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萬 華 媒 體 ONEMEDIAGROUP

One Media Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 426)

FIRST QUARTER RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30TH JUNE 2021

The directors (the “Directors”) of One Media Group Limited (the “Company”) announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the three months ended 30th June 2021, together with the comparative figures for the corresponding period in 2020 as follows:

CONSOLIDATED INCOME STATEMENT

FOR THE THREE MONTHS ENDED 30TH JUNE 2021

		(Unaudited)	
		Three months ended 30th June	
		2021	2020
	Note	HK\$'000	HK\$'000
Turnover	2	10,866	10,478
Cost of goods sold		<u>(8,807)</u>	<u>(11,859)</u>
Gross profit/(loss)		2,059	(1,381)
Other income	3	341	1,533
Other gain	4	-	1,712
Selling and distribution expenses		(2,196)	(3,209)
Administrative expenses		<u>(4,174)</u>	<u>(4,272)</u>
Operating loss		(3,970)	(5,617)
Finance costs		(198)	(23)
Share of net loss of a joint venture accounted for using equity method		<u>(24)</u>	-
Loss before income tax		(4,192)	(5,640)
Income tax expense	6	<u>(10)</u>	<u>(21)</u>
Loss for the period		<u><u>(4,202)</u></u>	<u><u>(5,661)</u></u>
Loss attributable to:			
- Owners of the Company		(4,202)	(5,661)
- Non-controlling interests		-	-
		<u><u>(4,202)</u></u>	<u><u>(5,661)</u></u>
Loss per share attributable to owners of the Company during the period (expressed in HK cents per share)			
- Basic and diluted	7	<u><u>(1.0)</u></u>	<u><u>(1.4)</u></u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 30TH JUNE 2021

(Unaudited)
Three months ended 30th June
2021 **2020**
HK\$'000 **HK\$'000**

Loss for the period	(4,202)	(5,661)
Other comprehensive income/(loss)		
<i>Item that may be reclassified subsequently to profit or loss</i>		
Currency translation differences	(10)	(73)
<i>Item that will not be reclassified to profit or loss</i>		
Fair value change on financial asset at fair value through other comprehensive income	6,360	1,114
Total comprehensive income/(loss) for the period	<u>2,148</u>	<u>(4,620)</u>
Total comprehensive income/(loss) for the period attributable to:		
- Owners of the Company	2,148	(4,620)
- Non-controlling interests	-	-
	<u>2,148</u>	<u>(4,620)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2021

		(Unaudited) 30th June 2021 HK\$'000	(Audited) 31st March 2021 HK\$'000
	<i>Note</i>		
ASSETS			
Non-current assets			
Property, plant and equipment		527	567
Intangible assets		-	-
Right-of-use assets		-	-
Financial asset at fair value through other comprehensive income	9	13,680	7,320
Investments accounted for using equity method		176	200
Total non-current assets		14,383	8,087
Current assets			
Inventories		269	281
Trade and other receivables		8,529	10,480
Amounts due from fellow subsidiaries		6	12
Cash and cash equivalents		111,626	115,082
Total current assets		120,430	125,855
Total assets		134,813	133,942
EQUITY			
Equity attributable to owners of the Company			
Share capital		401	401
Share premium		457,543	457,543
Other reserves		(325,314)	(331,664)
Accumulated losses		(124,969)	(120,767)
Total equity		7,661	5,513
LIABILITIES			
Non-current liabilities			
Long service payment obligations		50	50
Loans from a fellow subsidiary	10	115,000	115,000
Total non-current liabilities		115,050	115,050
Current liabilities			
Trade and other payables		5,411	6,963
Contract liabilities		4,850	3,680
Amounts due to fellow subsidiaries		736	1,292
Lease liabilities		1,065	1,414
Income tax payable		40	30
Total current liabilities		12,102	13,379
Total liabilities		127,152	128,429
Total equity and liabilities		134,813	133,942

NOTES

1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

(a) *Basis of preparation*

The financial information of the Company (the “Financial Information”) for the three months ended 30th June 2021 is unaudited and has been prepared in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”).

