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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 2019**

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 March 2019, together with the comparative figures for the corresponding period in 2018 as follows:

CONSOLIDATED INCOME STATEMENT
FOR THE THREE MONTHS ENDED 31ST MARCH 2019

	<i>Note</i>	(Unaudited)	
		Three months ended 31st March	
		2019	2018
		HK\$'000	HK\$'000
			(Restated)
Continuing operations			
Turnover	2	23,929	21,953
Cost of goods sold		(17,385)	(14,951)
		<hr/>	<hr/>
Gross profit		6,544	7,002
Other income		440	377
Gain on deemed disposal of investment in an associate		-	21,317
Selling and distribution expenses		(4,304)	(5,992)
Administrative expenses		(5,702)	(5,450)
Provision for impairment on trademarks		-	(19,034)
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Operating loss		(3,022)	(1,780)
Share of results of joint ventures and associates		-	(359)
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Loss before income tax		(3,022)	(2,139)
Income tax (expense)/credit	7	(45)	182
		<hr/>	<hr/>
Loss for the period from continuing operations		(3,067)	(1,957)
Loss for the period from discontinued operation (attributable to owners of the Company)		-	(2,064)
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Loss for the period		(3,067)	(4,021)
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(Unaudited)
Three months ended 31st March

	2019	2018
<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i> (Restated)
Loss attributable to:		
- Owners of the Company		
- from continuing operations	(3,067)	(1,957)
- from discontinued operation	-	(2,064)
	(3,067)	(4,021)
- Non-controlling interests	-	-
	(3,067)	(4,021)
 Loss per share attributable to owners of the Company during the period (expressed in HK cents per share)		
- from continuing operations	(0.8)	(0.5)
- from discontinued operation	-	(0.5)
Basic and diluted	8 (0.8)	(1.0)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31ST MARCH 2019

(Unaudited)
Three months ended 31st March

	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Restated)
Loss for the period	(3,067)	(4,021)
Other comprehensive income/(loss)		
<i>Items that have been reclassified or may be reclassified subsequently to profit or loss</i>		
Currency translation differences	62	443
Fair value gain on available-for-sale financial asset	-	46,170
<i>Items that will not be reclassified to profit or loss</i>		
Change in fair value on financial asset at fair value through other comprehensive income	(2,633)	-
Actuarial loss on long service payment obligations	(32)	(322)
Total comprehensive (loss)/income for the period	(5,670)	42,270
Total comprehensive (loss)/income for the period attributable to:		
-Owners of the Company arises from:		
-Continuing operations	(5,670)	46,200
-Discontinued operation	-	(3,930)
	(5,670)	42,270
-Non-controlling interests	-	-
	(5,670)	42,270

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH 2019

	<i>Note</i>	(Unaudited) 31st March 2019 HK\$'000	(Audited) 31st March 2018 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		1,627	1,753
Intangible assets	3	4,894	5,173
Available-for-sale financial asset	4	-	70,470
Financial asset at fair value through other comprehensive income	4	23,895	-
Investments accounted for using the equity method	5	-	1,115
Total non-current assets		<u>30,416</u>	<u>78,511</u>
Current assets			
Inventories		482	1,406
Trade and other receivables		16,811	20,800
Amount due from a fellow subsidiary		-	3
Income tax recoverable		391	1,005
Cash and cash equivalents		22,843	29,761
Total current assets		<u>40,527</u>	<u>52,975</u>
Total assets		<u>70,943</u>	<u>131,486</u>
EQUITY			
Equity attributable to owners of the Company			
Share capital		401	401
Share premium		457,543	457,543
Other reserves		(324,805)	(279,273)
Accumulated losses		(79,087)	(66,980)
Total equity		<u>54,052</u>	<u>111,691</u>
LIABILITIES			
Non-current liabilities			
Long service payment obligations		54	50
Total non-current liabilities		<u>54</u>	<u>50</u>
Current liabilities			
Trade and other payables		12,620	18,781
Contract liabilities		3,116	-
Amounts due to fellow subsidiaries		1,101	964
Total current liabilities		<u>16,837</u>	<u>19,745</u>
Total liabilities		<u>16,891</u>	<u>19,795</u>
Total equity and liabilities		<u>70,943</u>	<u>131,486</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 March 2019 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 2018, which have been prepared in accordance with IFRSs and the interim results announcement for the six months ended 30th September 2018.

(b) *Accounting policies*

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31st March 2018, 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 or revised standards, amendments to standards and interpretations that have been issued but are not effective for the financial year beginning 1st January 2019. The Group is in the process of making an assessment of the impact of those new or revised standards, amendments to standards and interpretations 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 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 media business for the Hong Kong and Taiwan, and the Mainland China operation and also the performance of the entertainment and lifestyle operation and the watch and car operation and others, respectively.

