

One Media Group Interim Report 2023/24

萬華 媒體

二〇二三至二四年度中期報告

One Media Group Limited
萬華媒體集團有限公司

Stock Code 股份代號：426

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2023

		(Unaudited)	
		Six months ended 30th September	
		2023	2022
	<i>Note</i>	HK\$'000	HK\$'000
Turnover	6	17,017	19,824
Cost of goods sold		(16,236)	(16,052)
Gross profit		781	3,772
Other income	7	108	2,742
Selling and distribution expenses		(3,817)	(4,562)
Administrative expenses		(8,000)	(8,715)
Operating loss	8	(10,928)	(6,763)
Finance costs	9	(1,285)	(318)
Share of net loss of a joint venture accounted for using the equity method		(94)	(57)
Loss before income tax		(12,307)	(7,138)
Income tax (expense)/credit	10	(13)	124
Loss for the period		(12,320)	(7,014)
Loss attributable to:			
— Owners of the Company		(12,320)	(7,014)
— Non-controlling interests		—	—
		(12,320)	(7,014)
Loss per share attributable to owners of the Company during the period (expressed in HK cents per share)			
Basic and diluted	11	(3.07)	(1.75)

The above condensed consolidated income statement should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2023

	(Unaudited)	
	Six months ended 30th September	
	2023	2022
	HK\$'000	HK\$'000
Loss for the period	(12,320)	(7,014)
Other comprehensive (loss)/income		
<i>Item that may be reclassified subsequently to profit or loss</i>		
Currency translation differences	(10)	(42)
<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	(3,720)	1,020
Total comprehensive loss for the period	(16,050)	(6,036)
Total comprehensive loss for the period attributable to:		
— Owners of the Company	(16,050)	(6,036)
— Non-controlling interests	—	—
	(16,050)	(6,036)

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30TH SEPTEMBER 2023

		(Unaudited) 30th September 2023 HK\$'000	(Audited) 31st March 2023 HK\$'000
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment		235	269
Intangible assets	13	–	–
Right-of-use assets		–	–
Financial asset at fair value through other comprehensive income	14	6,240	9,960
Investment accounted for using the equity method	15	68	162
Total non-current assets		6,543	10,391
Current assets			
Inventories		233	263
Trade and other receivables	16	6,662	7,301
Amount due from a fellow subsidiary		–	39
Income tax recoverable		–	5
Cash and cash equivalents		31,388	36,480
Total current assets		38,283	44,088
Total assets		44,826	54,479
EQUITY/(DEFICIT)			
Equity attributable to owners of the Company			
Share capital	17	401	401
Share premium	17	457,543	457,543
Other reserves		(332,799)	(329,069)
Accumulated losses		(163,926)	(151,606)
Total deficit		(38,781)	(22,731)
LIABILITIES			
Non-current liabilities			
Long service payment obligations		1,535	1,535
Lease liabilities		–	8
Loan from a fellow subsidiary	19	70,000	65,000
Total non-current liabilities		71,535	66,543
Current liabilities			
Trade and other payables	18	5,161	4,904
Contract liabilities	18	5,441	4,314
Amounts due to fellow subsidiaries	18	1,420	1,377
Lease liabilities		42	72
Income tax payable		8	–
Total current liabilities		12,072	10,667
Total liabilities		83,607	77,210
Total equity and liabilities		44,826	54,479

