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萬 華 媒 體
ONEMEDIAGROUP
ONE MEDIA GROUP LIMITED
萬華媒體集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 426)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2020**

The directors (the “Directors”) of One Media Group Limited (the “Company”) announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30th September 2020, together with the comparative figures for the corresponding period in 2019 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2020

		(Unaudited)	
		Six months ended	
		30th September	
		2020	2019
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	4	20,777	37,790
Cost of goods sold		(22,923)	(29,239)
Gross (loss)/profit		(2,146)	8,551
Other income	5	6,316	785
Other gains	6	1,712	–
Selling and distribution expenses		(6,318)	(8,015)
Administrative expenses		(9,029)	(9,952)
Operating loss	7	(9,465)	(8,631)
Finance costs	8	(81)	(109)
Loss before income tax		(9,546)	(8,740)
Income tax expense	9	(40)	(74)
Loss for the period		(9,586)	(8,814)

	(Unaudited)	
	Six months ended	
	30th September	
	2020	2019
<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss attributable to:		
— Owners of the Company	(9,586)	(8,814)
— Non-controlling interests	<u>—</u>	<u>—</u>
	<u>(9,586)</u>	<u>(8,814)</u>
 Loss per share attributable to owners of the Company during the period (expressed in HK cents per share)		
Basic and diluted	<i>10</i> <u>(2.39)</u>	<u>(2.20)</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2020

	(Unaudited)	
	Six months ended	
	30th September	
	2020	2019
	HK\$'000	HK\$'000
Loss for the period	(9,586)	(8,814)
Other comprehensive (loss)/income		
<i>Item that may be reclassified subsequently to profit or loss</i>		
Currency translation differences	(72)	4
<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	9,102	(4,657)
Total comprehensive loss for the period	(556)	(13,467)
Total comprehensive loss for the period attributable to:		
— Owners of the Company	(556)	(13,467)
— Non-controlling interests	—	—
	(556)	(13,467)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30TH SEPTEMBER 2020

		(Unaudited) 30th September 2020 <i>HK\$'000</i>	(Audited) 31st March 2020 <i>HK\$'000</i>
	<i>Note</i>		
ASSETS			
Non-current assets			
Property, plant and equipment		560	679
Intangible assets	12	–	–
Right-of-use assets		–	–
Financial asset at fair value through other comprehensive income	13	6,600	9,821
Investments accounted for using equity method	14	250	–
		<u>7,410</u>	<u>10,500</u>
Total non-current assets		7,410	10,500
Current assets			
Inventories		248	379
Trade and other receivables	15	9,209	8,673
Cash and cash equivalents		22,169	9,976
		<u>31,626</u>	<u>19,028</u>
Total current assets		31,626	19,028
Total assets		39,036	29,528
EQUITY			
Equity attributable to owners of the Company			
Share capital	16	401	401
Share premium	16	457,543	457,543
Other reserves		(332,348)	(338,955)
Accumulated losses		(113,098)	(105,935)
		<u>12,498</u>	<u>13,054</u>
Total equity		12,498	13,054

		(Unaudited) 30th September 2020 <i>HK\$'000</i>	(Audited) 31st March 2020 <i>HK\$'000</i>
	<i>Note</i>		
LIABILITIES			
Non-current liabilities			
Long service payment obligations		137	137
Lease liabilities		713	2,285
Loan from a fellow subsidiary	19	<u>10,000</u>	<u>–</u>
Total non-current liabilities		<u>10,850</u>	<u>2,422</u>
Current liabilities			
Trade and other payables	17	7,900	8,567
Contract liabilities	17	4,055	2,263
Amounts due to fellow subsidiaries	17	759	976
Lease liabilities		1,389	2,205
Income tax payables		81	41
Bank borrowings	18	<u>1,504</u>	<u>–</u>
Total current liabilities		<u>15,688</u>	<u>14,052</u>
Total liabilities		<u>26,538</u>	<u>16,474</u>
Total equity and liabilities		<u>39,036</u>	<u>29,528</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

One Media Group Limited (the “Company”) was incorporated in the Cayman Islands on 11th March 2005 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Clifton House, 75 Fort Street, P.O. Box 1350 GT, George Town, Grand Cayman, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (collectively, the “Group”) are principally engaged in media business in Hong Kong and Taiwan, including but not limited to magazine publishing and digital media business.