This Financial Information has been prepared under the historical cost convention.

The preparation of this Financial Information 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.

This first quarter results announcement should be read in conjunction with the audited consolidated annual financial statements of the Group for the year ended 31st March 2021, which have been prepared in accordance with IFRSs.

(b) *Accounting policies*

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31st March 2021, as described in those annual financial statements.

Taxes on income during the period are accrued using the tax rate that would be applicable to expected total annual earnings.

The Group has not early adopted new and amended accounting standards that have been published but are not mandatory for 31st March 2022 reporting periods. These new and amended standards are expected to have no material impact on the Group’s consolidated financial statement.

2 SEGMENT INFORMATION

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

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

The executive committee considers the performance of the entertainment and lifestyle operation and the watch and car operation and others.

The breakdown of total revenue from customers from these businesses and the Group's turnover and results provided to the executive committee for the reporting segments for the three months ended 30th June 2021 and 2020 are as follows:

	(Unaudited)		
	Three months ended 30th June 2021		
	<u>Media Business</u>		
	Entertainment and lifestyle operation <i>HK\$'000</i>	Watch and car operation and others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Turnover	8,722	2,144	10,866
Segment loss	<u>(2,549)</u>	<u>(802)</u>	<u>(3,351)</u>
Unallocated expenses (net)			(841)
Loss before income tax			(4,192)
Income tax expense			(10)
Loss for the period			<u>(4,202)</u>
Other segmental information:			
Interest income	<u>6</u>	<u>-</u>	<u>6</u>
Finance costs	<u>164</u>	<u>34</u>	<u>198</u>
Depreciation of property, plant and equipment	<u>66</u>	<u>14</u>	<u>80</u>

(Unaudited)
Three months ended 30th June 2020

Media Business

	Entertainment and lifestyle operation <i>HK\$ '000</i>	Watch and car operation and others <i>HK\$ '000</i>	Total <i>HK\$ '000</i>
Turnover	8,082	2,396	10,478
Segment loss	<u>(3,858)</u>	<u>(687)</u>	<u>(4,545)</u>
Unallocated expenses (net)			<u>(1,095)</u>
Loss before income tax			(5,640)
Income tax expense			(21)
Loss for the period			<u>(5,661)</u>
Other segmental information:			
Gain on lease modification	1,421	291	1,712
Government grants	<u>998</u>	<u>204</u>	<u>1,202</u>
Finance costs	<u>19</u>	<u>4</u>	<u>23</u>
Depreciation of property, plant and equipment	<u>71</u>	<u>11</u>	<u>82</u>

3 OTHER INCOME

	(Unaudited)	
	Three months ended 30th June	
	2021	2020
	HK\$'000	HK\$'000
Bank interest income	6	-
Other media business income	297	331
Government grants (<i>Note</i>)	-	1,202
Administrative service income	38	-
	<u>341</u>	<u>1,533</u>

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

4 OTHER GAIN

	(Unaudited)	
	Three months ended 30th June	
	2021	2020
	HK\$'000	HK\$'000
Gain on lease modification	-	1,712

5 OPERATING LOSS

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

	(Unaudited)	
	Three months ended 30th June	
	2021	2020
	HK\$'000	HK\$'000
Paper consumed	17	51
Depreciation of property, plant and equipment	80	82
Employee benefit expense (including directors' emoluments)	9,964	12,262
Expenses relating to short-term leases	146	160

6 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2020: 16.5%) on the estimated assessable profit for the period.