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2023

	(Unaudited) Attributable to owners of the Company					Non- controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Other reserves HK\$'000	Accumulated losses HK\$'000	Total HK\$'000		
At 1st April 2022	401	457,543	(333,882)	(133,099)	(9,037)	–	(9,037)
Total comprehensive loss							
Loss for the period	–	–	–	(7,014)	(7,014)	–	(7,014)
Other comprehensive (loss)/income							
Currency translation differences	–	–	(42)	–	(42)	–	(42)
Fair value change on financial asset at fair value through other comprehensive income	–	–	1,020	–	1,020	–	1,020
Total comprehensive income/(loss) for the period	–	–	978	(7,014)	(6,036)	–	(6,036)
At 30th September 2022	401	457,543	(332,904)	(140,113)	(15,073)	–	(15,073)
At 1st April 2023	401	457,543	(329,069)	(151,606)	(22,731)	–	(22,731)
Total comprehensive loss							
Loss for the period	–	–	–	(12,320)	(12,320)	–	(12,320)
Other comprehensive loss							
Currency translation differences	–	–	(10)	–	(10)	–	(10)
Fair value change on financial asset at fair value through other comprehensive income	–	–	(3,720)	–	(3,720)	–	(3,720)
Total comprehensive loss for the period	–	–	(3,730)	(12,320)	(16,050)	–	(16,050)
At 30th September 2023	401	457,543	(332,799)	(163,926)	(38,781)	–	(38,781)

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2023

	(Unaudited)	
	Six months ended 30th September	
	2023	2022
	HK\$'000	HK\$'000
Cash flows from operating activities		
Cash used in operations	(8,746)	(7,750)
Hong Kong income tax refunded	–	68
Interest paid	(1,285)	(318)
	<u>(10,031)</u>	<u>(8,000)</u>
Net cash used in operating activities	<u>(10,031)</u>	<u>(8,000)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(41)	(64)
Interest received	28	2
Loan to a joint venture	–	(250)
	<u>(13)</u>	<u>(312)</u>
Net cash used in investing activities	<u>(13)</u>	<u>(312)</u>
Cash flows from financing activities		
Proceeds from loan from a fellow subsidiary	45,000	70,000
Repayments to loan from a fellow subsidiary	(40,000)	(70,000)
Principal element of lease payment	(38)	(46)
	<u>4,962</u>	<u>(46)</u>
Net cash from/(used in) financing activities	<u>4,962</u>	<u>(46)</u>
Net decrease in cash and cash equivalents	(5,082)	(8,358)
Cash and cash equivalents at the beginning of the period	36,480	90,259
Effects of exchange rate changes on cash and cash equivalents	(10)	(42)
	<u>31,388</u>	<u>81,859</u>
Cash and cash equivalents at the end of the period	31,388	81,859

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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 Windward 3, Regatta Office Park, P.O. Box 1350, KY1-1108, 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 2023 (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 29th November 2023.

This interim financial information has not been audited or reviewed by the external auditor in accordance with International Standards on Auditing or International Standard on Review Engagements 2410 “Review of interim financial information performed by the independent auditor of the entity” issued by the International Auditing and Assurance Standards Board.

2 BASIS OF PREPARATION

This interim financial information has been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”. This interim financial information should be read in conjunction with the annual financial statements of the Group for the year ended 31st March 2023, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

3 ACCOUNTING POLICIES

Except as described below, the accounting policies adopted are consistent with those of the annual financial statements of the Group for the year ended 31st March 2023, as described in those annual financial statements.

- (a) There are no standards, amendments, revisions and interpretations to existing standards that are effective for the first time for this interim period that could be expected to have a material impact on the Group.
- (b) Taxes on income in the interim periods are accrued using the tax rates that would be applicable to expected total annual earnings.

4 ESTIMATES

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial information, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31st March 2023.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

5 FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: credit risk, price risk, liquidity risk and interest rate risk.

The interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31st March 2023.

There have been no changes in the risk management policies since 31st March 2023.

5.2 Liquidity risk

Compared to 31st March 2023, there was no material change in the contractual undiscounted cash flows for financial liabilities.

As at 30th September 2023, the Group has obtained total facilities from its fellow subsidiary of HK\$100 million (31st March 2023: same) consisting of used facilities of HK\$70 million (31st March 2023: HK\$65 million) and unused facilities of HK\$30 million (31st March 2023: HK\$35 million).

