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ONEMEDIAGROUP

One Media Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 426)

THIRD QUARTER RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31ST DECEMBER 2020

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 31st December 2020, together with the comparative figures for the corresponding period in 2019 as follows:

CONSOLIDATED INCOME STATEMENT

FOR THE THREE MONTHS ENDED 31ST DECEMBER 2020

		(Unaudited)	
		Three months ended 31st December	
		2020	2019
	Note	HK\$'000	HK\$'000
Turnover	2	13,422	20,909
Cost of goods sold		(11,128)	(13,448)
Gross profit		2,294	7,461
Other income	3	3,762	1,560
Selling and distribution expenses		(3,163)	(4,070)
Administrative expenses		(4,453)	(5,676)
Operating loss		(1,560)	(725)
Finance costs		(60)	(47)
Share of results of joint venture		(13)	-
Loss before income tax		(1,633)	(772)
Income tax expense	5	(21)	(45)
Loss for the period		(1,654)	(817)
Loss attributable to:			
- Owners of the Company		(1,654)	(817)
- Non-controlling interests		-	-
		(1,654)	(817)
Loss per share attributable to owners of the Company during the period (expressed in HK cents per share)			
- Basic and diluted	6	(0.41)	(0.20)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31ST DECEMBER 2020

	(Unaudited)	
	Three months ended 31st December	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss for the period	(1,654)	(817)
Other comprehensive income/(loss)		
<i>Item that may be reclassified subsequently to profit or loss</i>		
Currency translation differences	(12)	2
<i>Items that will not be reclassified to profit or loss</i>		
Fair value change on financial asset at fair value through other comprehensive income	360	(4,253)
Total comprehensive loss for the period	(1,306)	(5,068)
Total comprehensive loss for the period attributable to:		
- Owners of the Company	(1,306)	(5,068)
- Non-controlling interests	-	-
	(1,306)	(5,068)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2020

		(Unaudited) 31st December 2020 HK\$'000	(Audited) 31st March 2020 HK\$'000
	<i>Note</i>		
ASSETS			
Non-current assets			
Property, plant and equipment		606	679
Intangible assets		-	-
Right-of-use assets		-	-
Financial asset at fair value through other comprehensive income	8	6,960	9,821
Investments accounted for using equity method		237	-
Total non-current assets		7,803	10,500
Current assets			
Inventories		314	379
Trade and other receivables		10,584	8,673
Cash and cash equivalents		18,056	9,976
Total current assets		28,954	19,028
Total assets		36,757	29,528
EQUITY			
Equity attributable to owners of the Company			
Share capital		401	401
Share premium		457,543	457,543
Other reserves		(332,000)	(338,955)
Accumulated losses		(114,752)	(105,935)
Total equity		11,192	13,054
LIABILITIES			
Non-current liabilities			
Long service payment obligations		137	137
Lease liabilities		358	2,285
Loan from a fellow subsidiary	9	10,000	-
Total non-current liabilities		10,495	2,422
Current liabilities			
Trade and other payables		7,463	8,567
Contract liabilities		5,433	2,263
Amounts due to fellow subsidiaries		671	976
Lease liabilities		1,401	2,205
Income tax payables		102	41
Total current liabilities		15,070	14,052
Total liabilities		25,565	16,474
Total equity and liabilities		36,757	29,528

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 31st December 2020 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 third quarter results announcement should be read in conjunction with the audited consolidated annual financial statements of the Group for the year ended 31st March 2020, which have been prepared in accordance with IFRSs and the interim results announcement for the six months ended 30th September 2020.

(b) *Accounting policies*

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31st March 2020, 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 2021 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 in Hong Kong and Taiwan.

The breakdown of total revenue from external customers from these areas and the Group's turnover and results provided to the executive committee for the reporting segments for the three months ended 31st December 2020 and 2019 are as follows:

	(Unaudited)		
	Three months ended 31st December 2020		
	<u>Media Business</u>		
	Hong Kong and Taiwan		
	Entertainment and lifestyle operation	Watch and car operation and others	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	9,816	3,606	13,422
Segment loss	(716)	(91)	(807)
Unallocated expenses			(813)
Operating loss			(1,620)
Share of results of a joint venture			(13)
Loss before income tax			(1,633)
Income tax expense			(21)
Loss for the period			(1,654)
Other segmental information:			
Interest income	19	-	19
Government subsidies under Employment Support Scheme	1,979	420	2,399
Finance costs	(48)	(12)	(60)
Depreciation of property, plant and equipment	(69)	(15)	(84)
Amortisation of intangible assets	-	-	-
Depreciation of right-of-use assets	-	-	-