	(Unaudited)	
	Three months ended 30th June	
	2021	2020
	HK\$'000	HK\$'000
Current income tax expense		
- Hong Kong profits tax	10	21

7 LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

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

	(Unaudited)	
	Three months ended 30th June	
	2021	2020
Weighted average number of ordinary shares in issue (in thousands)	400,900	400,900
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss attributable to owners of the Company	<u>(4,202)</u>	<u>(5,661)</u>
Basic and diluted loss per share (<i>HK cents per share</i>)	<u>(1.0)</u>	<u>(1.4)</u>

The diluted loss per share was the same as the basic loss per share as there was no dilutive potential share in issue for the three months ended 30th June 2021 and 2020.

8 DIVIDENDS

No dividend has been declared by the Directors during the three months ended 30th June 2021 (2020: nil).

9 FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Classification of financial asset at fair value through other comprehensive income

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

Equity investments at fair value through other comprehensive income

	(Unaudited)	(Audited)
	30th June	31st March
	2021	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trading securities - listed securities		
At the beginning of the period/year	7,320	9,821
Disposal (<i>Note</i>)	-	(12,323)
Fair value gain recognised in other comprehensive income	6,360	9,822
At the end of the period/year	<u>13,680</u>	<u>7,320</u>

Note:

In August 2020, the Group has disposed of some of the securities at total consideration of approximately HK\$12.3 million based on market prices on disposal dates. The positive fair value change for disposed securities together with the fair value change for the unsold securities were included in the fair value gain recognised in other comprehensive income amounted to approximately HK\$9.8 million. Upon disposals, a total amount of approximately HK\$2.4 million was transferred from the financial asset through other comprehensive income reserve to the accumulated losses in the consolidated statement of changes in equity.

The balance represents the fair value of the ordinary shares of Most Kwai Chung Limited (“Most Kwai Chung”) which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

At 30th June 2021 and 31st March 2021, the fair value was determined based on the share price of the listed securities.

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

10 LOANS FROM A FELLOW SUBSIDIARY

	(Unaudited) 30th June 2021 HK\$'000	(Audited) 31st March 2021 HK\$'000
Non-current		
Loans from a fellow subsidiary (<i>Note</i>)	115,000	115,000

Note:

As at 30th June 2021, the Group has obtained the facilities from its fellow subsidiary of HK\$125 million (31st March 2021: HK\$125 million) consisting of used facility of HK\$115 million (31st March 2021: HK\$115 million) and unused facility of HK\$10 million (31st March 2021: HK\$10 million).

The loans drawdown consist of balances amounted to HK\$15 million and HK\$100 million, which are not repayable before 31st December 2022 and 29th February 2024 respectively. The loans carry at interest rates of 1.6% over Hong Kong Inter-bank Offer Rate and 1.4% over Hong Kong Inter-bank Offer Rate per annum.

11 CONTINGENT LIABILITIES

As at 30th June 2021, the Group did not have any material contingent liabilities or guarantees (31st March 2021: nil).

12 SIGNIFICANT INVESTMENT

As at 30th June 2021, the Group held 12,000,000 ordinary shares (31st March 2021: 12,000,000 ordinary shares) of Most Kwai Chung, representing 4.4% (31st March 2021: 4.4%) equity interests in Most Kwai Chung. Dividend received from these ordinary shares was nil during the period (2020: nil). Most Kwai Chung, a Cayman Islands incorporated company listed on the Main Board of the Stock Exchange (stock code : 1716), is principally engaged in the provision of integrated advertising and media services to the customers. The fair value of these ordinary shares was HK\$13,680,000 as at 30th June 2021 (31st March 2021: HK\$7,320,000) and it was approximately 10% (31st March 2021: 5%) of the total assets of the Group.

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

13 REVIEW OF OPERATION

During the quarter under review, the Group's turnover was HK\$10,866,000 (2020: HK\$10,478,000), representing a slight increase of around 4% as compared with that of the corresponding quarter of last financial year. The Group recorded a loss of HK\$4,202,000 compared to the loss of HK\$5,661,000 for the corresponding quarter of last financial year, mitigated by the one-off other income and gain in total of HK\$2,914,000 in respect of gain on lease modification and government grants.

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

Hong Kong, 27th August 2021

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