5.3 Fair value estimation

For financial instruments that are measured at fair value, the Group classifies fair value measurements using a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Group's assets that are measured at fair value at 30th September 2023:

	(Unaudited)			
	Level 1	Level 2	Level 3	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Financial asset at fair value through other comprehensive income ("FVOCI")				
Listed securities	6,240	–	–	6,240

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

5 FINANCIAL RISK MANAGEMENT *(Continued)*

5.3 Fair value estimation *(Continued)*

The following table presents the Group's assets that are measured at fair value at 31st March 2023:

	(Audited)			
	Level 1	Level 2	Level 3	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Financial asset at fair value through other comprehensive income				
Listed securities	9,960	–	–	9,960

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of each reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the entity-specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There was no transfer between level 1, 2 and 3 of the fair value hierarchy during the period. There was no change during the period attributable to level 3 of the fair value hierarchy.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

6 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 identifies the following operating segments: 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 period ended 30th September 2023 and 2022 are as follows:

	(Unaudited)		
	Six months ended 30th September 2023		
	Media Business		
	Entertainment and lifestyle operation HK\$'000	Watch and car operation and others HK\$'000	Total HK\$'000
Turnover	12,269	4,748	17,017
Segment loss	(9,933)	(199)	(10,132)
Unallocated expenses (net)			(2,175)
Loss before income tax			(12,307)
Income tax expense			(13)
Loss for the period			(12,320)
Other segmental information:			
Interest income	28	–	28
Finance costs	(1,067)	(218)	(1,285)
Depreciation of property, plant and equipment	(62)	(13)	(75)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

6 TURNOVER AND SEGMENT INFORMATION (Continued)

	(Unaudited)		
	Six months ended 30th September 2022		
	Media Business		
	Entertainment and lifestyle operation HK\$'000	Watch and car operation and others HK\$'000	Total HK\$'000
Turnover	14,525	5,299	19,824
Segment (loss)/profit	(5,432)	736	(4,696)
Unallocated expenses (net)			(2,442)
Loss before income tax			(7,138)
Income tax credit			124
Loss for the period			(7,014)
Other segmental information:			
Interest income	2	–	2
Government grants	2,032	516	2,548
Finance costs	(264)	(54)	(318)
Depreciation of property, plant and equipment	(93)	(19)	(112)

Disaggregation of revenue

(Unaudited)	
Six months ended 30th September	
2023	2022
HK\$'000	HK\$'000
Timing of revenue recognition	
— At a point of time	4,443
— Overtime	12,574
	17,017
	19,824

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

6 TURNOVER AND SEGMENT INFORMATION *(Continued)*

The segment assets and liabilities as at 30th September 2023 are as follows:

(Unaudited)						
	Entertainment and lifestyle operation HK\$'000	Watch and car operation and others HK\$'000	Total HK\$'000	Eliminations HK\$'000	Unallocated HK\$'000	Group HK\$'000
Total assets	54,444	1,050	55,494	(10,660)	(8)	44,826
Total assets include:						
— Additions to non-current assets	41	—	41	—	—	41
Total liabilities	<u>(81,251)</u>	<u>(13,016)</u>	<u>(94,267)</u>	<u>10,660</u>	<u>—</u>	<u>(83,607)</u>

The segment assets and liabilities as at 31st March 2023 are as follows:

(Audited)						
	Entertainment and lifestyle operation HK\$'000	Watch and car operation and others HK\$'000	Total HK\$'000	Eliminations HK\$'000	Unallocated HK\$'000	Group HK\$'000
Total assets	64,362	2,084	66,446	(11,972)	5	54,479
Total assets include:						
— Additions to non-current assets	378	7	385	—	—	385
Total liabilities	<u>(74,806)</u>	<u>(14,376)</u>	<u>(89,182)</u>	<u>11,972</u>	<u>—</u>	<u>(77,210)</u>

Segment assets consist primarily of property, plant and equipment, right-of-use assets, intangible assets, financial asset at fair value through other comprehensive income, investment accounted for using the equity method, inventories, trade and other receivables, amount due from a fellow subsidiary and cash and cash equivalents. They exclude income tax recoverable.

Segment liabilities comprise operating liabilities. They exclude income tax payable.

