萬　華　媒　體
ONEMEDIAGROUP

One Media Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 426)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2019

The directors (the "Directors") of One Media Group Limited (the "Company") announce the consolidated final results of the Company and its subsidiaries (the "Group") for the year ended 31st March 2019 as follows:

CONSOLIDATED INCOME STATEMENT

Year ended 31st March

	Note	**2019** **HK$'000**	2018 *HK$'000* (Restated)
Continuing operations			
Turnover	*3*	**98,600**	94,971
Cost of goods sold	*4*	**(61,652)**	(61,344)
Gross profit		**36,948**	33,627
Other income		**1,454**	2,171
Gain on deemed disposal of investment in an associate	*3*	**–**	21,317
Selling and distribution expenses	*4*	**(20,652)**	(23,681)
Administrative expenses	*4*	**(22,967)**	(27,324)
Provision for impairment on trademarks	*8*	**–**	(19,034)
Operating loss		**(5,217)**	(12,924)
Share of results of joint ventures and associates	*5*	**–**	618
Loss before income tax		**(5,217)**	(12,306)
Income tax expense	*6*	**(212)**	(220)
Loss for the year from continuing operations		**(5,429)**	(12,526)
Loss for the year from discontinued operation (attributable to owners of the company)	*7*	**(6,678)**	(8,024)
Loss for the year		**(12,107)**	(20,550)

	Note	2019 HK$'000	2018 HK$'000 (Restated)
Loss attributable to:			
— Owners of the Company			
— from continuing operations		**(5,429)**	(12,526)
— from discontinued operation		**(6,678)**	(8,024)
		(12,107)	(20,550)
Non-controlling interests		**–**	–
		(12,107)	(20,550)
Loss per share attributable to owners of the Company for the year (expressed in HK cents per share)			
— from continuing operations		**(1.3)**	(3.1)
— from discontinued operation		**(1.7)**	(2.0)
Basic and diluted	*12*	**(3.0)**	(5.1)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31st March

	2019 *HK$'000*	2018 *HK$'000* (Restated)
Loss for the year	**(12,107)**	(20,550)
Other comprehensive income/(loss):		
Items that have been reclassified or may be reclassified subsequently to profit or loss		
Release of currency translation reserve upon disposal of subsidiaries	**1,682**	–
Currency translation differences	**(607)**	1,341
Fair value gain on available-for-sale financial asset	**–**	46,170
Items that will not be reclassified to profit or loss		
Changes in fair value on financial asset at fair value through other comprehensive income	**(46,575)**	–
Actuarial loss on long service payment obligations	**(32)**	(322)
Total comprehensive (loss)/income for the year	**(57,639)**	26,639
Total comprehensive (loss)/income for the year attributable to:		
— Owners of the Company arises from:		
Continuing operations	**(56,583)**	39,050
Discontinued operation	**(1,056)**	(12,411)
	(57,639)	26,639
Non-controlling interests	**–**	–
	(57,639)	26,639

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st March

	Note	2019 HK$'000	2018 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**1,627**	1,753
Intangible assets	8	**4,894**	5,173
Available-for-sale financial asset		**–**	70,470
Financial asset at fair value through other comprehensive income	9	**23,895**	–
Investments accounted for using the equity method	5	**–**	1,115
Total non-current assets		**30,416**	78,511
Current assets			
Inventories		**482**	1,406
Trade and other receivables	10	**16,811**	20,800
Amount due from a fellow subsidiary	10	**–**	3
Income tax recoverable		**391**	1,005
Cash and cash equivalents		**22,843**	29,761
Total current assets		**40,527**	52,975
Total assets		**70,943**	131,486
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		**54,052**	111,691
LIABILITIES			
Non-current liabilities			
Long service payment obligations		**54**	50
Total non-current liabilities		**54**	50
Current liabilities			
Trade and other payables	11	**12,620**	18,781
Contract liabilities	11	**3,116**	–
Amounts due to fellow subsidiaries	11	**1,101**	964
Total current liabilities		**16,837**	19,745
Total liabilities		**16,891**	19,795
Total equity and liabilities		**70,943**	131,486

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

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 Clifton House, 75 Fort Street, P.O. Box 1350 GT, George Town, 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 the Greater China region, including but not limited to magazine publishing and digital media business.

