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萬 華 媒 體 ONEMEDIAGROUP

One Media Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 426)

FIRST QUARTER RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30TH JUNE 2023

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 30th June 2023, together with the comparative figures for the corresponding period in 2022 as follows:

CONSOLIDATED INCOME STATEMENT

FOR THE THREE MONTHS ENDED 30TH JUNE 2023

	Note	(Unaudited)	
		Three months ended 30th June	
		2023	2022
		HK\$'000	HK\$'000
Turnover	2	9,353	10,264
Cost of goods sold		<u>(8,043)</u>	<u>(7,777)</u>
Gross profit		1,310	2,487
Other income	3	45	1,674
Selling and distribution expenses		(1,805)	(2,049)
Administrative expenses		<u>(3,992)</u>	<u>(4,063)</u>
Operating loss		(4,442)	(1,951)
Finance costs		(584)	(129)
Share of net loss of a joint venture accounted for using the equity method		<u>(37)</u>	<u>(9)</u>
Loss before income tax		(5,063)	(2,089)
Income tax expense	5	<u>(7)</u>	<u>(8)</u>
Loss for the period		<u>(5,070)</u>	<u>(2,097)</u>
Loss attributable to:			
- Owners of the Company		(5,070)	(2,097)
- Non-controlling interests		-	-
		<u>(5,070)</u>	<u>(2,097)</u>
Loss per share attributable to owners of the Company during the period (expressed in HK cents per share)			
- Basic and diluted	6	<u>(1.26)</u>	<u>(0.52)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2023

	<i>Note</i>	(Unaudited) 30th June 2023 HK\$'000	(Audited) 31st March 2023 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		246	269
Intangible assets		-	-
Right-of-use assets		-	-
Financial asset at fair value through other comprehensive income	8	9,000	9,960
Investment accounted for using the equity method		125	162
Total non-current assets		9,371	10,391
Current assets			
Inventories		250	263
Trade and other receivables		7,988	7,301
Amount due from a fellow subsidiary		-	39
Income tax recoverable		-	5
Cash and cash equivalents		30,896	36,480
Total current assets		39,134	44,088
Total assets		48,505	54,479
EQUITY/(DEFICIT)			
Equity attributable to owners of the Company			
Share capital		401	401
Share premium		457,543	457,543
Other reserves		(330,040)	(329,069)
Accumulated losses		(156,676)	(151,606)
Total deficit		(28,772)	(22,731)
LIABILITIES			
Non-current liabilities			
Long service payment obligations		1,535	1,535
Lease liabilities		-	8
Loan from a fellow subsidiary	9	65,000	65,000
Total non-current liabilities		66,535	66,543
Current liabilities			
Trade and other payables		4,435	4,904
Contract liabilities		5,445	4,314
Amounts due to fellow subsidiaries		801	1,377
Lease liabilities		59	72
Income tax payable		2	-
Total current liabilities		10,742	10,667
Total liabilities		77,277	77,210
Total equity and liabilities		48,505	54,479

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 30th June 2023 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 first quarter results announcement should be read in conjunction with the audited consolidated annual financial statements of the Group for the year ended 31st March 2023, which have been prepared in accordance with IFRSs.

(b) *Accounting policies*

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31st March 2023, 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 2024 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 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 three months ended 30th June 2023 and 2022 are as follows:

	(Unaudited)		
	Three months ended 30th June 2023		
	<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	6,651	2,702	9,353
Segment (loss)/profit	<u>(4,314)</u>	<u>265</u>	<u>(4,049)</u>
Unallocated expenses (net)			(1,014)
Loss before income tax			(5,063)
Income tax expense			(7)
Loss for the period			<u>(5,070)</u>
Other segmental information:			
Interest income	<u>5</u>	<u>-</u>	<u>5</u>
Finance costs	<u>(485)</u>	<u>(99)</u>	<u>(584)</u>
Depreciation of property, plant and equipment	<u>(31)</u>	<u>(7)</u>	<u>(38)</u>

(Unaudited)
Three months ended 30th June 2022

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	7,331	2,933	10,264
Segment (loss)/profit	<u>(1,831)</u>	<u>795</u>	<u>(1,036)</u>
Unallocated expenses (net)			<u>(1,053)</u>
Loss before income tax			(2,089)
Income tax expense			(8)
Loss for the period			<u>(2,097)</u>
Other segmental information:			
Interest income	1	-	1
Government grants	1,355	277	1,632
Finance costs	(107)	(22)	(129)
Depreciation of property, plant and equipment	(46)	(10)	(56)

3 OTHER INCOME

	(Unaudited)	
	Three months ended 30th June	
	2023	2022
	HK\$'000	HK\$'000
Bank interest income	5	1
Other media business income	2	3
Government grants	-	1,632
Administrative service income	38	38
	<u>45</u>	<u>1,674</u>

4 OPERATING LOSS

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

	(Unaudited)	
	Three months ended 30th June	
	2023	2022
	HK\$'000	HK\$'000
Depreciation of property, plant and equipment	38	56
Employee benefit expense (including sales commission and directors' emoluments)	8,283	8,684
Expenses relating to short-term lease and variable lease payments not included in lease liabilities	417	424
	<u>417</u>	<u>424</u>

5 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2022: 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)	
	Three months ended 30th June	
	2023	2022
	HK\$'000	HK\$'000
Current income tax		
- Hong Kong profits tax	7	8
	<u>7</u>	<u>8</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 30th June	
	2023	2022
Weighted average number of ordinary shares in issue (in thousands)	<u>400,900</u>	<u>400,900</u>
Loss attributable to owners of the Company (HK\$'000)	<u>(5,070)</u>	<u>(2,097)</u>
Basic and diluted loss per share (HK cents per share)	<u>(1.26)</u>	<u>(0.52)</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 30th June 2023 and 2022.

7 DIVIDENDS

No dividend has been declared by the Directors during the three months ended 30th June 2023 (2022: 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)
	30th June	31st March
	2023	2023
	HK\$'000	HK\$'000
Listed securities		
At the beginning of the period/year	9,960	4,980
Fair value (loss)/gain recognised in other comprehensive income	<u>(960)</u>	<u>4,980</u>
At the end of the period/year (Note)	<u>9,000</u>	<u>9,960</u>

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 dividend from the above equity investments held as fair value through other comprehensive income has been recognised in condensed consolidated income statement during the three months ended 30th June 2023 (2022: nil).

9 LOAN FROM A FELLOW SUBSIDIARY

	(Unaudited) 30th June 2023 HK\$'000	(Audited) 31st March 2023 HK\$'000
Non-current		
Loan from a fellow subsidiary	<u>65,000</u>	<u>65,000</u>

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

The loan drawdown amounted to HK\$65 million, which is not contractual 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.

10 CONTINGENT LIABILITIES

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

11 SIGNIFICANT INVESTMENT

As at 30th June 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\$9,000,000 as at 30th June 2023 (31st March 2023: HK\$9,960,000) and it was approximately 18.6% (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.

12 REVIEW OF OPERATION

During the quarter under review, the Group's turnover was HK\$9,353,000 (2022: HK\$10,264,000), representing a decrease of around 9% as compared with that of the corresponding quarter of last financial year. The Group recorded a loss of HK\$5,070,000 compared to the loss of HK\$2,097,000 for the corresponding quarter of last financial year, mainly due to the absence of one-off government grants of HK\$1,632,000 recognised in the corresponding quarter of last financial year, and the decrease in turnover for the quarter when compared to the corresponding quarter of last financial year.

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

Hong Kong, 29th August 2023

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 Mrs. WONG HUNG Flavia Yuen Yee, being independent non-executive directors.