The eliminations between the reportable segments are intercompany receivables and payables between the operating segments.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

7 OTHER INCOME

	(Unaudited)	
	Six months ended 30th September	
	2023	2022
	HK\$'000	HK\$'000
Bank interest income	28	2
Other media business income	5	117
Government grants	–	2,548
Administrative service income (Note 20(a))	75	75
	<u>108</u>	<u>2,742</u>

8 OPERATING LOSS

Operating loss is stated after charging the following:

	(Unaudited)	
	Six months ended 30th September	
	2023	2022
	HK\$'000	HK\$'000
Paper consumed	35	52
Printing costs	2,334	2,673
Depreciation of property, plant and equipment	75	112
Employee benefit expense (including sales commission and directors' emoluments)	16,921	17,726
Expenses relating to short-term leases and variable lease payments not included in lease liabilities	746	849
Support service fee	1,676	1,846
Advertising and promotion expenses	315	427
Distribution costs	173	155

9 FINANCE COSTS

	(Unaudited)	
	Six months ended 30th September	
	2023	2022
	HK\$'000	HK\$'000
Interest expense on lease liabilities	1	2
Loan interest expenses	1,284	316
	<u>1,285</u>	<u>318</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

10 INCOME TAX (EXPENSE)/CREDIT

Hong Kong profits tax has been provided at the rate of 16.5% for the six months ended 30th September 2023 (the tax rate for the six months ended 30th September 2022: 16.5%) on the estimated assessable profit derived from Hong Kong for the period.

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

	(Unaudited)	
	Six months ended 30th September	
	2023	2022
	HK\$'000	HK\$'000
Current income tax		
— Hong Kong profits tax	(13)	124

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

11 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	
	2023	2022
Weighted average number of ordinary shares in issue <i>(in thousands)</i>	400,900	400,900
Loss attributable to owners of the Company <i>(HK\$'000)</i>	(12,320)	(7,014)
Basic and diluted loss per share <i>(HK cents per share)</i>	(3.07)	(1.75)

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 2023 and 2022.

12 DIVIDENDS

The Directors do not recommend the payment of interim dividend for the six months ended 30th September 2023 (six months ended 30th September 2022: nil).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

13 INTANGIBLE ASSETS

	Group		
	Computer software <i>HK\$'000</i>	Trademarks <i>HK\$'000</i>	Total <i>HK\$'000</i>
Period ended 30th September 2022 (Unaudited)			
Opening net book amount	–	–	–
Additions	–	–	–
Amortisation expenses	–	–	–
Closing net book amount	–	–	–
At 30th September 2022			
Cost	1,438	75,600	77,038
Accumulated amortisation	(1,358)	(13,583)	(14,941)
Accumulated impairment	(80)	(62,017)	(62,097)
Net book amount	–	–	–
Period ended 30th September 2023 (Unaudited)			
Opening net book amount	–	–	–
Additions	–	–	–
Amortisation expenses	–	–	–
Closing net book amount	–	–	–
At 30th September 2023			
Cost	1,438	75,600	77,038
Accumulated amortisation	(1,358)	(13,583)	(14,941)
Accumulated impairment	(80)	(62,017)	(62,097)
Net book amount	–	–	–

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

14 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) 30th September 2023 HK\$'000	(Audited) 31st March 2023 HK\$'000
Listed securities		
At the beginning of the period/year	9,960	4,980
Fair value (loss)/gain recognised in other comprehensive income	(3,720)	4,980
At the end of the period/year <i>(Note)</i>	6,240	9,960

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 FVOCI has been recognised in condensed consolidated income statement for the six months ended 30th September 2023 (for the six months ended 30th September 2022: nil).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

15 INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

	(Unaudited) 30th September 2023 HK\$'000	(Audited) 31st March 2023 HK\$'000
At the beginning of the period/year	162	55
Loan to a joint venture <i>(Note a)</i>	–	250
Share of net loss of a joint venture	(94)	(143)
	<u>68</u>	<u>162</u>
At the end of the period/year	<u>68</u>	<u>162</u>

Note:

(a) 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 2023 and 31st March 2023.

