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ONEMEDIAGROUP

One Media Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 426)

THIRD QUARTER RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31ST DECEMBER 2017

The directors (the “Directors”) of One Media Group Limited (the “Company”) announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the three months ended 31st December 2017, together with the comparative figures for the corresponding period in 2016 as follows:

CONSOLIDATED INCOME STATEMENT

FOR THE THREE MONTHS ENDED 31ST DECEMBER 2017

		(Unaudited)	
		Three months ended 31st December	
		2017	2016
	Note	HK\$'000	HK\$'000
Turnover	2	31,560	32,098
Cost of goods sold		<u>(16,708)</u>	<u>(17,210)</u>
Gross profit		14,852	14,888
Other income		973	418
Selling and distribution expenses		(7,221)	(6,708)
Administrative expenses		<u>(8,848)</u>	<u>(8,221)</u>
Operating (loss)/profit		(244)	377
Share of results of joint ventures and associates		<u>320</u>	<u>945</u>
Profit before income tax		76	1,322
Income tax expense	5	<u>-</u>	<u>(248)</u>
Profit for the period		<u>76</u>	<u>1,074</u>
Profit attributable to:			
- Owners of the Company		76	1,074
- Non-controlling interests		<u>-</u>	<u>-</u>
		<u>76</u>	<u>1,074</u>
Earnings per share attributable to owners of the Company during the period (expressed in HK cent per share)			
- Basic and diluted	6	<u>0.02</u>	<u>0.27</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31ST DECEMBER 2017

(Unaudited)
Three months ended 31st December
2017 **2016**
HK\$'000 **HK\$'000**

Profit for the period	76	1,074	
Other comprehensive income /(loss)			
<i>Item that may be reclassified to profit or loss</i>			
Currency translation differences	245	(605)	
	<hr/>	<hr/>	
Total comprehensive income for the period	321	469	
	<hr/>	<hr/>	
	<hr/>	<hr/>	
Total comprehensive income for the period attributable to:			
-Owners of the Company	321	469	
-Non-controlling interests	-	-	
	<hr/>	<hr/>	
	321	469	
	<hr/>	<hr/>	
	<hr/>	<hr/>	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2017

	(Unaudited) 31st December 2017 HK\$'000	(Audited) 31st March 2017 HK\$'000
	<i>Note</i>	
ASSETS		
Non-current assets		
Property, plant and equipment	2,113	2,006
Intangible assets	24,484	25,302
Investments accounted for using equity method	4,456	5,680
	<u>31,053</u>	<u>32,988</u>
Current assets		
Inventories	1,407	4,686
Trade and other receivables	33,834	25,321
Amounts due from fellow subsidiaries	4	29
Income tax recoverable	211	4,445
Cash and cash equivalents	28,156	38,325
	<u>63,612</u>	<u>72,806</u>
Total non-current assets	<u>31,053</u>	<u>32,988</u>
Total current assets	<u>63,612</u>	<u>72,806</u>
Total assets	<u><u>94,665</u></u>	<u><u>105,794</u></u>
EQUITY		
Equity attributable to owners of the Company		
Share capital	401	401
Share premium	457,543	457,543
Other reserves	(325,564)	(326,462)
Accumulated losses	(62,959)	(46,430)
	<u>69,421</u>	<u>85,052</u>
Total equity	<u>69,421</u>	<u>85,052</u>
LIABILITIES		
Non-current liabilities		
Long service payment obligations	72	72
	<u>72</u>	<u>72</u>
Total non-current liabilities	<u>72</u>	<u>72</u>
Current liabilities		
Trade and other payables	24,248	19,775
Amounts due to fellow subsidiaries	924	895
	<u>25,172</u>	<u>20,670</u>
Total current liabilities	<u>25,172</u>	<u>20,670</u>
Total liabilities	<u>25,244</u>	<u>20,742</u>
Total equity and liabilities	<u><u>94,665</u></u>	<u><u>105,794</u></u>

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 December 2017 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 third quarter results announcement should be read in conjunction with the audited consolidated annual financial statements of the Group for the year ended 31st March 2017, which have been prepared in accordance with IFRSs and the interim results announcement for the six months ended 30th September 2017.

(b) *Accounting policies*

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31st March 2017, 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 adopted new or revised standards and amendments to standards that have been issued but are not yet effective for the accounting period beginning 1st April 2017. The Group is in the process of making an assessment of the impact of those new or revised standards and amendments to standards on the Group’s results and financial position in the period of initial application.

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 considers the business from geographic perspective. Geographically, management considers the performance of the media business for lifestyle magazines in Hong Kong and Taiwan, automobile/ watch magazines and others in Hong Kong and Taiwan and the Mainland China operation.

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 report.