These consolidated financial statements are presented in Hong Kong dollars ("HK$"), unless otherwise stated, and have been approved for issue by the Board of Directors on 28th May 2019.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

(i) Compliance with IFRS

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for financial asset at fair value through other comprehensive income, which is measured at fair value.

(iii) New and amended standards adopted by the Group

The Group has applied the following standards and amendments to IFRSs issued by the International Accounting Standards Board ("IASB") for the first time for their annual reporting period commencing on 1st April 2018:

Annual Improvements Project	Annual Improvements 2014-2016 Cycle (amendments)
IFRS 2	Classification and Measurement of Share-based Payment Transactions (amendments)
IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (amendments)
IFRS 9	Financial Instruments (new standard)
IFRS 15	Revenue from Contracts with Customers (new standard)
IFRS 15	Clarifications to IFRS 15 (amendments)
IAS 40	Transfers of Investment Property (amendments)
IFRIC-Int 22	Foreign Currency Transactions and Advance Consideration (new interpretation)

The impact of the adoption of IFRS 9 and IFRS 15 are disclosed in note 2.2. The other standards did not have any material impact on the Group's accounting policies and did not require retrospective adjustments.

(iv) New standards and amendments to IFRS in issue but not yet effective

The following new and amended standards and interpretations have been issued but not yet effective and have not been early adopted by the Group.

		Effective for accounting periods beginning on or after
Annual Improvements Project	Annual Improvements 2015–2017 Cycle (amendments)	1st January 2019
IAS 19	Plan Amendment, Curtailment or Settlement (amendments)	1st January 2019
IAS 28	Long-term Interests in Associates and Joint Ventures (amendments)	1st January 2019
IFRS 9	Prepayment Features with Negative Compensation (amendments)	1st January 2019
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments)	To be determined
IFRS 16	Leases (new standard)	1st January 2019
IFRS 17	Insurance Contracts (new standard)	1st January 2021
IFRIC-Int 23	Uncertainty over Income Tax Treatments (new interpretation)	1st January 2019
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting	1st January 2020

IFRS 16 Leases

IFRS 16 was issued in January 2016. It will result in almost all major leases being recognised on the consolidated statement of financial position, as the distinction between operating and finance lease is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modification, amongst others. Under IFRS 16, principal portion of lease payments in relation to lease liability will be presented as financing cash flows.

As at 31st March 2019, the Group had non-cancellable operating lease commitments of HK$7,116,000.

A preliminary assessment of the other non-cancellable operating lease commitment indicates that these arrangements will meet the definition of a lease under IFRS 16, and the Group will recognise a right-of-use asset and corresponding liability in respect of all these leases upon the application of IFRS 16. In addition, the application of these new requirements may result in changes to measurement, presentation and disclosures. The Group has assessed the impact of the adoption of IFRS 16 on the Group's results and it is expected that right-of-use assets and lease liabilities of these lease commitments will be required to be recognised in the Group's consolidated statement of financial position.

The Group will apply the standard from its mandatory adoption date of 1st April 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

There are no other new, amended or revised IFRS and interpretations that are not yet effective and that would be expected to have a material impact on the Group.

2.2 Impact on the financial statements from the adoption of IFRS 9 and IFRS 15

This note explains the impact of the adoption of IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" on the Group's consolidated financial statements and also discloses the new accounting policies that have been applied from 1st April 2018, where they are different to those applied in prior years.

As explained in 2.2(a) below, IFRS 9 was generally adopted without restating comparative information. The reclassifications and the adjustments arising from the new impairment rules are therefore not reflected in the statement of financial position as at 31st March 2018, but are recognised in the opening statement of financial position on 1st April 2018.