The condensed consolidated interim financial information of the Group for the six months ended 30th September 2020 (this “interim financial information”) is presented in Hong Kong dollars (“HK\$”), unless otherwise stated. This interim financial information has been approved for issue by the Board of Directors on 25th November 2020.

This interim financial information has not been audited.

2 BASIS OF PREPARATION

This unaudited interim financial information has been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“IASB”) and applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

This interim financial information should be read in conjunction with the audited consolidated annual financial statements of the Group for the year ended 31st March 2020 which were prepared in accordance with International Financial Reporting Standards (“IFRSs”) and the accompanying explanatory notes attached to this interim financial information.

3 ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period except for the adoption of new and amended standards as set out below.

Taxes on income for the six months ended 30th September 2020 are accrued using the tax rate that would be applicable to expected total annual earnings.

(i) New and amended standards and interpretations adopted by the Group

The Group has applied the following standards and amendments for the first time for its annual reporting period commencing 1st April 2020:

- Amendments to IAS 1 and IAS 8, “Definition of material”
- Amendments to IAS 39, IFRS 7 and IFRS 9, “Interest rate benchmark reform”
- Amendments to IFRS 3, “Definition of a business”
- Conceptual Framework for Financial Reporting 2018, “Revised Conceptual Framework for Financial Reporting”

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(ii) New and amended standards and interpretations not yet adopted by the Group

Certain new and amended accounting standards and interpretations have been published that are not mandatory for 30th September 2020 reporting periods and have not been early adopted by the Group.

		Effective for annual periods beginning on or after
Amendments to IAS 1	Classification of liabilities as current or non-current	1st January 2023
Amendments to IAS 16	Property, plant and equipment: proceeds before intended use	1st January 2022
Amendments to IAS 37	Onerous contracts — cost of fulfilling a contract	1st January 2022
Amendments to IFRS 3	Reference to the conceptual framework	1st January 2022
Amendments to IFRS 16	COVID-19-related rent concessions	1st June 2020
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	Effective date to be determined
IFRS 17	Insurance contracts	1st January 2023
Amendments to IFRS 17	Insurance contracts	1st January 2023
Annual improvements	Annual improvements to IFRSs 2018–2020 cycle	1st January 2022

None of these new standards and interpretations are expected to have a material impact on the Group's consolidated financial statements.

4 TURNOVER AND 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 turnover from external customers from these areas and the Group's turnover and results provided to the executive committee for the reporting segments for the period ended 30th September 2020 and 2019 are as follows:

	(Unaudited)		
	Six months ended 30th September 2020		
	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	15,997	4,780	20,777
Segment loss	(5,431)	(1,686)	(7,117)
Unallocated expenses			(2,429)
Loss before income tax			(9,546)
Income tax expense			(40)
Loss for the period			(9,586)
Other segmental information:			
Interest income	5	–	5
Other gains	1,421	291	1,712
Government subsidies under Employment Support Scheme	3,990	817	4,807
Finance costs	(69)	(12)	(81)
Depreciation of property, plant and equipment	(137)	(23)	(160)
Amortisation of intangible assets (<i>Note 12</i>)	–	–	–
Depreciation of right-of-use assets	–	–	–

(Unaudited)
Six months ended 30th September 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	<u>30,139</u>	<u>7,651</u>	<u>37,790</u>
Segment loss	<u>(4,910)</u>	<u>(1,692)</u>	(6,602)
Unallocated expenses			<u>(2,138)</u>
Loss before income tax			(8,740)
Income tax expense			<u>(74)</u>
Loss for the period			<u>(8,814)</u>
Other segmental information:			
Interest income	<u>100</u>	<u>–</u>	<u>100</u>
Finance costs	<u>(91)</u>	<u>(18)</u>	<u>(109)</u>
Depreciation of property, plant and equipment	<u>(318)</u>	<u>(33)</u>	<u>(351)</u>
Amortisation of intangible assets (<i>Note 12</i>)	<u>(126)</u>	<u>(5)</u>	<u>(131)</u>
Depreciation of right-of-use assets	<u>(1,103)</u>	<u>–</u>	<u>(1,103)</u>
Disaggregation of revenue			

	(Unaudited)	
	Six months ended	
	30th September	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Timing of revenue		
— At a point of time	<u>5,975</u>	7,763
— Overtime	<u>14,802</u>	<u>30,027</u>
	<u>20,777</u>	<u>37,790</u>

