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萬 華 媒 體
ONEMEDIAGROUP
One Media Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 426)

FOURTH QUARTER RESULTS ANNOUNCEMENT
FOR THE THREE MONTHS ENDED 31ST MARCH 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 March 2020, together with the comparative figures for the corresponding period in 2019 as follows:

CONSOLIDATED INCOME STATEMENT
FOR THE THREE MONTHS ENDED 31ST MARCH 2020

	<i>Note</i>	(Unaudited)	
		Three months ended 31st March	
		2020	2019
		<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	2	11,430	23,929
Cost of goods sold		(12,811)	(17,385)
Gross (loss)/profit		(1,381)	6,544
Other income		624	440
Selling and distribution expenses		(3,372)	(4,304)
Administrative expenses		(13,021)	(5,702)
Operating loss		(17,150)	(3,022)
Finance costs		(43)	-
Loss before income tax		(17,193)	(3,022)
Income tax expense	6	(24)	(45)
Loss for the period		(17,217)	(3,067)
Loss attributable to:			
- Owners of the Company		(17,217)	(3,067)
- Non-controlling interests		-	-
		(17,217)	(3,067)
Loss per share attributable to owners of the Company during the period (expressed in HK cents per share)			
- Basic and diluted	7	(4.3)	(0.8)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH 2020

	<i>Note</i>	(Unaudited) 31st March 2020 HK\$'000	(Audited) 31st March 2019 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		679	1,627
Intangible assets	3	-	4,894
Right-of-use assets		-	-
Financial asset at fair value through other comprehensive income	4	9,821	23,895
Total non-current assets		<u>10,500</u>	<u>30,416</u>
Current assets			
Inventories		379	482
Trade and other receivables		8,673	16,811
Income tax recoverable		-	391
Cash and cash equivalents		9,976	22,843
Total current assets		<u>19,028</u>	<u>40,527</u>
Total assets		<u>29,528</u>	<u>70,943</u>
EQUITY			
Equity attributable to owners of the Company			
Share capital		401	401
Share premium		457,543	457,543
Other reserves		(338,955)	(324,805)
Accumulated losses		(105,935)	(79,087)
Total equity		<u>13,054</u>	<u>54,052</u>
LIABILITIES			
Non-current liabilities			
Long service payment obligations		137	54
Lease liabilities		2,285	-
Total non-current liabilities		<u>2,422</u>	<u>54</u>
Current liabilities			
Trade and other payables		8,567	12,620
Contract liabilities		2,263	3,116
Amounts due to fellow subsidiaries		976	1,101
Lease liabilities		2,205	-
Income tax payable		41	-
Total current liabilities		<u>14,052</u>	<u>16,837</u>
Total liabilities		<u>16,474</u>	<u>16,891</u>
Total equity and liabilities		<u>29,528</u>	<u>70,943</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 31st March 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 fourth quarter results announcement should be read in conjunction with the audited consolidated annual financial statements of the Group for the year ended 31st March 2019, which have been prepared in accordance with IFRSs and the interim results announcement for the six months ended 30th September 2019.

(b) *Accounting policies*

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31st March 2019, 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 accounting standards and interpretations that have been published but are not mandatory for 31st March 2020 reporting periods. These new standards and interpretations 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 March 2020 and 2019 are as follows:

	(Unaudited)		
	Three months ended 31st March 2020		
	<u>Media Business</u>		
	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	8,979	2,451	11,430
Segment loss	(15,331)	(2,365)	(17,696)
Unallocated income (<i>note 5</i>)			2,565
Unallocated expenses			(2,062)
Loss before income tax			(17,193)
Income tax expense			(24)
Loss for the period			(17,217)
Other segmental information:			
Interest income	26	-	26
Finance costs	36	7	43
Provision for impairment on property, plant and equipment	732	42	774
Provision for impairment on intangible assets	4,632	11	4,643
Provision for impairment on right-of-use assets	3,663	750	4,413
Depreciation of property, plant and equipment	132	25	157
Amortisation of intangible assets	61	3	64
Depreciation of right-of-use assets	458	94	552