As explained in 2.2(b) below, the Group elects to use a modified retrospective approach for transition of IFRS 15 without restating comparative information.

2.2(a) IFRS 9 Financial Instruments

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of consolidated financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9 Financial Instruments from 1st April 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the consolidated financial statements. In accordance with the transitional provisions in IFRS 9 (7.2.15) and (7.2.26), comparative figures have not been restated.

There is no impact on the Group for accumulated losses as at 1st March 2018 and 1st March 2017 as the new requirements only affect the accounting for financial assets that are designated at FVTPL and the Group does not have such assets.

(i) Classification and measurement

On 1st April 2018 (the date of initial application of IFRS 9), the Group's management has assessed which business models and contractual terms of the cash flows apply to the financial assets held by the Group and has classified its financial instruments into the appropriate IFRS 9 categories which are those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and those to be measured at amortised cost. The main effects resulting from these reclassification changes on the Group's financial asset are as follows:

Reclassification from AFS to FVOCI

The Group elected to present in OCI changes in the fair value of certain equity investments previously classified as "available-for-sale financial asset" ("AFS"), because these investments are held as long-term strategic investments that are not expected to be sold in the short to medium term. As a result, asset with a fair value of HK$70,470,000 was reclassified from available-for-sale financial asset to financial asset at FVOCI and related fair value gains were reclassified from the available-for-sale financial asset reserve to the FVOCI reserve on 1st April 2018.

(ii) Impairment of financial assets

The Group has the following financial assets at amortised cost that are subject to IFRS 9's new expected credit loss ("ECL") model:

Trade and other receivables

The Group was required to revise its impairment methodology under IFRS 9 for the class of assets above.

From 1st April 2018, the Group accesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group applies the IFRS 9 simplified approach to measure ECLs which uses a lifetime expected loss allowance for all trade receivables. To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Group applied different expected loss rates to different classes of trade receivables according to their respective risk characteristics and the days past due. Other financial assets at amortised cost include other receivables. The Group has applied the expected credit loss model to other receivables as at 1st April 2018 and the change in impairment methodologies did not have any material impact on the Group's consolidated financial statements and the opening loss allowance is not restated in this respect.

Cash and cash equivalents

While cash and cash equivalents and short-term bank deposits are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

2.2(b) IFRS 15 Revenue from Contracts with Customers

The effects of the adoption of IFRS 15 are as follows:

The impact on the Group's financial position by the application of IFRS 15 as compared to IAS 18 that was previously in effect before the adoption of IFRS 15 is as follows:

	As at 1st April 2018		
Consolidated statement of financial position (extract)	**As previously stated**	**Effects of the adoption of IFRS 15**	**As restated**
	HK$'000	*HK$'000*	*HK$'000*
Current liabilities			
Contract liabilities	–	3,261	3,261
Deferred revenue	533	(533)	–
Receipt in advance	2,728	(2,728)	–

Details of contract liabilities are as follows:

	As at 31st March 2019
	HK$'000
Contract liabilities related to subscription income *(note i)*	**611**
Contract liabilities related to advertising income *(note ii)*	**2,505**
	3,116

Notes:

(i) These consist of deferred revenue resulting from subscription income when the Group received payments from customers in advance.

(ii) These consist of payment made by customers in advance, related to the advertising income, received from customers for services that have not yet been rendered to the customers.

(a) ***Timing of revenue recognition***

Under IFRS 15, revenue is recognised when customer obtains control of the promised goods or services in the contract. IFRS 15 identifies 3 situations in which control of the promised goods or services is regarded as being transferred over time: (i) When the customer simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs; (ii) When the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; (iii) When the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If the contract terms and the entity's activities do not fall into any of these 3 situations, then under IFRS 15, the entity recognises revenue for the sale of that good and service at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that is considered in determining when the transfer of control occurs.