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 March 2019 and 2018 are as follows:

	(Unaudited)				
	Three months ended 31st March 2019				
	<u>Media Business</u>				
	<u>Continuing operations</u>			<u>Discontinued operation</u>	
	Hong Kong and Taiwan				
	Entertainment and lifestyle operation	Watch and car operation and others	Sub total	Mainland China	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	20,489	3,440	23,929	-	23,929
Segment loss	(515)	(1,172)	(1,687)	-	(1,687)
Unallocated expenses					(1,335)
Loss before income tax					(3,022)
Income tax expense					(45)
Loss for the period					(3,067)
Other segmental information:					
Interest income	39	-	39	-	39
Depreciation of property, plant and equipment	163	22	185	-	185
Amortisation of intangible assets	65	3	68	-	68

(Unaudited)
Three months ended 31st March 2018

Media Business

	<u>Continuing operations</u>		<u>Discontinued operation</u>		Total <i>HK\$'000</i>
	Hong Kong and Taiwan		<i>(Note)</i>		
	Entertainment and lifestyle operation <i>HK\$'000</i>	Watch and car operation and others <i>HK\$'000</i>	Sub total <i>HK\$'000</i>	Mainland China <i>HK\$'000</i>	
Turnover	18,205	3,748	21,953	478	22,431
Segment loss before gain on deemed disposal of investment in an associate	(2,488)	(1,533)	(4,021)	(2,064)	(6,085)
Gain on deemed disposal of investment in an associate	-	21,317	21,317	-	21,317
Provision for impairment on trademarks	(19,034)	-	(19,034)	-	(19,034)
Segment (loss)/profit	(21,522)	19,784	(1,738)	(2,064)	(3,802)
Unallocated expenses					(42)
Operating loss					(3,844)
Share of results of joint ventures and associates	-	(359)	(359)	-	(359)
Loss before income tax					(4,203)
Income tax credit					182
Loss for the period					(4,021)
Other segmental information:					
Interest income	12	-	12	27	39
Depreciation of property, plant and equipment	176	17	193	25	218
Amortisation of intangible assets	273	4	277	-	277

Note:

During the year ended 31st March 2019, the Group disposed of its entire equity interest in two subsidiaries in Mainland China. The related financial information of the disposed entities is presented as discontinued operation. The comparative figures in the consolidated income statement have been restated to distinguish discontinued operation from continuing operations.

3 INTANGIBLE ASSETS

	Computer Software <i>(Note (a))</i> <i>HK\$'000</i>	Goodwill <i>(Note (b))</i> <i>HK\$'000</i>	Trademarks <i>(Note (c))</i> <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31st March 2018				
Opening net book amount	302	-	25,000	25,302
Additions	31	-	-	31
Amortisation expenses	(133)	-	(993)	(1,126)
Provision for impairment	-	-	(19,034)	(19,034)
Closing net book amount	<u>200</u>	<u>-</u>	<u>4,973</u>	<u>5,173</u>
At 31st March 2018				
Cost	1,484	2,725	75,600	79,809
Accumulated amortisation	(1,284)	-	(13,173)	(14,457)
Accumulated impairment	-	(2,725)	(57,454)	(60,179)
Net book amount	<u>200</u>	<u>-</u>	<u>4,973</u>	<u>5,173</u>
Period ended 31st March 2019				
Opening net book amount	200	-	4,973	5,173
Additions	11	-	-	11
Amortisation expenses	(85)	-	(205)	(290)
Closing net book amount	<u>126</u>	<u>-</u>	<u>4,768</u>	<u>4,894</u>
At 31st March 2019				
Cost	1,443	-	75,600	77,043
Accumulated amortisation	(1,351)	-	(13,378)	(14,695)
Accumulated impairment	-	-	(57,454)	(57,454)
Net book amount	<u>126</u>	<u>-</u>	<u>4,768</u>	<u>4,894</u>

- (a) Costs of computer software, considered to have finite useful lives, are stated at cost less any impairment losses and are amortised using the straight-line basis over five years.
- (b) During the year ended 31st March 2019, the Group has disposed of the PRC operation and the related cost and accumulated impairment loss of goodwill of HK\$2,725,000 has been written-off.
- (c) The trademarks arose from the publishing titles of Ming Pao Weekly ("MP Weekly"). The management determined the publishing of MP Weekly to be the corresponding cash-generating-unit ("CGU").

Trademarks are stated at cost less accumulated amortisation and impairment provision and are amortised using the straight-line basis over thirty years.