Nature of investment in a joint venture as at 30th September 2023 and 31st March 2023:

Name of joint venture	Place of incorporation	Effective equity interest		Principal activities	Measurement method
		30th September 2023	31st March 2023		
Searching B Company Limited ("Searching B")	Hong Kong	50%	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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

16 TRADE AND OTHER RECEIVABLES

	(Unaudited) 30th September 2023 HK\$'000	(Audited) 31st March 2023 HK\$'000
Trade receivables	3,219	4,017
Less: allowance for impairment of trade receivables	(39)	(39)
Trade receivables, net	<u>3,180</u>	<u>3,978</u>
Other receivables, deposits and advances	338	479
Barter receivables	266	222
Prepayments	<u>2,878</u>	<u>2,622</u>
Trade and other receivables	<u><u>6,662</u></u>	<u><u>7,301</u></u>

As at 30th September 2023 and 31st March 2023, 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 2023 and 31st March 2023, the ageing analysis of the Group's trade receivables by invoice date is as follows:

	(Unaudited) 30th September 2023 HK\$'000	(Audited) 31st March 2023 HK\$'000
0 to 60 days	2,829	3,018
61 to 120 days	81	711
121 to 180 days	189	188
Over 180 days	<u>120</u>	<u>100</u>
	<u><u>3,219</u></u>	<u><u>4,017</u></u>

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

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis to reduce the exposure to bad debts.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

17 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 2022, 30th September 2022, 1st April 2023 and 30th September 2023	400,900	401	457,543	457,944

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

	(Unaudited) 30th September 2023 <i>HK\$'000</i>	(Audited) 31st March 2023 <i>HK\$'000</i>
Trade payables	1,986	1,720
Other payables	3,175	3,184
Trade and other payables	5,161	4,904
Contract liabilities	5,441	4,314
Amounts due to fellow subsidiaries <i>(Note 20(b))</i>	1,420	1,377
	12,022	10,595

The amounts due to fellow subsidiaries are unsecured, non-interest bearing and repayable on demand.

As at 30th September 2023 and 31st March 2023, the ageing analysis of the trade payables by invoice date is as follows:

	(Unaudited) 30th September 2023 <i>HK\$'000</i>	(Audited) 31st March 2023 <i>HK\$'000</i>
0 to 60 days	1,772	1,099
61 to 120 days	184	347
121 to 180 days	30	102
Over 180 days	—	172
	1,986	1,720

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

19 LOAN FROM A FELLOW SUBSIDIARY

	(Unaudited) 30th September 2023 HK\$'000	(Audited) 31st March 2023 HK\$'000
Non-current		
Loan from a fellow subsidiary (<i>Note 20(c)</i>)	70,000	65,000

As at 30th September 2023, the Group has obtained total facilities from its fellow subsidiary of HK\$100 million (31st March 2023: same) consisting of used facilities of HK\$70 million (31st March 2023: HK\$65 million) and unused facilities of HK\$30 million (31st March 2023: HK\$35 million).

The loan drawdown amounted to HK\$70 million, which is not contractually repayable before 31st March 2026 in accordance with the loan facility agreement. The loan is denominated in HK\$ and bears an interest rate of 1.4% over Hong Kong Inter-bank Offer Rate per annum.

20 RELATED PARTY TRANSACTIONS

The ultimate parent of the Company is Media Chinese International Limited ("Media Chinese"), a company incorporated in Bermuda.

The following transactions were carried out with related parties:

- (a) During the period ended 30th September 2023 and 2022, the Group entered into the following transactions with Media Chinese and fellow subsidiaries:

	<i>Note</i>	2023 HK\$'000	2022 HK\$'000
Circulation support services charges	1	163	181
Library services charges	2	90	61
Administrative support and IS programming support services charges	3	1,676	1,846
Charges for leasing and licensing of office space, storage space and parking spaces	4	746	849
Ticketing and accommodation expense	5	91	46
Barter advertising expenses	6	91	341
Barter advertising income	6	(71)	(71)
Loan interest expenses	7	1,284	316
Administrative service income	8	(75)	(75)
Advertising income	9	(5)	(6)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