Under IFRS 15, advertising income is recognised net of trade discount over the period when the related advertisement is published. Sale of magazines, books and digital content is recognised net of trade discount and sales return at point in time upon delivery of the publication.

(b) ***Presentation of contract asset and contract liability***

The Group has adopted IFRS 15 using the cumulative effect method (without practical expedients) with the effect of initially applying the standard recognised at the date of initial application. The adoption of this IFRS 15 results in changes in accounting policies for revenue recognition and has no material impact other than the disclosures in the Group's financial statements.

The Group has also voluntarily changed the presentation of certain amounts in the statement of financial position to reflect the terminology of IFRS 15 and IFRS 9:

- Contract liabilities in relation to payments received in advance from customers were previously presented as deferred revenue (HK$533,000 as at 31st March 2018).

- Contract liabilities in relation to payments received in advance from customers were previously presented as receipts in advance (HK$2,728,000 as at 31st March 2018).

3 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 year ended 31st March 2019 and 2018 are as follows:

	Year ended 31st March 2019 Media Business				
	Continuing operations			Discontinued operation	
	Hong Kong and Taiwan				
	Entertainment and lifestyle operation	Watch and car operation and others	Sub total	Mainland China	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Turnover	**81,461**	**17,139**	**98,600**	**463**	**99,063**
Segment profit/(loss)	**2,746**	**(1,453)**	**1,293**	**(6,678)**	**(5,385)**
Unallocated expenses					**(6,510)**
Loss before income tax					**(11,895)**
Income tax expense					**(212)**
Loss for the year					**(12,107)**
Other segmental information:					
Interest income	**98**	**–**	**98**	**16**	**114**
Depreciation of property, plant and equipment	**624**	**85**	**709**	**–**	**709**
Amortisation of intangible assets	**276**	**14**	**290**	**–**	**290**

	Year ended 31st March 2018				
	Media Business				
	Continuing operations			Discontinued operation	
	Hong Kong and Taiwan			*(Note)*	
	Entertainment and lifestyle operation *HK$'000*	Watch and car operation and others *HK$'000*	Sub total *HK$'000*	Mainland China *HK$'000*	Total *HK$'000*
Turnover	77,953	17,018	94,971	5,076	100,047
Segment loss before gain on deemed disposal of investment in an associate and provision for impairment on trademarks	(6,518)	(3,627)	(10,145)	(8,024)	(18,169)
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	(25,552)	17,690	(7,862)	(8,024)	(15,886)
Unallocated expenses					(5,062)
Operating loss					(20,948)
Share of results of joint ventures ("JVs") and associates *(Note 5)*	–	618	618	–	618
Loss before income tax					(20,330)
Income tax expense					(220)
Loss for the year					(20,550)
Other segmental information:					
Interest income	116	—	116	118	234
Depreciation of property, plant and equipment	808	66	874	95	969
Amortisation of intangible assets	1,108	18	1,126	—	1,126

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.

(a) Disaggregation of revenue

	2019 *HK$'000*	2018 *HK$'000*
Timing of revenue recognition		
— At a point in time	**17,353**	17,558
— Overtime	**81,710**	82,489
	99,063	100,047

(b) Liabilities related to contracts with customers

	2019 *HK$'000*
Contract liabilities related to subscription income	**611**
Contract liabilities related to advertising income	**2,505**
Contract liabilities	**3,116**

The Group has recognised the following assets and liabilities related to contracts with customers:

(i) Significant changes in contract liabilities

Contract liabilities related to advertising income have decreased by HK$223,000 due to decrease in overall contract activities and the disposal of PRC segment in March 2019.

(ii) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current year related to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in current year.