The Group mainly operates its business for the lifestyle magazines in Hong Kong and Taiwan, automobile/watch magazines and others in Hong Kong and Taiwan and the Mainland China operation. The breakdown of total revenue from external 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 December 2017 are as follows:

	(Unaudited)				Total HK\$'000
	<u>Media Business</u>			Mainland China	
	Hong Kong and Taiwan	Automobile/ watch magazines and others	Sub total		
Lifestyle magazines	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Turnover	23,562	5,361	28,923	2,637	31,560
Segment profit/(loss) before income tax	2,569	484	3,053	(1,521)	1,532
Unallocated expenses					(1,776)
Operating loss					(244)
Share of results of joint ventures and associates					320
Profit before income tax					76
Income tax expense					-
Profit for the period					76
Other information:					
Interest income	24	-	24	26	50
Depreciation of property, plant and equipment	193	20	213	24	237
Amortisation of intangible assets	275	5	280	-	280

The Group's turnover and results provided to the executive committee for the reporting segments for the three months ended 31st December 2016 are as follows:

	(Unaudited)			<u>Media Business</u>	
	Hong Kong and Taiwan		Mainland China		
	Lifestyle magazines <i>HK\$'000</i>	Automobile/ watch magazines and others <i>HK\$'000</i>	Sub total <i>HK\$'000</i>	<i>HK\$'000</i>	Total <i>HK\$'000</i>
Turnover	23,921	5,231	29,152	2,946	32,098
Segment profit before income tax	1,056	307	1,363	488	1,851
Unallocated expenses					(1,474)
Operating profit					377
Share of results of joint ventures and associates					945
Profit before income tax					1,322
Income tax expense					(248)
Profit for the period					1,074
Other information:					
Interest income	31	-	31	32	63
Depreciation of property, plant and equipment	266	39	305	24	329
Amortisation of intangible assets	668	8	676	-	676

3 INTANGIBLE ASSETS

	Computer Software <i>HK\$'000</i>	Goodwill <i>HK\$'000</i>	Trademarks <i>HK\$'000</i>	Total <i>HK\$'000</i>
Period ended 31st December 2016				
Opening net book amount	328	-	65,940	66,268
Additions	131	-	-	131
Amortisation expenses	(147)	-	(1,890)	(2,037)
Closing net book amount	<u>312</u>	<u>-</u>	<u>64,050</u>	<u>64,362</u>
At 31st December 2016				
Cost	1,423	2,725	75,600	79,748
Accumulated amortisation	(1,111)	-	(11,550)	(12,661)
Accumulated impairment	-	(2,725)	-	(2,725)
Net book amount	<u>312</u>	<u>-</u>	<u>64,050</u>	<u>64,362</u>
Period ended 31st December 2017				
Opening net book amount	302	-	25,000	25,302
Additions	34	-	-	34
Amortisation expenses	(107)	-	(745)	(852)
Closing net book amount	<u>229</u>	<u>-</u>	<u>24,255</u>	<u>24,484</u>
At 31st December 2017				
Cost	1,487	2,725	75,600	79,812
Accumulated amortisation	(1,258)	-	(12,925)	(14,183)
Accumulated impairment	-	(2,725)	(38,420)	(41,145)
Net book amount	<u>229</u>	<u>-</u>	<u>24,255</u>	<u>24,484</u>

4 EXPENSES BY NATURE

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

	(Unaudited)	
	Three months ended 31st December	
	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>
Paper consumed	1,815	2,716
Depreciation of property, plant and equipment	237	329
Amortisation of intangible assets	280	676
Employee benefit expense (including directors' emoluments)	16,464	15,124
Occupancy costs	1,068	1,100
	<u>1,068</u>	<u>1,100</u>

5 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profit for the period.

No provision for the People's Republic of China ("PRC") current enterprise income tax has been made as subsidiaries in the PRC were loss making or had utilised tax losses to offset the assessable profits generated during the three months ended 31st December 2017 and 2016.

	(Unaudited)	
	Three months ended 31st December	
	2017	2016
	HK\$'000	HK\$'000
Current income tax		
- Hong Kong profits tax expense	-	(274)
Deferred income tax credit	-	26
	<u>-</u>	<u>(248)</u>

6 EARNINGS PER SHARE

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

	(Unaudited)	
	Three months ended 31st December	
	2017	2016
	HK\$'000	HK\$'000
Profit attributable to owners of the Company	<u>76</u>	<u>1,074</u>
Weighted average number of ordinary shares in issue (in thousands)	<u>400,900</u>	<u>400,900</u>
Basic earnings per share (HK cent per share)	<u>0.02</u>	<u>0.27</u>
Diluted earnings per share (HK cent per share)	<u>0.02</u>	<u>0.27</u>

The diluted earnings per share is the same as the basic earnings per share as there was no dilutive potential shares in issue during the three months ended 31st December 2017.

7 DIVIDENDS

No dividend has been declared by the Directors during the three months ended 31st December 2017 (2016: Nil).

8 CONTINGENT LIABILITIES

As at 31st December 2017, the Group did not have any material contingent liabilities or guarantees (31st March 2017: Nil).

9 REVIEW OF OPERATION

During the quarter under review, the Group's turnover was HK\$31,560,000 (2016: HK\$32,098,000), representing a slight decrease of 1.7% as compared with the same quarter of last financial year. The decline in turnover was due to the decrease in overall print advertising revenue of the Group. Although there was growth in digital advertising revenue, such improvement was not able to cover the drop in print advertising revenue. This led to a drop in the profit in this quarter under review to HK\$76,000, compared to the profit of HK\$1,074,000 in the same quarter of last financial year.

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

Hong Kong, 26th February 2018

As at the date of this announcement, the board of the Company comprises Tan Sri Datuk Sir TIONG Hiew King and Ms. TIONG Choon, being non-executive directors; Mr. TIONG Kiew Chiong and Mr. LAM Pak Cheong, being executive directors; and Mr. YU Hon To, David, Mr. Victor YANG and Mr. LAU Chi Wah, Alex, being independent non-executive directors.