5 OTHER INCOME

	(Unaudited)	
	Six months ended	
	30th September	
	2020	2019
	HK\$'000	HK\$'000
Bank interest income	5	100
Other media business income	1,292	685
Government subsidies under Employment Support Scheme	4,807	–
Others	212	–
	<u>6,316</u>	<u>785</u>

6 OTHER GAINS

	(Unaudited)	
	Six months ended	
	30th September	
	2020	2019
	HK\$'000	HK\$'000
Gain on lease modification	<u>1,712</u>	<u>–</u>

7 OPERATING LOSS

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

	(Unaudited)	
	Six months ended	
	30th September	
	2020	2019
	HK\$'000	HK\$'000
Paper consumed	127	204
Depreciation of property, plant and equipment	160	351
Depreciation of right-of-use assets	–	1,103
Amortisation of intangible assets (<i>Note 12</i>)	–	131
Employee benefit expense (including directors' emoluments)	24,232	25,009
Expenses relating to short-term leases	<u>157</u>	<u>236</u>

8 FINANCE COSTS

	(Unaudited)	
	Six months ended	
	30th September	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest expense on lease liabilities	43	109
Loan interest expenses	38	–
	<u>81</u>	<u>109</u>

9 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% for the six months ended 30th September 2020 (the tax rate for the six months ended 30th September 2019 was 16.5%) on the estimated assessable profit derived from Hong Kong for the period.

Income tax expense in the condensed consolidated income statement represents:

	(Unaudited)	
	Six months ended	
	30th September	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current income tax		
— Hong Kong profits tax	40	74
	<u>40</u>	<u>74</u>

Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year.

10 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)	
	Six months ended	
	30th September	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Weighted average number of ordinary shares in issue (<i>in thousands</i>)	400,900	400,900
	<u>(9,586)</u>	<u>(8,814)</u>
Loss attributable to owners of the Company		
	<u>(2.39)</u>	<u>(2.20)</u>
Basic and diluted loss per share (<i>HK cents per share</i>)		

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 six months ended 30th September 2020 and 2019.

11 DIVIDENDS

The Directors do not recommend the payment of interim dividend for the six months ended 30th September 2020 (Six months ended 30th September 2019: nil).

12 INTANGIBLE ASSETS

	Group			
	Computer software	Goodwill	Trademarks	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Period ended 30th September 2019				
(Unaudited)				
Opening net book amount	126	–	4,768	4,894
Additions	2	–	–	2
Amortisation expenses	(28)	–	(103)	(131)
	<u>100</u>	<u>–</u>	<u>4,665</u>	<u>4,765</u>
Closing net book amount	<u>100</u>	<u>–</u>	<u>4,665</u>	<u>4,765</u>
At 30th September 2019				
Cost	1,434	–	75,600	77,034
Accumulated amortisation	(1,334)	–	(13,481)	(14,815)
Accumulated impairment	–	–	(57,454)	(57,454)
	<u>–</u>	<u>–</u>	<u>(57,454)</u>	<u>(57,454)</u>
Net book amount	<u>100</u>	<u>–</u>	<u>4,665</u>	<u>4,765</u>
Period ended 30th September 2020				
(Unaudited)				
Opening net book amount	–	–	–	–
Additions	–	–	–	–
Amortisation expenses	–	–	–	–
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Closing net book amount	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
At 30th September 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>(62,017)</u>	<u>(62,097)</u>
Net book amount	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

13 FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	(Unaudited) 30th September 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 (<i>Note</i>)	9,102	(14,074)
At the end of the period/year	<u>6,600</u>	<u>9,821</u>

Note: During the period ended 30th September 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 disposed securities as at 31st March 2020. This positive fair value change for disposed securities together with the fair value change for unsold securities were included in the fair value gain recognised in other comprehensive income amounted to approximately HK\$9.1 million. Approximately HK\$2.4 million from fair value through other comprehensive income reserve was transferred to accumulated losses in the condensed consolidated statement of changes in equity.

At 30th September 2020 and 31st March 2020, 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.

14 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	(Unaudited) 30th September 2020 HK\$'000	(Audited) 31st March 2020 HK\$'000
At the beginning of the period/year	–	–
Incorporation of a joint venture (<i>Note a</i>)	–	–
Loan to a joint venture (<i>Note b</i>)	250	–
Dividend income declared/received	–	–
Interests in joint venture and associate, net	<u>250</u>	<u>–</u>

Note:

- (a) On 24th July 2020, the Group entered into an agreement with an independent third party to incorporate a joint venture, Searching B Company Limited for HK\$50 and the transaction was completed during the six months ended 30th September 2020. The Group accounted for the investment in Searching B Company Limited as a joint venture, as unanimous consent is required for decisions of relevant activities according to the agreement.
- (b) The loan to a joint venture is unsecured, has no fixed terms of repayment and is interest-free.