	2018 *HK$'000*
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	
— Subscription income	533
— Advertising income	1,796
	2,329

4 EXPENSES BY NATURE

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

	2019	2018
	HK$'000	*HK$'000*
Paper consumed	**1,027**	6,162
Printing costs	**10,152**	9,929
Depreciation of property, plant and equipment	**709**	874
Amortisation of intangible assets *(Note 8)*	**290**	1,126
Employee benefit expense (including directors' emoluments)	**54,100**	57,402
Occupancy costs	**3,064**	3,067
Loss/(gain) on disposal of property, plant and equipment	**4**	(111)
Bad debts written off	**90**	15
Auditor's remuneration	**911**	1,005
Support service fee	**5,336**	5,679
Licence fee and royalty charges	**599**	660
Advertising and promotion expenses	**2,411**	3,525
Distribution costs	**990**	1,080
Sales commission	**2,073**	2,629

5 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	2019	2018
	HK$'000	*HK$'000*
At 1st April	**1,115**	5,680
Share of results of JVs and associates	**–**	618
De-recognition of investment in an associate	**–**	(2,983)
De-recognition of investment in JVs	**(81)**	–
Dividend received	**(1,034)**	(2,200)
At 31st March	**–**	1,115

The Group's investments accounted for using the equity method represented the Group's interests in JVs and associates. Set out below are the JVs of the Group as at 31st March 2019:

Name of JVs	**Place of incorporation**	**Effective equity interest**	**Principal activities**	**Measurement method**
Chu Kong Culture Media Company Limited ("Chu Kong")	British Virgin Islands	–	*Note (i)*	Equity
Connect Media Company Limited ("Connect Media")	Hong Kong	–	*Note (i)*	Equity

(i) Chu Kong is an investment holding company and the principal activities of its wholly-owned subsidiary, Connect Media, include but not limited to video programs, posters, seat covers, hull advertising, light box advertisement and e-commerce at the transportation vehicles and also their terminals.

Chu Kong and Connect Media are private companies with no quoted market prices available for their shares.

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

Set out below are the associates of the Group as at 31st March 2019 which held by the Group as at 31st March 2019.

Nature of investment in associates as at 31st March 2019 and 2018:

Name of associates	**Place of incorporation**	**Effective equity interest**		**Principal activities**	**Measurement method**
		2019	2018		
ByRead Inc. (“ByRead”)	The Cayman Islands	**24.97%**	24.97%	*Note (i)*	Equity

Notes:

(i) ByRead is an investment holding company and the principal activities of its subsidiaries include the provision of mobile value-added services such as entertainment and online reading for individuals and enterprises in Mainland China. ByRead is a private company and there is no quoted market price available for its shares. There is no contingent liabilities relating to the Group’s interest in the associate.

The Group recognised an allowance for impairment of HK$23,467,000 of the investment in ByRead during the year ended 31st March 2015. Management has performed the assessment and did not consider any reversal of impairment being necessary for the year ended 31st March 2019.

Set out below is the aggregate amount of the Group’s share of results of all individually immaterial associates.

	2019	2018
	HK$’000	*HK$’000*
Profits from continuing operations and total comprehensive income for the year	–	618

6 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2018: 16.5%) on the estimated assessable profit during the year ended 31st March 2019.

	2019	2018
	HK$'000	*HK$'000*
Hong Kong profits tax		
— Current income tax	**212**	220
Deferred income tax		
— Current deferred income tax charge	**–**	–
	212	220

7 DISPOSAL OF SUBSIDIARIES AND DISCONTINUED OPERATION

During the year ended 31st March 2019, the Group disposed of its entire equity interests in two of its subsidiaries, Beijing OMG Advertising Company Limited ("Beijing OMG Advertising") and Beijing Times Resource Technology Consulting Limited ("Beijing TRT"). The total consideration was approximate to the net assets value of disposed companies. The principal activity of these two companies was operation of magazines in Mainland China. As a result of the disposal, a loss of HK$1,641,000 has been recognised in the consolidated income statement. The effect of the disposal is summarised as follows:

	2019
	HK$'000
Gain on disposal before release of currency translation reserve	**41**
Release of currency translation reserve	**(1,682)**
Net loss on disposal of subsidiaries	**(1,641)**

Upon disposal of Beijing OMG Advertising and Beijing TRT, the Group would cease the magazines operation in Mainland China.