(Unaudited)
Three months ended 31st March 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	20,489	3,440	23,929
	<u> </u>	<u> </u>	<u> </u>
Segment loss	(515)	(1,172)	(1,687)
	<u> </u>	<u> </u>	<u> </u>
Unallocated expenses			(1,335)
			<u> </u>
Loss before income tax			(3,022)
Income tax expense			(45)
			<u> </u>
Loss for the period			(3,067)
			<u> </u>
Other segmental information:			
Interest income	39	-	39
	<u> </u>	<u> </u>	<u> </u>
Depreciation of property, plant and equipment	163	22	185
	<u> </u>	<u> </u>	<u> </u>
Amortisation of intangible assets	65	3	68
	<u> </u>	<u> </u>	<u> </u>

3 INTANGIBLE ASSETS

	Computer Software <i>(Note)</i> <i>HK\$'000</i>	Trademarks <i>(Note)</i> <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31st March 2019			
Opening net book amount	200	4,973	5,173
Additions	11	-	11
Amortisation expenses	(85)	(205)	(290)
	<u>126</u>	<u>4,768</u>	<u>4,894</u>
At 31st March 2019			
Cost	1,443	75,600	77,043
Accumulated amortisation	(1,317)	(13,378)	(14,695)
Accumulated impairment	-	(57,454)	(57,454)
	<u>126</u>	<u>4,768</u>	<u>4,894</u>
Period ended 31st March 2020			
Opening net book amount	126	4,768	4,894
Additions	6	-	6
Amortisation expenses	(52)	(205)	(257)
Impairment	(80)	(4,563)	(4,643)
	<u>-</u>	<u>-</u>	<u>-</u>
At 31st March 2020			
Cost	1,438	75,600	77,038
Accumulated amortisation	(1,358)	(13,583)	(14,941)
Accumulated impairment	(80)	(62,017)	(62,097)
	<u>-</u>	<u>-</u>	<u>-</u>

Note:

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

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

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

4 FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Classification of financial assets at fair value through other comprehensive income

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

Equity investments at fair value through other comprehensive income

	(Unaudited) 31st March 2020 HK\$'000	(Audited) 31st March 2019 HK\$'000
Trading securities - listed securities		
At the beginning of the period/year	23,895	70,470
Fair value loss recognised in other comprehensive income	(14,074)	(46,575)
At the end of the period/year	<u>9,821</u>	<u>23,895</u>

Note:

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

5 OPERATING LOSS

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

	(Unaudited) Three months ended 31st March 2020 HK\$'000	2019 HK\$'000
Paper consumed	95	178
Depreciation of property, plant and equipment	157	185
Amortisation of intangible assets	64	68
Depreciation of right-of-use assets	552	-
Provision for impairment on property, plant and equipment	774	-
Provision for impairment on intangible assets	4,643	-
Provision for impairment on right-of-use assets	4,413	-
Employee benefit expense (including directors' emoluments)	13,174	13,014
Operating lease expenses	-	742
Expense relating to short-term lease	223	-
Professional fees recharge (<i>note</i>)	(2,565)	-
Gain on disposal of property, plant and equipment	<u>(41)</u>	<u>-</u>

Note:

This represents recharge of professional fee related to a capital market transaction incurred in prior years, which the recharge has been negotiated and agreed with the fellow subsidiary during the three months ended 31st March 2020.

6 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 March	
	2020	2019
	HK\$'000	HK\$'000
Current income tax		
- Hong Kong profits tax	24	45

7 LOSS PER SHARE

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

	(Unaudited)	
	Three months ended 31st March	
	2020	2019
	HK\$'000	HK\$'000
Loss attributable to owners of the Company	<u>(17,217)</u>	<u>(3,067)</u>
Number of ordinary shares in issue (in thousands)	<u>400,900</u>	<u>400,900</u>
Basic and diluted loss per share (HK cents per share)	<u>(4.3)</u>	<u>(0.8)</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 March 2020 and 2019.

8 DIVIDENDS

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

9 CONTINGENT LIABILITIES

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

10 REVIEW OF OPERATION

During the quarter under review, the Group's turnover was HK\$11,430,000 (2019: HK\$23,929,000), representing a decrease of around 52% as compared with the same quarter of last financial year. The decline in turnover was due to the weak advertising market in Hong Kong which led to the further decrease in advertising revenue of the Group. In addition, the Group had made non-cash provisions for impairment loss of HK\$9,830,000 for intangible assets, right-of-use assets and property, plant and equipment mainly due to the outbreak of the coronavirus pandemic in January 2020 adversely affecting the performance for this quarter under review. As a result, the Group recorded a loss of HK\$17,217,000 for this quarter compared to the loss of HK\$3,067,000 for the same quarter of last financial year.

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

Hong Kong, 24th June 2020

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.