20 RELATED PARTY TRANSACTIONS *(Continued)*

(a) *(Continued)*

Notes:

- (1) This represents recharge of circulation support services relating to the distribution, sale and promotion of the publications of the Group by a fellow subsidiary. It is charged on a cost reimbursement basis.
- (2) This represents recharge by a fellow subsidiary relating to provision of library services including data classification, data indexing and filing, data storage management and retrieval, data provision and newspaper clipping. It is charged on a cost reimbursement basis.
- (3) This represents recharge of administrative, human resources, corporate communications, legal services, information system support services and depreciation on certain computers and office equipment leased from fellow subsidiaries. It is charged on a cost reimbursement basis.
- (4) This represents charges paid to a fellow subsidiary for the short-term leasing and licensing of office space, storage space and parking spaces. They are charged at a pre-determined rate calculated by reference to prevailing market rates.
- (5) This represented ticketing and accommodation expenses paid to a fellow subsidiary. It is charged at a pre-determined rate calculated based on the rates charged to third party customers.
- (6) This represents advertising (income)/expenses on a barter basis in accordance with barter advertising agreement entered into with Media Chinese. It is charged at a pre-determined rate calculated based on the rates charged to third party customers.
- (7) This represents loan interest expenses paid to a fellow subsidiary. It is charged at pre-determined rates calculated by reference to the prevailing markets rates.
- (8) This represents administrative service income in accordance with content services agreement and administrative services agreements entered into with the joint venture, Searching B. Content services are charged at a pre-determined rate calculated based on range of the rates charged to third party customers. Administrative services are charged at a pre-determined rate calculated based on the cost incurred.
- (9) This represents advertising income received from a related company. It is charged at a pre-determined rate calculated based on the rates charged to third party customers.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

20 RELATED PARTY TRANSACTIONS *(Continued)*

- (b) The balances at 30th September 2023 and 31st March 2023 arising from the related party transactions as disclosed in Note 20(a) above are as follows:

	(Unaudited) 30th September 2023 HK\$'000	(Audited) 31st March 2023 HK\$'000
Amount due from a fellow subsidiary	–	39
Amounts due to fellow subsidiaries <i>(Note 18)</i>	<u>(1,420)</u>	<u>(1,377)</u>

The amounts are unsecured, non-interest bearing and repayable on demand.

- (c) The loan balances from a fellow subsidiary at 30th September 2023 and 31st March 2023 are as follows:

	(Unaudited) 30th September 2023 HK\$'000	(Audited) 31st March 2023 HK\$'000
Loan from a fellow subsidiary <i>(Note 19)</i>	<u>70,000</u>	<u>65,000</u>

The detail of loan from a fellow subsidiary are disclosed in Note 19.

- (d) **Key management compensation**

	(Unaudited) Six months ended 30th September 2023 HK\$'000	2022 HK\$'000
Salaries and other short-term employee benefits	972	1,597
Contributions to pension scheme	<u>9</u>	<u>9</u>
	<u>981</u>	<u>1,606</u>

21 CONTINGENT LIABILITIES

As at 30th September 2023, the Group did not have any material contingent liabilities or guarantees (31st March 2023: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Results Summary

In April 2023, the restrictions on in-bound travel to Hong Kong were lifted, creating anticipation for the resurgence from the improved tourism industry. However, the business landscape in Hong Kong continues to face various challenges. Multiple interest rate hikes, shortage of skilled workforce, and escalating geopolitical tensions had impeded the pace of business recovery. As a result, the overall pace of recovery had remained sluggish, posing ongoing challenges for businesses seeking to regain their pre-pandemic momentum.

For the six months ended 30th September 2023, the Group's turnover had declined 14% to HK\$17,017,000 from HK\$19,824,000 recorded in the same period last year. The decline in its revenue and the absence of government grants of around HK\$2.5 million had led to its loss after tax widened by 76% to HK\$12,320,000 when compared to the same period last year.