The results of the discontinued operation for both years are presented below:

	2019	2018
	HK$'000	*HK$'000*
Revenue and other income	**479**	5,194
Expenses	**(5,516)**	(13,218)
Loss before income tax of discontinued operation	**(5,037)**	(8,024)
Income tax expense	**–**	–
Loss after income tax of discontinued operation	**(5,037)**	(8,024)
Gain on disposal of subsidiaries before release of currency translation reserve	**41**	–
Release of currency translation reserve	**(1,682)**	–
Loss from discontinued operation	**(6,678)**	(8,024)

8 INTANGIBLE ASSETS

	Computer software *(Note (a))* *HK$'000*	Goodwill *(Note (b))* *HK$'000*	Trademarks *(Note (c))* *HK$'000*	Total *HK$'000*
At 1st April 2017				
Cost	1,453	2,725	75,600	79,778
Accumulated amortisation	(1,151)	–	(12,180)	(13,331)
Accumulated impairment	–	(2,725)	(38,420)	(41,145)
Net book amount	302	–	25,000	25,302
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	200	–	4,973	5,173
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	200	–	4,973	5,173
Year ended 31st March 2019				
Opening net book amount	200	–	4,973	5,173
Additions	11	–	–	11
Amortisation expenses	(85)	–	(205)	(290)
Provision for impairment	–	–	–	–
Closing net book amount	126	–	4,768	4,894
At 31st March 2019				
Cost	1,443	–	75,600	77,043
Accumulated amortisation	(1,317)	–	(13,378)	(14,695)
Accumulated impairment	–	–	(57,454)	(57,454)
Net book amount	126	–	4,768	4,894

(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.

(d) Amortisation expense of approximately HK$56,000 (2018: HK$66,000), HK$20,000 (2018:HK$49,000) and HK$214,000 (2018: HK$1,011,000) is included in cost of goods sold, selling and distribution, and administrative expenses, respectively.

9 FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2019 ***HK$'000***	2018 *HK$'000*
Trading securities — listed securities		
At the beginning of the year	**70,470**	–
Fair value loss recognised in other comprehensive income	**(46,575)**	–
At the end of the year	**23,895**	–

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 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. Details of the accounting treatment are set out in the Group’s accounting policies.

No provision for impairment on financial asset at FVOCI was made during the year 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.

10 TRADE AND OTHER RECEIVABLES AND AMOUNT DUE FROM A FELLOW SUBSIDIARY

	2019	2018
	HK$'000	*HK$'000*
Trade receivables	**13,798**	18,121
Less: allowance for impairment of trade receivables	**–**	(699)
Trade receivables — net	**13,798**	17,422
Other receivables and deposits	**517**	1,190
Barter receivables	**148**	356
Prepayments and advances	**2,348**	1,832
	16,811	20,800
Amount due from a fellow subsidiary	**–**	3
	16,811	20,803

At 31st March 2019 and 2018, the fair values of trade and other receivables approximated their carrying amounts.

The Group allows in general a credit period ranging from 30 days to 120 days to its trade customers. At 31st March 2019 and 2018, the ageing analysis of the Group's trade receivables by invoice date is as follows:

	2019	2018
	HK$'000	*HK$'000*
0 to 60 days	**7,585**	10,328
61 to 120 days	**3,609**	3,265
121 to 180 days	**1,249**	2,627
Over 180 days	**1,355**	1,901
	13,798	18,121

Trade receivables that are neither past due nor impaired amounted to HK$6,564,000 (2018: HK$6,566,000). These balances relate to a wide range of customers for whom there is no recent history of default.