4 FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	(Unaudited) 31st March 2019 HK\$'000	(Audited) 31st March 2018 HK\$'000
Trading securities - listed securities		
At the beginning of the period/year	70,470	-
Fair value loss recognised in other comprehensive income	(46,575)	-
At the end of the period/year	<u>23,895</u>	<u>-</u>

At the adoption of IFRS 9, investment in listed securities held as long-term strategic investments that are not expected to be sold in the short to medium term were reclassified from available-for-sale financial assets to financial assets at fair value through other comprehensive income ("FVOCI"). Financial assets at FVOCI is carried at fair value. Gain or loss arising from changes in the fair value is recognised in "other comprehensive income" in the consolidated statement of comprehensive income. At 31st March 2019, the fair value was determined based on the share price at 31st March 2019 of the listed securities.

No provision for impairment on financial asset at FVOCI was made during the period ended 31st March 2019 (2018: Nil).

The financial asset at FVOCI is denominated in Hong Kong dollar and the fair value approximates the carrying amounts.

5 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	(Unaudited) 31st March 2019 HK\$'000	(Audited) 31st March 2018 HK\$'000
At 1st April	1,115	5,680
Share of results of joint ventures and associates	-	618
De-recognition of investment in an associate	-	(2,983)
De-recognition of investment in joint ventures (<i>note</i>)	(81)	-
Dividend received	(1,034)	(2,200)
At 31st March	<u>-</u>	<u>1,115</u>

Note:

On 5th December 2018, the Group has entered into an agreement with an independent third party to sell all its interest in Chu Kong Culture Media Company Limited for approximately HK\$9,000 and the transaction was completed during the year ended 31st March 2019.

6 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 March	
	2019	2018
	HK\$'000	HK\$'000
		(Restated)
Paper consumed	178	322
Depreciation of property, plant and equipment	185	193
Amortisation of intangible assets	68	277
Employee benefit expense (including directors' emoluments)	13,014	13,898
Occupancy costs	742	797

7 INCOME TAX (EXPENSE)/CREDIT

Hong Kong profits tax has been provided at the rate of 16.5% (2018: 16.5%) on the estimated assessable profit for the period.

	(Unaudited)	
	Three months ended 31st March	
	2019	2018
	HK\$'000	HK\$'000
Current income tax		
- Hong Kong profits tax (expense)/credit	(45)	182

8 LOSS PER SHARE

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	
	2019	2018
	HK\$'000	HK\$'000
Weighted average number of ordinary shares in issue (in thousands)	400,900	400,900
Loss from continuing operations attributable to owners of the Company	(3,067)	(1,957)
Basic and diluted loss per share from continuing operations attributable to owners of the Company (HK cents per share)	(0.8)	(0.5)
Loss from discontinued operation attributable to owners of the Company	-	(2,064)
Basic and diluted loss per share from discontinued operation attributable to owners of the Company (HK cents per share)	-	(0.5)
Basic and diluted loss per share (HK cents per share)	(0.8)	(1.0)

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 2019 and 2018.

9 DIVIDENDS

No dividend has been declared by the Directors during the three months ended 31st March 2019 (2018: Nil).

10 CONTINGENT LIABILITIES

As at 31st March 2019, the Group did not have any material contingent liabilities or guarantees (2018: Nil).

11 REVIEW OF OPERATION

During the quarter under review, the Group's turnover from continuing operations was HK\$23,929,000 (2018: HK\$21,953,000), representing an increase of around 9% as compared with the same quarter of last financial year. The increase in turnover was attributed to the increase in advertising income for entertainment and lifestyle segment. For this quarter, the Group's loss from continuing operations was HK\$3,067,000, representing an increase of around 57% as compared to HK\$1,957,000 in the same quarter of last financial year. In the same quarter of last financial year, there was a gain on deemed disposal of investment in an associate of HK\$21,317,000 but it was almost offset by a provision for impairment on trademarks of HK\$19,034,000 giving rise to a net gain of HK\$2,283,000. Excluding this net gain of HK\$2,283,000, the loss from continuing operations in the same quarter of last financial year was HK\$4,240,000 compared with HK\$3,067,000 in the current quarter. The improvement was mainly from the increase in advertising income and savings in operating costs for the entertainment and lifestyle segment.

As announced on 20th July 2018, the Group had ceased operations in Mainland China by disposing of Beijing OMG Advertising Company Limited and Beijing Times Resource Technology Consulting Limited. For the three months ended 31st March 2019, the Mainland China operation was classified as a discontinued operation.

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

Hong Kong, 28th May 2019

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. Victor YANG and Mr. LAU Chi Wah, Alex, being independent non-executive directors.