Set out below is a joint venture of the Group as at 30th September 2020.

Nature of investment in a joint venture as at 30th September 2020:

Name of joint venture	Place of incorporation	Effective equity interest		Principal activities	Measurement method
		30th September 2020	31st March 2020		
Searching B Company Limited (“Searching B”)	Hong Kong	50%	–	<i>Note</i>	Equity

Note: Searching B is principally engaged in the operation of a content-driven and data-driven e-commerce platform focusing on beauty-related products, namely, www.searchingb.com.

Searching B is a private company with no quoted market prices available for its shares. There is no commitment and contingent liability relating to the Group’s interest in the joint venture.

Set out below is an associate of the Group as at 30th September 2020 and 31st March 2020.

Nature of investment in an associate as at 30th September 2020 and 31st March 2020:

Name of associate	Place of incorporation	Effective equity interest		Principal activities	Measurement method
		30th September 2020	31st March 2020		
ByRead Inc. (“ByRead”)	The Cayman Islands	24.97%	24.97%	<i>Note</i>	Equity

Note: ByRead is an investment holding company and the principal activities of its subsidiaries include the provision of mobile value-added services such as entertainment and online reading for individuals and enterprises in Mainland China.

ByRead is a private company with no quoted market prices available for its shares. There is no commitment and contingent liabilities relating to the Group’s interest in the associate.

For the period ended 30th September 2020, the associate incurred losses and the Group shared losses of the associate up to its interest in the associate.

15 TRADE AND OTHER RECEIVABLES

	(Unaudited) 30th September 2020 <i>HK\$’000</i>	(Audited) 31st March 2020 <i>HK\$’000</i>
Trade receivables	6,418	7,459
Other receivables and deposits	1,362	328
Barter receivables	268	153
Prepayments and advances	1,161	733
	9,209	8,673

As at 30th September 2020 and 31st March 2020, the fair values of trade and other receivables approximated their carrying amounts.

The Group allows in general a credit period ranging from 30 to 120 days to its trade customers. As at 30th September 2020 and 31st March 2020, the ageing analysis of the Group's trade receivables by invoice date, net of allowance for impairment, is as follows:

	(Unaudited) 30th September 2020 <i>HK\$'000</i>	(Audited) 31st March 2020 <i>HK\$'000</i>
0 to 60 days	3,762	4,052
61 to 120 days	1,600	1,651
121 to 180 days	260	1,270
Over 180 days	796	486
	<u>6,418</u>	<u>7,459</u>

There is no concentration of credit risk with respect to trade receivables as the Group has a large customer base.

16 SHARE CAPITAL AND SHARE PREMIUM

	Number of shares <i>(in thousands)</i>	Nominal values of ordinary shares of HK\$0.001 each <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1st April 2019, 30th September 2019, 31st March 2020 and 30th September 2020	<u>400,900</u>	<u>401</u>	<u>457,543</u>	<u>457,944</u>

17 TRADE AND OTHER PAYABLES, CONTRACT LIABILITIES AND AMOUNTS DUE TO FELLOW SUBSIDIARIES

	(Unaudited) 30th September 2020 <i>HK\$'000</i>	(Audited) 31st March 2020 <i>HK\$'000</i>
Trade payables	1,741	3,046
Other payables	6,159	5,521
	<u>7,900</u>	<u>8,567</u>
Contract liabilities	4,055	2,263
Amounts due to fellow subsidiaries	759	976
	<u>12,714</u>	<u>11,806</u>

As at 30th September 2020 and 31st March 2020, the ageing analysis of the trade payables by invoice date is as follows:

	(Unaudited) 30th September 2020 HK\$'000	(Audited) 31st March 2020 HK\$'000
0 to 60 days	1,273	1,983
61 to 120 days	304	720
121 to 180 days	115	17
Over 180 days	49	326
	<u>1,741</u>	<u>3,046</u>

As at 30th September 2020 and 31st March 2020, the fair values of trade and other payables, contract liabilities and amounts due to fellow subsidiaries approximated their carrying amounts.