(Unaudited)
Three months ended 31st December 2019

Media Business

Hong Kong and Taiwan

	Entertainment and lifestyle operation <i>HK\$'000</i>	Watch and car operation and others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Turnover	15,974	4,935	20,909
Segment (loss)/profit	(177)	503	326
Unallocated expenses			(1,098)
Loss before income tax			(772)
Income tax expense			(45)
Loss for the period			(817)
Other segmental information:			
Interest income	53	-	53
Finance costs	(39)	(8)	(47)
Depreciation of property, plant and equipment	(152)	(16)	(168)
Amortisation of intangible assets	(61)	(1)	(62)
Depreciation of right-of-use assets	(552)	-	(552)

3 OTHER INCOME

	(Unaudited)	
	Three months ended 31st December	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Bank interest income	19	53
Other media business income	744	454
Dividend income	576	1,053
Government subsidies under Employment Support Scheme	2,399	-
Others	24	-
	<u>3,762</u>	<u>1,560</u>

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 31st December	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Paper consumed	52	102
Depreciation of property, plant and equipment	84	168
Depreciation of right-of-use assets	-	552
Amortisation of intangible assets	-	62
Employee benefit expense (including directors' emoluments)	11,733	12,800
Expenses relating to short-term leases	58	56
	<u>58</u>	<u>56</u>

5 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2019: 16.5%) on the estimated assessable profit for the period.

	(Unaudited)	
	Three months ended 31st December	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current income tax		
- Hong Kong profits tax	21	45
	<u>21</u>	<u>45</u>

6 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 31st December	
	2020	2019
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>(1,654)</u>	<u>(817)</u>
Basic and diluted loss per share (<i>HK cents per share</i>)	<u>(0.41)</u>	<u>(0.20)</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 31st December 2020 and 2019.

7 DIVIDENDS

No dividend has been declared by the Directors during the three months ended 31st December 2020 (2019: nil).

8 FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	(Unaudited) 31st December 2020 HK\$'000	(Audited) 31st March 2020 HK\$'000
Trading securities - listed securities		
At the beginning of the period/year	9,821	23,895
Disposal (<i>Note</i>)	(12,323)	-
Fair value gain/(loss) recognised in other comprehensive income	9,462	(14,074)
At the end of the period/year	<u>6,960</u>	<u>9,821</u>

Note:

In August 2020, the Group has sold some of the securities at total fair value of approximately HK\$12.3 million. At the time of disposal, the Group recognised positive fair value change of approximately HK\$8.3 million, which was calculated on the basis of the difference between the aggregate gross sales proceeds and the carrying amount of the securities as at 31st March 2020. This 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\$9.5 million. Approximately HK\$2.4 million from fair value through other comprehensive income reserve was transferred to accumulated losses in the consolidated statement of changes in equity.

At 31st December 2020 and 31st March 2020, the fair value was determined based on the share price of the listed securities.

9 LOAN FROM A FELLOW SUBSIDIARY

The loan from a fellow subsidiary is unsecured, not repayable before 31st December 2022 and carries at interest rate at 1.6% over Hong Kong Inter-bank Offer Rate per annum.

As at 31st December 2020, the Group has obtained a facility from a fellow subsidiary of HK\$25 million (31st March 2020: HK\$25 million) consisting of used facility of HK\$10 million (31st March 2020: nil) and unused facility of HK\$15 million (31st March 2020: HK\$25 million).

10 CONTINGENT LIABILITIES

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

11 SIGNIFICANT INVESTMENT

As at 31st December 2020, the Group held 12,000,000 ordinary shares (31st March 2020: 20,250,000 ordinary shares) of Most Kwai Chung, representing 4.4% (31st March 2020: 7.5%) equity interests in Most Kwai Chung. Dividend received from these ordinary shares was HK\$576,000 during the period (2019: HK\$1,053,000). Most Kwai Chung, a Cayman Islands incorporated company listed on the Main Board of The Stock Exchange of Hong Kong Limited (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\$6,960,000 as at 31st December 2020 (31st March 2020: HK\$9,821,000) and it was approximately 19% (31st March 2020: 33%) of the total assets of the Group.

The aggregate original costs of investment in Most Kwai Chung in respect of 12,000,000 ordinary shares of Most Kwai Chung was HK\$1,041,000 (HK\$1,757,000 in respect of 20,250,000 ordinary shares of Most Kwai Chung) 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 of Hong Kong Limited on 28th March 2018 (the "Listing"). The carrying value of the investment in Most Kwai Chung in respect of 12,000,000 ordinary shares was HK\$1,768,000 (HK\$2,983,000 in respect of 20,250,000 ordinary shares of Most Kwai Chung) 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\$13,422,000 (2019: HK\$20,909,000), representing a decrease of around 36% as compared with that of the corresponding quarter of last financial year. Although an Employment Support Scheme subsidy of HK\$2,399,000 was received from the Hong Kong Government for use of paying part of the wages of employees, the Group still recorded a loss of HK\$1,654,000 compared to the loss of HK\$817,000 for the corresponding quarter of last financial year.

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

Hong Kong, 25th February 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.