Review of Operations

Entertainment and Lifestyle Operation

The Group's turnover for the entertainment and lifestyle operation fell by 16% to HK\$12,269,000 from HK\$14,525,000 reported a year ago. The segment loss increased by 83% to HK\$9,933,000 if compared to HK\$5,432,000 recorded in the same period last year. The drop in its revenue and the absence of government grants for this period of reporting led to the increase in loss.

With advertising spend on luxury brands waning, the Group's main publications "Ming Pao Weekly 明周" ("MP Weekly") and "Ming's" had persistently worked towards diversifying their client base and attracting more new advertisers. With the increasing demand for cross-platform business solutions from advertisers, the Group's expertise in producing high quality video content is well recognised in the market and played a crucial role in expanding their customer portfolio. This year, its original video program, namely "Director Class" won two golds awards in the categories of "Best Original Content" and "Best Media Campaign — Integrated Media" and two silvers awards in the categories of "Best Use of Video Content" and "Best Media Campaign — Video" at The Spark Awards for Media Excellence 2023.

The Group's artist management business had progressed steadily. The Group would continue to grow its portfolio of artists and realise more ways to leverage on the same to promote its advertising solutions.

Watch and Car Operation and Others

For the period in review, the turnover for the Group's watch and car operation had declined by 10% to HK\$4,748,000 from HK\$5,299,000 compared to previous year. This segment results for the period recorded a loss of HK\$199,000 when compared to a profit of HK\$736,000 for the same period last year. It was mainly due to the decrease in its advertising income and the absence of government grants.

"TopGear 極速誌" ("TopGear"), remains the choice of car enthusiasts in Hong Kong especially its be-spoked local content. "MING Watch 明錶" ("Ming Watch"), continues to trend as high-end watch title, is favoured for its quality feature stories and the latest industry trends. In line with the entertainment and lifestyle operation, the Group would persist in delivering high quality video, which plays a crucial role in offering advertisers comprehensive cross-platform business solutions.

Significant Investment

As at 30th September 2023, the Group held 12,000,000 ordinary shares (31st March 2023: 12,000,000 ordinary shares) of Most Kwai Chung, representing 4.4% (31st March 2023: 4.4%) equity interests in Most Kwai Chung. No dividend was received from these ordinary shares during the period (2022: 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\$6,240,000 as at 30th September 2023 (31st March 2023: HK\$9,960,000) and it was approximately 13.9% (31st March 2023: 18.3%) 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.

OUTLOOK

Moving forward, the business environment remains challenging. However, with the continuous support from the controlling shareholder, the Group is determined to expedite the process of resuming to normal. To achieve this, the Group will focus on enhancing operational efficiency and embracing technology-driven approaches. Collaboration with partners in new ventures, including AI applications, will be a direction for the Group. In addition, the Group will closely monitor the economic and political situations and exercise caution in financial management and operational efficiency.

CAPITAL EXPENDITURE

The Group's total capital expenditure for property, plant and equipment and intangible assets for the six months ended 30th September 2023 amounted to HK\$41,000.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

As at 30th September 2023, the Group's net current assets amounted to HK\$26,211,000 (31st March 2023: HK\$33,421,000) and the total deficit attributable to the owners of the Company was HK\$38,781,000 (31st March 2023: HK\$22,731,000). The Group had cash and cash equivalents of HK\$31,388,000 (31st March 2023: HK\$36,480,000) and loan from a fellow subsidiary of HK\$70,000,000 (31st March 2023: HK\$65,000,000) and the gearing ratios, which is defined as the ratio of total liabilities divided by total assets was 186.5% at 30th September 2023 (31st March 2023: 141.7%).

EXPOSURE TO FLUCTUATIONS 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.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30th September 2023, the interests and short positions of the directors, chief executives and their associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 of the Rules Governing the Listing of Securities (the "Listing Rules") are as follows:

(a) Interests in the shares in the Company

Name of Director	Number of shares held	Nature of interests	Percentage of issued ordinary shares
Ms. TIONG Choon	26,000	Personal interests	0.01%
Mr. LAM Pak Cheong	3,000,000 (Note)	Corporate interests	0.75%

All the interests stated above represent long positions in the shares of the Company.