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

11 TRADE AND OTHER PAYABLES AND AMOUNTS DUE TO FELLOW SUBSIDIARIES

	2019	2018
	HK$'000	*HK$'000*
Trade payables	**4,174**	3,417
Other payables	**8,446**	12,103
Receipt in advance	**–**	2,728
Deferred income and tax provision	**–**	533
	12,620	18,781
Contract liabilities	**3,116**	–
Amounts due to fellow subsidiaries	**1,101**	964
	16,837	19,745

The ageing of the amounts due to fellow subsidiaries arising from related-party trade related transactions, by invoice date, is within 180 days. They are unsecured, non-interest bearing and with normal credit terms from 30 days to 180 days.

At 31st March 2019 and 2018, the ageing analysis of the trade payables by invoice date is as follows:

	2019	2018
	HK$'000	*HK$'000*
0 to 60 days	**2,333**	2,321
61 to 120 days	**1,677**	990
121 to 180 days	**103**	84
Over 180 days	**61**	22
	4,174	3,417

12 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 year.

	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	**(5,429)**	(12,526)
Basic and diluted loss per share from continuing operations attributable to owners of the Company *(HK cents per share)*	**(1.3)**	(3.1)
Loss from discontinued operation attributable to owners of the Company	**(6,678)**	(8,024)
Basic and diluted loss per share from discontinued operation attributable to owners of the Company *(HK cents per share)*	**(1.7)**	(2.0)
Basic and diluted loss per share *(HK cents per share)*	**(3.0)**	(5.1)

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 year ended 31st March 2019 and 2018.

13 DIVIDENDS

The Board of Directors did not recommend the payment of dividend for the year ended 31st March 2019 and 2018.

MANAGEMENT DISCUSSION AND ANALYSIS

Results Summary

Hong Kong's GDP grew by 3.0% in 2018 compared with the growth rate of 3.8% in 2017. The Group's turnover from continuing operations for the year ended 31st March 2019 increased by 3.8% compared with 2018 from HK$94,971,000 to HK$98,600,000. The loss after tax was reduced by 41% to HK$12,107,000 compared to the previous year's HK$20,550,000 loss. In 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 for last financial year was HK$14,809,000 compared to a loss from continuing operations of HK$5,429,000 for this financial year.

Review of Operations

Entertainment and Lifestyle Operation

Turnover for the entertainment and lifestyle operations increased by 4.5% to HK$81,461,000 compared to last fiscal year. Segment results were profit of HK$2,746,000 compared to loss of HK$6,518,000 in last financial year. The improvement was mainly due to the improvement in digital advertising income and savings in operating costs.

"*Ming Pao Weekly 明周*" ("MP Weekly") continues to maintain its position as a popular entertainment and cultural title on both print and digital platforms in Hong Kong. The publication was revamped in March 2019 with refreshing content and layout to give a new look to readers. MP Weekly celebrated its 50th anniversary last year with a record turnout for the anniversary party.

"*Ming's*" was published as a separate publication since March 2018. Its debut as a high-end fashion and beauty media brand was well received in the industry and the sale of its creative advertisement solutions in both print and digital platforms was encouraging.

The Group continues to develop the business of organising marketing events for advertisers, government and other organisations to diversify its revenue stream.

Watch and Car Operation and Others

Watch and car operation and others segment turnover increased marginally from HK$17,018,000 by 0.7% to HK$17,139,000 compared to last financial year. Segment loss was HK$1,453,000 compared to HK$3,627,000 in last financial year. The improvement was mainly due to the savings in operating costs.

"*TopGear 極速誌*" ("TopGear") is a leading automobile title with a Hong Kong edition and a Taiwan edition, respectively, backed by an international publication . Its self-curated videos continue to be its readers' favorite. The revenue from TopGear has slightly improved for the financial year in review.

"*MING Watch 明錶*" ("Ming Watch") is a professional high-end watch title offering feature stories while covering the latest industry trends in Hong Kong. Based on its Hong Kong operations, it had extended its business to Taiwan under the name of "*MING Watch Plus 明錶+*" ("MW+"), focusing on not just watches but also men's lifestyle content. The performance of both Ming Watch and MW+ was impacted by the slowdown of the luxury watch retail market in the financial year.

