with licensed bank in Hong Kong.

* The estimated amount of usage of net proceeds as at 31 March 2022 has been adjusted in the same proportion and in the same manner as stated in the Prospectus due to the above-mentioned difference between the estimated net proceeds and the actual net proceeds received.

An analysis comparing the business objective stated in the Prospectus with the Group's actual business progress as at 31 March 2022 is set out below:

Business objective and strategy

Actual business progress up to 31 March 2022

(i) Expand our coverage in the minibus media

The Group has obtained advertising spaces on 838 additional green minibuses and 62 additional red minibuses.

For in-vehicle LCD panel advertising services, minibus operators are pessimistic of the advertising revenue to be generated to them corresponding to the technical complexity of installing the LCD panels in particular to comply with the safety regulations of the Transport Department. In view of such difficulties, the Group will reallocate the resources of this segment into other segments or new business segments to maximize the effectiveness of the use of proceeds.

(ii) Expand our coverage in other transportation

The exclusive contract for the use of advertising spaces of not less than 100 coach buses had completed on 31 March 2021.

The Group has obtained advertising spaces on 26 additional taxi with 50 additional Taxiboard media.

The Group has commenced the agreement for the exclusive use of advertising spaces on NLB in September 2021. The Group has obtained advertising spaces on not less than 88 buses from NLB.

(iii) Expand our coverage in the healthcare-related advertising

Upon the completion of the agreement for the use of advertising spaces at the public hospitals on 30 April 2018 and the close down of the entire media platform in the health and beauty retail stores after 30 June 2018, the Group has assessed the effectiveness of expanding the coverage in the healthcare-related advertising. The Group has been considering the possibility of reallocating the resources of this segment into other segments or new business segments to maximize the effectiveness of the use of proceeds.

Business objective and strategy

Actual business progress up to 31 March 2022

(iv) Enhance our information management system

The Group has appointed a contractor to develop a new advertising information management system for the minibus advertising inventory management. The new system has completed and the official launch date is 1 July 2022. The delay is due to the outbreak of the fifth wave of COVID-19 that the Group has implemented the work from home policy that slowed down the integration between the outgoing system and the new system.

Employees and Remuneration Policies

As at 31 March 2022, the Group had 27 employees (2021: 37 employees). The staff costs (including directors' emoluments) amounted to approximately HK\$15.7 million for year ended 31 March 2022 (2021: approximately HK\$15.4 million). The decrease in number of employees was mainly due to the franchising of the retail outlet for Mizimamei branded food and beverage products operations to an independent third party.

Remuneration is determined with reference to market standard and individual employees' responsibilities, qualification, experience and performance. The Group has also adopted a share option scheme as an added incentive for the employees.

OUTLOOK

The fifth wave of COVID-19 in Hong Kong has brought the city's public health system to its knees and seen infections soar beyond 1 million cases. The government has imposed the strictest social distancing measures, while shifting its stance on a number of plans and policies, including citywide testing, partial lockdowns, and the postponement of the chief executive election.

The number of daily reported positive cases reached a peak of some 70,000 in early March 2022 and trended downward continuously afterwards. The daily caseload dropped to a three-digit number from mid-April 2022, before rebounding to around 1,000 recently. With the local infection situation having stabilised, the Hong Kong SAR Government has proceeded to implement the various measures as planned to resume social and economic activities in a gradual, orderly and risk controlled manner. The 2022 Employment Support Scheme has implemented and assisted the commercial firms to move back its normal track.

As the epidemic situation across the globe shows no sign of abating and we still over a thousand of confirmed cases in Hong Kong these days, we should all stay vigilant and members of the public should not let their guard down.

The Group has been prepared for the market and economic recovery by virtue of the resumption of social and economic activities. The Group continues to focus on out-of-home advertising as our principal business and embraces the challenges of the competition from digital advertising and any sorts of new media platforms. The Group's transportation media platform provides the Group with a solid source of revenue income while the Group will continue to explore other media platforms to diversify the Group's exposures. The Group will also continue to adopt sensible sales packages to clients and provide them with bargains on our unsold advertising spaces so as to maximise the usage of the Group's media assets.

FINAL DIVIDEND

The Board does not recommend the payment of final dividend for the year ended 31 March 2022 (2021: Nil).

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "AGM") will be held on Friday, 19 August 2022. For details of the AGM, please refer to the notice of AGM which is expected to be published in late June 2022.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 16 August 2022 to Friday, 19 August 2022, both days inclusive, during which period no transfer of shares of the Company shall be registered. In order to qualify for attending and voting at the AGM, all transfers accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, 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 Monday, 15 August 2022.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2022.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding directors' securities transactions in securities of the Company. Based on specific enquiry made with the Directors, all Directors confirmed that they had fully complied with the required standard of dealings and there was no event of non-compliance during the year ended 31 March 2022.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted the principles and code provisions set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 15 to the GEM Listing Rules. Save for the deviation from code provision A.2.1 of the CG Code (which has been re-numbered as code provision C.2.1 of the CG Code with effect from 1 January 2022), the Board viewed that the Company had complied with the CG Code during the year ended 31 March 2022.

In accordance with code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. Ms. CHAU Wai Chu Irene currently holds both positions. In view of her experience and familiarity with the business operations of the Group, the Board considers that the roles of the Chairlady and Chief Executive Officer being performed by Ms. CHAU Wai Chu Irene would be appropriate to maintain the efficiency in the overall strategic planning, management and business development of the Group. The Board also considers that the balance of power and authority is adequately ensured by the operations of the Board, which comprises experienced and high caliber individuals including three Independent Non-Executive Directors which meets regularly to discuss issues affecting operations of the Group and all important decisions of the Group are made with the contribution of all Board members. The Board with the corporate governance committee of the Board will continue to review the Group’s corporate governance policies and compliance with the CG Code each financial year/period.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) has discussed and reviewed with management the audited consolidated financial statements of the Group for the year ended 31 March 2022. The Audit Committee consists of all the three independent non-executive Directors being Mr. LAM Yau Fung Curt, Ms. SUEN Wan Nei Winnie and Ms. LAM Hiu Ying. Mr. LAM Yau Fung Curt serves as the chairman of the Audit Committee who has appropriate professional qualifications and experience as required by the GEM Listing Rules.

SCOPE OF WORK OF MAZARS CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2022 as set out in this announcement have been agreed by the Group's auditor, Mazars CPA Limited ("**Mazars**"), to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 March 2022. The work performed by Mazars in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Mazars on this announcement.

On behalf of the Board of
OOH Holdings Limited
CHAU Wai Chu Irene
Chairlady and Chief Executive Officer

Hong Kong, 21 June 2022

As at the date of this announcement, the directors of the Company are:

Executive Directors

Ms. CHAU Wai Chu Irene (*Chairlady and Chief Executive Officer*)

Mr. LEAN Chun Wai

Non-Executive Director

Mr. DA SILVA Antonio Marcus

Independent Non-Executive Directors

Mr. LAM Yau Fung Curt

Ms. SUEN Wan Nei Winnie

Ms. LAM Hiu Ying

This announcement will remain on the "Latest Listed Company Information" page of the website of the Stock Exchange at www.hkexnews.hk for at least 7 days from the date of its posting. This announcement will also be published on the website of the Company at www.ooh.com.hk.