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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 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 31st March 2022, together with the comparative figures for the corresponding period in 2021 as follows:

CONSOLIDATED INCOME STATEMENT

FOR THE THREE MONTHS ENDED 31ST MARCH 2022

	Note	(Unaudited)	
		Three months ended 31st March	
		2022	2021
		HK\$'000	HK\$'000
Turnover	2	9,073	11,744
Cost of goods sold		<u>(8,841)</u>	<u>(11,470)</u>
Gross profit		232	274
Other income	3	247	541
Selling and distribution expenses		(2,284)	(2,821)
Administrative expenses		<u>(3,913)</u>	<u>(3,932)</u>
Operating loss		(5,718)	(5,938)
Finance costs		(128)	(59)
Share of net loss of a joint venture accounted for using equity method		<u>(44)</u>	<u>(37)</u>
Loss before income tax		(5,890)	(6,034)
Income tax (expense)/credit	5	<u>(8)</u>	<u>19</u>
Loss for the period		<u><u>(5,898)</u></u>	<u><u>(6,015)</u></u>
Loss attributable to:			
- Owners of the Company		(5,898)	(6,015)
- Non-controlling interests		-	-
		<u><u>(5,898)</u></u>	<u><u>(6,015)</u></u>
Loss per share attributable to owners of the Company during the period (expressed in HK cents per share)			
- Basic and diluted	6	<u><u>(1.47)</u></u>	<u><u>(1.50)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH 2022

		(Unaudited) 31st March 2022 HK\$'000	(Audited) 31st March 2021 HK\$'000
	<i>Note</i>		
ASSETS			
Non-current assets			
Property, plant and equipment		320	567
Intangible assets		-	-
Right-of-use assets		-	-
Financial asset at fair value through other comprehensive income	8	4,980	7,320
Investments accounted for using equity method		55	200
Total non-current assets		5,355	8,087
Current assets			
Inventories		208	281
Trade and other receivables		6,791	10,480
Amounts due from fellow subsidiaries		-	12
Cash and cash equivalents		90,259	115,082
Total current assets		97,258	125,855
Total assets		102,613	133,942
EQUITY			
Equity attributable to owners of the Company			
Share capital		401	401
Share premium		457,543	457,543
Other reserves		(333,882)	(331,664)
Accumulated losses		(133,099)	(120,767)
Total (deficit)/equity		(9,037)	5,513
LIABILITIES			
Non-current liabilities			
Long service payment obligations		12	50
Lease liabilities		80	-
Loans from a fellow subsidiary	9	100,000	115,000
Total non-current liabilities		100,092	115,050
Current liabilities			
Trade and other payables		5,722	6,963
Contract liabilities		4,478	3,680
Amounts due to fellow subsidiaries		1,199	1,292
Lease liabilities		94	1,414
Income tax payable		65	30
Total current liabilities		11,558	13,379
Total liabilities		111,650	128,429
Total equity and liabilities		102,613	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 31st March 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 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 2021, which have been prepared in accordance with IFRSs and the final results announcement for the year ended 31st March 2022.

(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 31st March 2022 and 2021 are as follows:

	(Unaudited)		
	Three months ended 31st March 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	6,787	2,286	9,073
Segment loss	(4,281)	(506)	(4,787)
Unallocated expenses (net)			(1,103)
Loss before income tax			(5,890)
Income tax expense			(8)
Loss for the period			(5,898)
Other segmental information:			
Interest income	2	-	2
Government grants	50	-	50
Finance costs	(106)	(22)	(128)
Provision for impairment of right-of-use assets	-	(165)	(165)
Depreciation of property, plant and equipment	(55)	(10)	(65)
Depreciation of right-of-use assets	-	(51)	(51)