18. BANK BORROWINGS

	(Unaudited) 30th September 2020 HK\$'000	(Audited) 31st March 2020 HK\$'000
Current		
Short-term bank borrowings (unsecured) (<i>Note</i>)	<u>1,504</u>	<u>–</u>

Notes:

- (i) Bank borrowings are repayable within 1 year and carry at effective interest rate of 1.7% per annum (31st March 2020: nil).
- (ii) As at 30th September 2020 and 31st March 2020, the Group's banking facilities were secured by corporate guarantees issued by the Company.

19. LOAN FROM A FELLOW SUBSIDIARY

	(Unaudited) 30th September 2020 HK\$'000	(Audited) 31st March 2020 HK\$'000
Non-current		
Loan from a fellow subsidiary	<u>10,000</u>	<u>–</u>

The loan 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 (31st March 2020: nil)

As at 30th September 2020, the Group has obtained a facility from its 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).

20. CONTINGENT LIABILITIES

As at 30th September 2020, the Group did not have any material contingent liabilities or guarantees (31st March 2020: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Results Summary

The coronavirus pandemic continued to inflict severe impact on global economy. The Hong Kong economy is also severely affected. The Gross Domestic Product (GDP) in Hong Kong recorded a negative growth of 9% in the second quarter of 2020 compared to previous year. Consequently, the Hong Kong government downgraded its forecast for the economy, projecting a contraction of between 6% and 8% in 2020.

For the six months ended 30th September 2020, the Group's turnover decreased by 45% or HK\$17,013,000 to HK\$20,777,000 compared to the corresponding period in 2019. The Group recognised the one-off other gains arising from lease modification of HK\$1,712,000 and government subsidies under the Employment Support Scheme ("ESS") of HK\$4,807,000. As a result, the Group recorded a loss attributable to owners of the Company of HK\$9,586,000 as compared to the loss of HK\$8,814,000 in the corresponding period in 2019.

Review of Operations

Entertainment and Lifestyle Operation

Turnover for the entertainment and lifestyle operation fell by 47% to HK\$15,997,000 from HK\$30,139,000 in the corresponding period in 2019. The decrease in this segment resulted in a 11% increase in segment loss to HK\$5,431,000 for this period as compared to HK\$4,910,000 in the corresponding period in 2019. The loss was partially cushioned by the one-off other gains arising from lease modification of HK\$1,421,000 and the government subsidies under ESS of HK\$3,990,000.

While the Group has tightened its operational costs, the decline in the segment's turnover was much more than cost savings.

Both "*Ming Pao Weekly 明周*" ("MP Weekly") and "*Ming's*", have been impacted by the drastic decline in advertisement expenditure due to the drop in retail spending as a result of the coronavirus pandemic. MP Weekly which advertisers are mainly from luxury brands suffered greatly from the lack of advertisement and events from this segment in the period under review.

In line with its initiative to expand its client base beyond luxury brands, the Group had launched new initiatives such as "Mingshop930" to complement its revenue. "Mingshop930" is a flash-sale e-commerce platform leveraging on popular personalities to promote advertisers' products through a live web streaming show. This provides our advertisers another solution not just to promote their products, but also sell through online transactions.

The Group's artist management business continues to grow and it has managed to increase the number of talents under its management.

Watch and Car Operation and Others

Watch and car operation and others segment turnover decreased by 38% from HK\$7,651,000 to HK\$4,780,000 compared to the corresponding period in 2019. This segment loss slightly decreased by 0.4% to HK\$1,686,000 as compared to loss of HK\$1,692,000 in the corresponding period in 2019. The segment loss was also partially offset by the one-off other gains arising from lease modification of HK\$291,000 and the government subsidies under ESS of HK\$817,000.

“*TopGear 極速誌*” (“TopGear”), a leading automobile title and “*MING Watch 明錶*” (“Ming Watch”), a popular high-end watch title, offering quality feature stories and the latest industry trends, have also been affected by paralysing effects of the coronavirus pandemic.

Other Investments

The Group disposed on-market of a total 8,250,000 ordinary shares of Most Kwai Chung Limited (“Most Kwai Chung”) (the “Disposal”) in a series of transactions conducted on 11th August and 12th August 2020 for an aggregate gross sale proceeds of approximately HK\$12.3 million. The Group recognised a fair value gain of approximately HK\$8.3 million from the Disposal which was calculated on the basis of the difference between the aggregate gross sales proceeds and the carrying value of the Disposal as at 31st March 2020. This fair value gain for the Disposal together with the fair value change for unsold securities were included in the fair value gain recognised in other comprehensive income for the six months ended 30th September 2020. Following the completion of the Disposal, the number of ordinary shares of Most Kwai Chung held by the Group reduced to 12,000,000 ordinary shares from 20,250,000 ordinary shares.