ST Productions Limited is engaged in artist management, event management, and music production and distribution. During the year, one of its artists participated in the 2018 "Good Night Show — King Maker" hosted by ViuTV, and won the grand final as a runner-up. He became a member of MIRROR boy band, which was his debut into the entertainment community. Another artist took part in ViuTV's "Good Night Show — CM Queen" and won the competition in 2018. This may enhance her participation in more commercial performance.

Discontinued operation

As announced on 20th July 2018, the Group had ceased operation in Mainland China by disposing of Beijing OMG Advertising Company Limited and Beijing Times Resource Technology Consulting Limited.

Sustainability

The Group embeds sustainability measures in its operations to minimise its environmental impact while producing and delivering credible and quality contents, services and products. The Group continues to improve its sustainability efforts and constantly identify other material sustainability issues. In the environmental area, the usage of resources, such as water and electricity by the Group is monitored regularly. For social, the Group focuses on the training and development of its employees and implementing health and safety measures in its operations. It also looks into sound procurement practices and measures to ensure product reliability. Last but not least, the Group is committed to connect and contribute to the community in which it operates and enhances its reach to its customers and investors.

Outlook

The latest Advertising Spending Projections Survey 2019 conducted by Nielsen in partnership with the Hong Kong Advertisers Association reported that 59% of the advertisers expect the Hong Kong economy to face downturn in 2019.

The Group expects the new financial year to remain challenging as the trade war between the United States and China continues to dampen commercial confidence. The Group will focus on improving its digital products and enhancing its digital advertisement offerings with creative methods. Meanwhile, the Group will continue to recruit new talents with the right skills to meet its demand for digital expansion. It will take steps to retrain and redeploy its employees to equip them with new skills and expand their scope of work to improve operational efficiency. It will also continue to look for ways to contain cost and improve operational efficiency. The Group hopes these efforts will bring better results and meet the rapid changes on the media sector.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

As at 31st March 2019, the Group's net current assets amounted to HK$23,690,000 (2018: HK$33,230,000) and the total equity attributable to the equity holders of the Company was HK$54,052,000 (2018: HK$111,691,000). The Group had no bank borrowings (2018: Nil) and the gearing ratios, which is defined as the ratio of net debt, calculated as total borrowings less cash and cash equivalents, to total capital, calculated as total equity attributable to the Company's equity holders plus net debt, was zero at 31st March 2019 and 2018.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group's revenues and costs are mainly denominated in Hong Kong dollars. The Group does not foresee any substantial risks from exposure to fluctuation in exchange rates.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

CONTINGENT LIABILITIES

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

CLOSURE OF THE REGISTER OF THE MEMBERS

The registers of the Company will be closed from Thursday, 8th August 2019 to Tuesday, 13th August 2019, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending the forthcoming annual general meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 7th August 2019.

EMPLOYEES

As at 31st March 2019, the Group has approximately 152 employees (2018: 193 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 hybrid retirement benefit scheme operated by the Company's fellow subsidiary and the Mandatory Provident Fund scheme for its employees.

CORPORATE GOVERNANCE

The Company has adopted the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company has complied with the CG Code throughout the year.

COMPLIANCE OF THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (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 set out in the Model Code throughout the year.

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. Victor YANG and Mr. LAU Chi Wah, Alex. The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31st March 2019 and discussed matters relating to auditing, risk management, internal control systems and financial reporting.

REMUNERATION COMMITTEE

The Remuneration Committee currently comprises three independent non-executive Directors, namely, Mr. YU Hon To, David, Mr. Victor YANG, Mr. LAU Chi Wah, Alex 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. Victor YANG, Mr. LAU Chi Wah, Alex and one executive Director, namely, Mr. TIONG Kiew Chiong.

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.

The Company's Annual Report 2018/19 containing all the information required by the Listing Rules will be published on The Stock Exchange of Hong Kong Limited's website in due course and will be dispatched to shareholders before end of July 2019.