(Unaudited)
Three months ended 31st March 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	9,386	2,358	11,744
Segment loss	<u>(4,042)</u>	<u>(1,308)</u>	<u>(5,350)</u>
Unallocated expenses (net)			<u>(684)</u>
Loss before income tax			(6,034)
Income tax credit			19
Loss for the period			<u>(6,015)</u>
Other segmental information:			
Interest income	<u>6</u>	<u>-</u>	<u>6</u>
Finance costs	<u>(49)</u>	<u>(10)</u>	<u>(59)</u>
Depreciation of property, plant and equipment	<u>(72)</u>	<u>(13)</u>	<u>(85)</u>

3 OTHER INCOME

	(Unaudited)	
	Three months ended 31st March	
	2022	2021
	HK\$'000	HK\$'000
Bank interest income	2	6
Other media business income	158	485
Government grants	50	-
Administrative service income	37	50
	<u>247</u>	<u>541</u>

4 OPERATING LOSS

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

	(Unaudited)	
	Three months ended 31st March	
	2022	2021
	HK\$'000	HK\$'000
Depreciation of property, plant and equipment	65	85
Depreciation of right-of-use assets	51	-
Provision for impairment on right-of-use assets	165	-
Employee benefit expense (including directors' emoluments)	8,936	10,782
Expenses relating to short-term leases and variable lease payments not included in lease liabilities	48	162
(Reversal of)/provision for loss allowance	(12)	21

5 INCOME TAX (EXPENSE)/CREDIT

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

	(Unaudited)	
	Three months ended 31st March	
	2022	2021
	HK\$'000	HK\$'000
Current income tax (expense)/credit		
- Hong Kong profits tax	(8)	19

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 March	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Weighted average number of ordinary shares in issue (in thousands)	400,900	400,900
Loss attributable to owners of the Company	<u>(5,898)</u>	<u>(6,015)</u>
Basic and diluted loss per share (<i>HK cents per share</i>)	<u>(1.47)</u>	<u>(1.50)</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 2022 and 2021.

7 DIVIDENDS

No dividend has been declared by the Directors during the three months ended 31st March 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)
	31st March	31st March
	2022	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 a</i>)	-	(12,323)
Fair value (loss)/gain recognised in other comprehensive income	<u>(2,340)</u>	<u>9,822</u>
At the end of the period/year (<i>Note b</i>)	<u>4,980</u>	<u>7,320</u>

Note:

(a) During the year ended 31st March 2021, 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.

(b) 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”). Dividends for the year from the above equity investments held at fair value through other comprehensive income totalling HK\$408,000 (2021: HK\$576,000) was recognised in consolidated income statement.

9 LOANS FROM A FELLOW SUBSIDIARY

	(Unaudited) 31st March 2022 HK\$'000	(Audited) 31st March 2021 HK\$'000
Non-current		
Loans from a fellow subsidiary (<i>Note</i>)	<u>100,000</u>	<u>115,000</u>

Note:

As at 31st March 2022, the Group has obtained the facilities from its fellow subsidiary of HK\$125 million (31st March 2021: same) consisting of used facilities of HK\$100 million (31st March 2021: HK\$115 million) and unused facilities of HK\$25 million (31st March 2021: HK\$10 million).

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 31st March 2022, the Group did not have any material contingent liabilities or guarantees (31st March 2021: nil).

11 SIGNIFICANT INVESTMENT

As at 31st March 2022, 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 HK\$408,000 during the financial year (2021: HK\$576,000). 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\$4,980,000 as at 31st March 2022 (31st March 2021: HK\$7,320,000) and it was approximately 4.9% (31st March 2021: 5.5%) 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.

12 REVIEW OF OPERATION

During the quarter under review, the Group's turnover was HK\$9,073,000 (2021: HK\$11,744,000), representing a decrease of around 23% as compared with that of the corresponding quarter of last financial year. In early 2022, the Omicron variant had led to the implementation of more severe social distancing measures in Hong Kong. The turnover for the quarter under review was adversely affected. However, with the costs control on its operation, the Group recorded a loss of HK\$5,898,000 compared to the loss of HK\$6,015,000 for the corresponding quarter of last financial year.

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

Hong Kong, 26th May 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, Mrs. WONG HUNG Flavia Yuen Yee and Mr. LAU Chi Wah, Alex being independent non-executive directors.