As at 30th September 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 nil during the period (2019: 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\$6,600,000 recorded as financial asset at fair value through other comprehensive income as at 30th September 2020 (31st March 2020: HK\$9,821,000) and it was approximately 17% (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 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 carrying value of such investment was HK\$6,600,000 as at 30th September 2020. 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.

Besides, in September 2020, the Group announced to form a 50/50 joint venture company to operate a new content-driven and data-driven e-commerce platform focusing on beauty-related products, namely, www.searchingb.com. The Group believes this new business would have synergies with its entertainment and lifestyle operation.

OUTLOOK

The Group expects the second half of the financial year 2020/2021 to be extremely challenging. This is because regional and international economic activity remains severely affected by the coronavirus pandemic, which has also resulted in a dramatic deterioration of Hong Kong's economy. Nevertheless, the Group will continue to drive new initiatives with the aim of expanding its client base and make efforts on cost containment.

CAPITAL EXPENDITURE

The Group's total capital expenditure for property, plant and equipment and intangible assets for the six months ended 30th September 2020 amounted to HK\$41,000.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

As at 30th September 2020, the Group's net current assets amounted to HK\$15,938,000 (31st March 2020: HK\$4,976,000) and the total equity attributable to the equity holders of the Company was HK\$12,498,000 (31st March 2020: HK\$13,054,000). The Group had bank borrowings of HK\$1,504,000 (31st March 2020: nil) and loan from a fellow subsidiary of HK\$10,000,000 (31st March 2020: nil) and the gearing ratios, which is defined as the ratio of net debt, calculated as total borrowings less cash and cash equivalents, to total capital, calculated as total equity attributable to the Company's equity holders plus net debt, was nil at 30th September 2020 (31st March 2020: nil).

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

The Group's revenues and costs are mainly denominated in Hong Kong dollars, the Group does not foresee substantial risks from exposure to fluctuation in exchange rates.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

The Company has not redeemed any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

EMPLOYEES

As at 30th September 2020, the Group has 143 employees (31st March 2020: 153 employees). The Group remunerates its employees based on the operating results, individual performance and comparable market statistics. The emoluments of the Directors and senior management are reviewed by the Remuneration Committee regularly. In Hong Kong, the Group participates in the hybrid retirement benefit scheme operated by the Company's fellow subsidiary and the Mandatory Provident Fund scheme for its employees.

CORPORATE GOVERNANCE

For the six months ended 30th September 2020, the Company has adopted the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules and complied with the CG Code throughout the period.

COMPLIANCE OF THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules as the code for securities transactions by the Directors. The Directors have confirmed, following specific enquiries by the Company, their compliance with the required standard set out in the Model Code throughout the period.

The Company has also established written guidelines regarding securities transactions on no less exacting terms of the Model Code for senior management and specific individual who may have access to inside information in relation to the securities of the Company.

AUDIT COMMITTEE

The Audit Committee currently comprises three independent non-executive Directors, namely, Mr. YU Hon To, David, Mr. LAU Chi Wah, Alex and Mr. CHAU Cheuk Wah. The Audit Committee has reviewed the Group's unaudited condensed consolidated financial information for the six months ended 30th September 2020 and discussed matters relating to auditing, risk management, internal control systems and financial reporting.

REMUNERATION COMMITTEE

The Remuneration Committee currently comprises three independent non-executive Directors, namely, Mr. YU Hon To, David, Mr. LAU Chi Wah, Alex, and Mr. CHAU Cheuk Wah and one executive Director, namely, Mr. TIONG Kiew Chiong.

NOMINATION COMMITTEE

The Nomination Committee currently comprises three independent non-executive Directors, namely, Mr. YU Hon To, David, Mr. LAU Chi Wah, Alex, and Mr. CHAU Cheuk Wah and one executive Director, namely, Mr. TIONG Kiew Chiong.

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

Hong Kong, 25th November 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.

The Company's Interim Report 2020/21 containing all the information required by the Listing Rules will be published on The Stock Exchange of Hong Kong Limited's website in due course and will be dispatched to shareholders before end of December 2020.