Note: The corporate interests of Mr. LAM Pak Cheong of 3,000,000 shares are held by Venture Logic Investments Limited, in which Mr. LAM holds 100% of its equity interests.

(b) Interests in the shares in Media Chinese

Name of Director	Number of shares held				Percentage of issued ordinary shares in Media Chinese
	Personal interests	Family interests	Corporate interests	Aggregate interests	
Ms. TIONG Choon	2,654,593	1,023,632 ⁽¹⁾	653,320 ⁽²⁾	4,331,545	0.26%
Mr. TIONG Kiew Chiong	5,228,039	—	—	5,228,039	0.31%

All the interests stated above represent long positions in the shares of Media Chinese.

Notes:

- (1) Ms. TIONG Choon is deemed to be interested in the shares by virtue of her spouse's interest in 1,023,632 shares.
- (2) The corporate interests of 653,320 shares are held by TC Blessed Holdings Sdn Bhd, in which Ms. TIONG Choon holds 99% equity interest.

Save as disclosed above, as at 30th September 2023, none of the Directors, chief executives and their associates had any interests and short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

At no time during the six months ended 30th September 2023 were rights to acquire benefits by means of the acquisition of shares, underlying shares or debentures of the Company granted to any directors or their respective spouses or children under 18 years of age, or were any such rights exercised by them; or was the Company or its holding company or any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the directors of the Company to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS AND PERSONS WHO HAVE AN INTEREST AND SHORT POSITIONS DISCLOSEABLE UNDER DIVISIONS 2 AND 3 OF PART XV OF THE SFO

According to the register of interests in shares and short positions maintained under Section 336 of the SFO as at 30th September 2023, the Company had been notified of the following interests in shares representing 5% or more of the Company's issued share capital:

Name of shareholder	Number of shares held	Capacity	Percentage of issued ordinary shares
Tan Sri Datuk Sir TIONG Hiew King	292,700,000 (<i>Note</i>)	Interest of controlled corporation	73.01%
Dato' Sri Dr. TIONG Ik King	292,700,000 (<i>Note</i>)	Interest of controlled corporation	73.01%
Comwell Investment Limited	292,700,000 (<i>Note</i>)	Beneficial owner	73.01%

All the interests stated above represent long positions in the shares of the Company.

Note: These shares were wholly-owned by Comwell Investment Limited, an indirect wholly-owned subsidiary of Media Chinese. Tan Sri Datuk Sir TIONG Hiew King, a substantial shareholder of Media Chinese, is deemed interested in Media Chinese in an aggregate of 64.85% by virtue of his personal interests, family interests and corporate interests. Dato' Sri Dr. TIONG Ik King, a substantial shareholder of Media Chinese, is deemed interested in Media Chinese in an aggregate of 17.14% by virtue of his personal interests and corporate interests.

Save as disclosed above, the Company had not been notified of any other interests representing 5% or more of the issued share capital of the Company as shown in the said register as at 30th September 2023.

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 2023, the Group has 100 employees (31st March 2023: 103 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 Mandatory Provident Fund scheme for its employees.

CORPORATE GOVERNANCE

For the six months ended 30th September 2023, 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 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 as 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 Mrs. WONG HUNG Flavia Yuen Yee.

REMUNERATION COMMITTEE

The Remuneration Committee currently comprises three independent non-executive Directors, namely, Mr. YU Hon To, David, Mr. LAU Chi Wah, Alex and Mrs. WONG HUNG Flavia Yuen Yee 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 Mrs. WONG HUNG Flavia Yuen Yee and one executive Director, namely, Mr. TIONG Kiew Chiong.

REVIEW OF INTERIM FINANCIAL INFORMATION

The Audit Committee has reviewed with management this interim financial information, including accounting principles and practices adopted by the Group and discussed risk management and internal control systems and financial reporting matters.

By order of the Board
One Media Group Limited

TIONG Kiew Chiong

Director

Hong Kong, 29th November 2023

As at the date of this report, the Board of Directors 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.



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