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ONEMEDIAGROUP

One Media Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 426)

SECOND QUARTER RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30TH SEPTEMBER 2022

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 September 2022, together with the comparative figures for the corresponding period in 2021 as follows:

CONSOLIDATED INCOME STATEMENT

FOR THE THREE MONTHS ENDED 30TH SEPTEMBER 2022

		(Unaudited)	
		Three months ended 30th September	
		2022	2021
	Note	HK\$'000	HK\$'000
Turnover	2	9,560	10,987
Cost of goods sold		(8,275)	(9,395)
Gross profit		1,285	1,592
Other income	3	1,068	5,475
Selling and distribution expenses		(2,513)	(2,478)
Administrative expenses		(4,652)	(4,349)
Operating (loss)/profit		(4,812)	240
Finance costs		(189)	(127)
Share of net loss of a joint venture accounted for using the equity method		(48)	(35)
(Loss)/profit before income tax		(5,049)	78
Income tax credit/(expense)	5	132	(9)
(Loss)/profit for the period		(4,917)	69
(Loss)/profit attributable to:			
- Owners of the Company		(4,917)	69
- Non-controlling interests		-	-
		(4,917)	69
(Loss)/earnings per share attributable to owners of the Company during the period (expressed in HK cents per share)			
- Basic and diluted	6	(1.23)	0.02

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 30TH SEPTEMBER 2022

	(Unaudited)	
	Three months ended 30th September	
	2022	2021
	HK\$'000	HK\$'000
(Loss)/profit for the period	(4,917)	69
Other comprehensive (loss)/income		
<i>Item that may be reclassified subsequently to profit or loss</i>		
Currency translation differences	(21)	3
<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	(4,800)	(6,960)
Total comprehensive loss for the period	(9,738)	(6,888)
Total comprehensive loss for the period attributable to:		
- Owners of the Company	(9,738)	(6,888)
- Non-controlling interests	-	-
	(9,738)	(6,888)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30TH SEPTEMBER 2022

		(Unaudited) 30th September 2022 HK\$'000	(Audited) 31st March 2022 HK\$'000
	<i>Note</i>		
ASSETS			
Non-current assets			
Property, plant and equipment		272	320
Intangible assets		-	-
Right-of-use assets		-	-
Financial asset at fair value through other comprehensive income	8	6,000	4,980
Investments accounted for using the equity method		248	55
Total non-current assets		<u>6,520</u>	<u>5,355</u>
Current assets			
Inventories		278	208
Trade and other receivables		8,053	6,791
Cash and cash equivalents		81,859	90,259
Total current assets		<u>90,190</u>	<u>97,258</u>
Total assets		<u><u>96,710</u></u>	<u><u>102,613</u></u>
EQUITY			
Equity attributable to owners of the Company			
Share capital		401	401
Share premium		457,543	457,543
Other reserves		(332,904)	(333,882)
Accumulated losses		(140,113)	(133,099)
Total deficit		<u>(15,073)</u>	<u>(9,037)</u>
LIABILITIES			
Non-current liabilities			
Long service payment obligations		12	12
Lease liabilities		43	80
Loan from a fellow subsidiary	9	100,000	100,000
Total non-current liabilities		<u>100,055</u>	<u>100,092</u>
Current liabilities			
Trade and other payables		5,709	5,722
Contract liabilities		4,670	4,478
Amounts due to fellow subsidiaries		1,255	1,199
Lease liabilities		85	94
Income tax payable		9	65
Total current liabilities		<u>11,728</u>	<u>11,558</u>
Total liabilities		<u>111,783</u>	<u>111,650</u>
Total equity and liabilities		<u><u>96,710</u></u>	<u><u>102,613</u></u>

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 September 2022 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 second quarter results announcement should be read in conjunction with the audited consolidated annual financial statements of the Group for the year ended 31st March 2022, which have been prepared in accordance with IFRSs and the interim results announcement for the six months ended 30th September 2022 .

(b) *Accounting policies*

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31st March 2022, 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 2023 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 turnover 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 September 2022 and 2021 are as follows:

	(Unaudited)		
	Three months ended 30th September 2022		
	<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	7,194	2,366	9,560
Segment loss	<u>(3,601)</u>	<u>(59)</u>	<u>(3,660)</u>
Unallocated expenses (net)			(1,389)
Loss before income tax			(5,049)
Income tax credit			132
Loss for the period			<u>(4,917)</u>
Other segmental information:			
Interest income	<u>1</u>	<u>-</u>	<u>1</u>
Government grants	<u>677</u>	<u>239</u>	<u>916</u>
Finance costs	<u>(157)</u>	<u>(32)</u>	<u>(189)</u>
Depreciation of property, plant and equipment	<u>(47)</u>	<u>(9)</u>	<u>(56)</u>

