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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 2021

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 2021, together with the comparative figures for the corresponding period in 2020 as follows:

#### CONSOLIDATED INCOME STATEMENT

FOR THE THREE MONTHS ENDED 31ST MARCH 2021

		(Unaudited)	
		Three months ended 31st March	
		2021	2020
	Note	HK\$'000	HK\$'000
Turnover	2	11,744	11,430
Cost of goods sold		<u>(11,470)</u>	<u>(12,811)</u>
Gross profit/(loss)		274	(1,381)
Other income	3	541	624
Selling and distribution expenses		(2,821)	(3,372)
Administrative expenses		<u>(3,932)</u>	<u>(13,021)</u>
Operating loss		(5,938)	(17,150)
Finance costs		(59)	(43)
Share of net loss of a joint venture accounted for using equity method		<u>(37)</u>	-
Loss before income tax		(6,034)	(17,193)
Income tax credit/(expense)	5	<u>19</u>	<u>(24)</u>
Loss for the period		<u><b>(6,015)</b></u>	<u><b>(17,217)</b></u>
Loss attributable to:			
- Owners of the Company		(6,015)	(17,217)
- Non-controlling interests		-	-
		<u><b>(6,015)</b></u>	<u><b>(17,217)</b></u>
Loss per share attributable to owners of the Company during the period (expressed in HK cents per share)			
- Basic and diluted	6	<u><b>(1.5)</b></u>	<u><b>(4.3)</b></u>



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*AS AT 31ST MARCH 2021*

	<i>Note</i>	<b>(Unaudited)</b> <b>31st March</b> <b>2021</b> <b>HK\$'000</b>	<b>(Audited)</b> <b>31st March</b> <b>2020</b> <b>HK\$'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		567	679
Intangible assets		-	-
Right-of-use assets		-	-
Financial asset at fair value through other comprehensive income	8	7,320	9,821
Investments accounted for using equity method		200	-
<b>Total non-current assets</b>		<b>8,087</b>	<b>10,500</b>
<b>Current assets</b>			
Inventories		281	379
Trade and other receivables		10,480	8,673
Amounts due from fellow subsidiaries		12	-
Cash and cash equivalents		115,082	9,976
<b>Total current assets</b>		<b>125,855</b>	<b>19,028</b>
<b>Total assets</b>		<b>133,942</b>	<b>29,528</b>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		401	401
Share premium		457,543	457,543
Other reserves		(331,664)	(338,955)
Accumulated losses		(120,767)	(105,935)
<b>Total equity</b>		<b>5,513</b>	<b>13,054</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long service payment obligations		50	137
Lease liabilities		-	2,285
Loans from a fellow subsidiary	9	115,000	-
<b>Total non-current liabilities</b>		<b>115,050</b>	<b>2,422</b>
<b>Current liabilities</b>			
Trade and other payables		6,963	8,567
Contract liabilities		3,680	2,263
Amounts due to fellow subsidiaries		1,292	976
Lease liabilities		1,414	2,205
Income tax payable		30	41
<b>Total current liabilities</b>		<b>13,379</b>	<b>14,052</b>
<b>Total liabilities</b>		<b>128,429</b>	<b>16,474</b>
<b>Total equity and liabilities</b>		<b>133,942</b>	<b>29,528</b>

## 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 2021 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 2020, which have been prepared in accordance with IFRSs and the final results announcement for the year ended 31st March 2021.

#### (b) *Accounting policies*

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31st March 2020, as described in those annual financial statements.

Taxes on income during the period are accrued using the tax rate that would be applicable to expected total annual earnings.

The Group has not early adopted new and amended accounting standards that have been published but are not mandatory for 31st March 2021 reporting periods. These new and amended standards are expected to have no material impact on the Group’s consolidated financial statement.

### 2 SEGMENT INFORMATION

IFRS 8 “Operating segments” requires operating segments to be identified based on internal reporting that is regularly reviewed by the chief operating decision maker. The Group regards the executive committee as the chief operating decision maker being responsible for allocating resources to segments and assessing their performance.

The executive committee assesses the performance of the operating segments based on a measure of operating profit/loss before tax but excluding corporate expenses. Other information provided is measured in a manner consistent with that in the internal financial reports.

The executive committee considers the performance of the entertainment and lifestyle operation and the watch and car operation and others in Hong Kong and Taiwan.

The breakdown of total revenue from customers from these areas and the Group's turnover and results provided to the executive committee for the reporting segments for the three months ended 31st March 2021 and 2020 are as follows:

	(Unaudited)		
	Three months ended 31st March 2021		
	<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	9,386	2,358	11,744
Segment loss	<u>(4,042)</u>	<u>(1,308)</u>	<u>(5,350)</u>
Unallocated expenses (net)			(684)
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>

(Unaudited)  
Three months ended 31st March 2020

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

### 3 OTHER INCOME

	<b>(Unaudited)</b>	
	<b>Three months ended 31st March</b>	
	<b>2021</b>	<b>2020</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Bank interest income	6	26
Other media business income	485	598
Administrative service income	50	-
	<u>541</u>	<u>624</u>

### 4 OPERATING LOSS

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

	<b>(Unaudited)</b>	
	<b>Three months ended 31st March</b>	
	<b>2021</b>	<b>2020</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Paper consumed	46	95
Depreciation of property, plant and equipment	85	157
Amortisation of intangible assets	-	64
Depreciation of right-of-use assets	-	552
Provision for impairment on property, plant and equipment	-	774
Provision for impairment on intangible assets	-	4,643
Provision for impairment on right-of-use assets	-	4,413
Employee benefit expense (including directors' emoluments)	10,782	13,174
Expenses relating to short-term leases	-	223
Professional fees recharged	-	(2,565)
Gain on disposal of property, plant and equipment	-	(41)
	<u>-</u>	<u>(41)</u>

### 5 INCOME TAX CREDIT/(EXPENSE)

Hong Kong profits tax has been provided at the rate of 16.5% (2020: 16.5%) on the estimated assessable profit for the period.