(Unaudited)
Three months ended 30th September 2021

Media Business

	Entertainment and lifestyle operation <i>HK\$ '000</i>	Watch and car operation and others <i>HK\$ '000</i>	Total <i>HK\$ '000</i>
Turnover	8,198	2,789	10,987
Segment profit/(loss)	<u>1,766</u>	<u>(70)</u>	<u>1,696</u>
Unallocated expenses (net)			<u>(1,618)</u>
Profit before income tax			78
Income tax expense			<u>(9)</u>
Profit for the period			<u>69</u>
Other segmental information:			
Interest income	3	-	3
Settlement fee income	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Government grants	<u>-</u>	<u>87</u>	<u>87</u>
Finance costs	<u>(106)</u>	<u>(21)</u>	<u>(127)</u>
Depreciation of property, plant and equipment	<u>(61)</u>	<u>(12)</u>	<u>(73)</u>

3 OTHER INCOME

	(Unaudited)	
	Three months ended 30th September	
	2022	2021
	HK\$'000	HK\$'000
Bank interest income	1	3
Other media business income	114	348
Government grants	916	87
Settlement fee income (<i>Note</i>)	-	5,000
Administrative service income	37	37
	1,068	5,475

Note:

The settlement fee income was received from the independent third parties by a subsidiary of the Company during the three months ended 30th September 2021 in relation to the early termination of certain management agreements with them.

4 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 September	
	2022	2021
	HK\$'000	HK\$'000
Depreciation of property, plant and equipment	56	73
Employee benefit expense (including directors' emoluments)	8,867	9,889
Expenses relating to short-term lease	425	28

5 INCOME TAX CREDIT/(EXPENSE)

Hong Kong profits tax has been provided at the rate of 16.5% (2021: 16.5%) on the estimated assessable profit derived from Hong Kong for the period.

Income tax credit/(expense) in the condensed consolidated income statement represents:

	(Unaudited)	
	Three months ended 30th September	
	2022	2021
	HK\$'000	HK\$'000
Current income tax		
- Hong Kong profits tax	132	(9)

6 (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

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

	(Unaudited)	
	Three months ended 30th September	
	2022	2021
Weighted average number of ordinary shares in issue (in thousands)	400,900	400,900
(Loss)/profit attributable to owners of the Company (HK\$'000)	<u>(4,917)</u>	<u>69</u>
Basic and diluted (loss)/earnings per share (HK cents per share)	<u>(1.23)</u>	<u>0.02</u>

The diluted (loss)/earnings per share was the same as the basic (loss)/earnings per share as there was no dilutive potential share in issue for the three months ended 30th September 2022 and 2021.

7 DIVIDENDS

No dividend has been declared by the Directors during the three months ended 30th September 2022 (2021: nil).

8 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 September	31st March
	2022	2022
	HK\$'000	HK\$'000
Listed securities		
At the beginning of the period/year	4,980	7,320
Fair value gain/(loss) recognised in other comprehensive income	<u>1,020</u>	<u>(2,340)</u>
At the end of the period/year (Note)	<u>6,000</u>	<u>4,980</u>

Note:

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"). No dividends from the above equity investments held as fair value through other comprehensive income has been recognised in consolidated income statement during the three months ended 30th September 2022 (2021: nil).

9 LOAN FROM A FELLOW SUBSIDIARY

	(Unaudited) 30th September 2022 <i>HK\$'000</i>	(Audited) 31st March 2022 <i>HK\$'000</i>
Non-current		
Loan from a fellow subsidiary	<u>100,000</u>	<u>100,000</u>

As at 30th September 2022, the Group has obtained the facilities from its fellow subsidiary of HK\$125 million (31st March 2022: same) consisting of used facilities of HK\$100 million (31st March 2022: same) and unused facilities of HK\$25 million (31st March 2022: same).

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

10 CONTINGENT LIABILITIES

As at 30th September 2022, the Group did not have any material contingent liabilities or guarantees (31st March 2022: nil).

11 SIGNIFICANT INVESTMENT

As at 30th September 2022, the Group held 12,000,000 ordinary shares (31st March 2022: 12,000,000 ordinary shares) of Most Kwai Chung, representing 4.4% (31st March 2022: 4.4%) equity interests in Most Kwai Chung. No dividend was received from these ordinary shares during the period (2021: 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\$6,000,000 as at 30th September 2022 (31st March 2022: HK\$4,980,000) and it was approximately 6.2% (31st March 2022: 4.9%) 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.

12 REVIEW OF OPERATION

During the quarter under review, the Group's turnover was HK\$9,560,000 (2021: HK\$10,987,000), representing a decrease of around 13% as compared with that of the corresponding quarter of last financial year. The Group recorded a loss of HK\$4,917,000 compared to the profit of HK\$69,000 for the corresponding quarter of last financial year. The Group recorded one-off government grants of HK\$916,000 for the current quarter and one-off settlement fee income and government grants of HK\$5,087,000 in the corresponding quarter of last financial year. By excluding the aforesaid one-off other incomes, the Group's operating loss was HK\$5,833,000 for this quarter as compared to the operating loss excluding one-off other income of HK\$5,018,000 for the corresponding quarter of last financial year. Such increase in loss was mainly from decrease in turnover.

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

Hong Kong, 28th November 2022

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