	<b>(Unaudited)</b>	
	<b>Three months ended 31st March</b>	
	<b>2021</b>	<b>2020</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Current income tax credit/(expense)		
- Hong Kong profits tax	19	(24)
	<u>19</u>	<u>(24)</u>

## 6 LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

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

	(Unaudited)	
	Three months ended 31st March	
	2021	2020
Weighted average number of ordinary shares in issue (in thousands)	400,900	400,900
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss attributable to owners of the Company	<u>(6,015)</u>	<u>(17,217)</u>
Basic and diluted loss per share ( <i>HK cents per share</i> )	<u>(1.5)</u>	<u>(4.3)</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 2021 and 2020.

## 7 DIVIDENDS

No dividend has been declared by the Directors during the three months ended 31st March 2021 (2020: 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
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trading securities - listed securities		
At the beginning of the period/year	9,821	23,895
Disposal ( <i>Note</i> )	(12,323)	-
Fair value gain/(loss) recognised in other comprehensive income	9,822	(14,074)
At the end of the period/year	<u>7,320</u>	<u>9,821</u>

#### *Note:*

In August 2020, 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.



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. Dividends for the year from the above equity investments held at fair value through other comprehensive income totalling HK\$576,000 (2020: HK\$1,053,000) was recognised in consolidated income statement.

At 31st March 2020 and 31st March 2021, 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

## 9 LOANS FROM A FELLOW SUBSIDIARY

	(Unaudited) 31st March 2021 HK\$'000	(Audited) 31st March 2020 HK\$'000
<b>Non-current</b>		
Loans from a fellow subsidiary ( <i>Note</i> )	<b>115,000</b>	-

*Note:*

As at 31st March 2021, the Group has obtained the facilities from its fellow subsidiary of HK\$125 million (31st March 2020: HK\$25 million) consisting of used facility of HK\$115 million (31st March 2020: nil) and unused facility of HK\$10 million (31st March 2020: HK\$25 million).

The loans drawdown consist of balances amounted to HK\$25 million and HK\$90 million, which are not repayable before 31st December 2022 and 29th February 2024 respectively. The loans carry at interest rates of 1.6% over Hong Kong Inter-bank Offer Rate and 1.4% over Hong Kong Inter-bank Offer Rate per annum (31st March 2020: nil).

## 10 CONTINGENT LIABILITIES

As at 31st March 2021, the Group did not have any material contingent liabilities or guarantees (31st March 2020: nil).

## 11 SIGNIFICANT INVESTMENT

The Group disposed on-market of a total 8,250,000 ordinary shares of Most Kwai Chung (the “Disposal”) in a series of transactions conducted on 11th August 2020 and 12th August 2020 at total consideration of approximately HK\$12.3 million. 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 31st March 2021, the Group held 12,000,000 ordinary shares (31st March 2020: 20,250,000 ordinary shares) of Most Kwai Chung, representing 4.4% (31st March 2020: 7.5%) equity interests in Most Kwai Chung. Dividend received from these ordinary shares was HK\$576,000 during the year (2020: HK\$1,053,000). Most Kwai Chung, a Cayman Islands incorporated company listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code : 1716), is principally engaged in the provision of integrated advertising and media services to the customers. The fair value of these ordinary shares was HK\$7,320,000 as at 31st March 2021 (31st March 2020: HK\$9,821,000) and it was approximately 5% (31st March 2020: 33%) 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 (31st March 2020: HK\$1,757,000 for 20,250,000 ordinary shares of Most Kwai Chung) which was treated as interest in associates in the Group’s financial statements before the listing of shares of Most Kwai Chung on the Main Board of The Stock Exchange of Hong Kong Limited on 28th March 2018 (the “Listing”). The carrying value of the investment for 12,000,000 ordinary shares was HK\$1,768,000 (31st March 2020: HK\$2,983,000 for 20,250,000 ordinary shares of Most Kwai Chung) immediate before the Listing. The investment in Most Kwai Chung is not held for trading. The Group considers this investment as a strategic investment and will review its investment strategy regularly in response to the changes in market situation.

## 12 REVIEW OF OPERATION

During the quarter under review, the Group’s turnover was HK\$11,744,000 (2020: HK\$11,430,000), representing a slight increase of around 3% as compared with that of the corresponding quarter of last financial year. The Group recorded a loss of HK\$6,015,000 compared to the loss of HK\$17,217,000 for the corresponding quarter of last financial year. In the corresponding quarter of last financial year, a one-off provision for impairment loss in total of HK\$9,830,000 in respect of, intangible assets, right-of-use assets and property, plant and equipment was recorded.

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

Hong Kong, 27th May 2021

*As at the date of this announcement, the board of the Company comprises Ms. TIONG Choon, being non-executive director; Mr. TIONG Kiew Chiong and Mr. LAM Pak Cheong, being executive directors; and Mr. YU Hon To, David, Mr. LAU Chi Wah, Alex and Mr. CHAU Cheuk Wah being independent non-executive directors.*