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# 万 华 媒 体 ONEMEDIAGROUP

## One Media Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 426)

### SECOND QUARTER RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30TH SEPTEMBER 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 30th September 2017, together with the comparative figures for the corresponding period in 2016 as follows:

#### CONSOLIDATED INCOME STATEMENT

FOR THE THREE MONTHS ENDED 30TH SEPTEMBER 2017

	Note	(Unaudited)	
		Three months ended 30th September	
		2017	2016
		HK\$'000	HK\$'000
Turnover	2	23,860	24,960
Cost of goods sold		<u>(16,613)</u>	<u>(16,966)</u>
Gross profit		7,247	7,994
Other income		269	248
Selling and distribution expenses		(6,979)	(6,478)
Administrative expenses		<u>(9,510)</u>	<u>(7,872)</u>
Operating loss		(8,973)	(6,108)
Share of results of joint ventures and associates		<u>290</u>	<u>1,224</u>
Loss before income tax		(8,683)	(4,884)
Income tax (expense)/credit	5	<u>(211)</u>	<u>698</u>
Loss for the period		<u><b>(8,894)</b></u>	<u><b>(4,186)</b></u>
Loss attributable to:			
- Owners of the Company		(8,894)	(4,186)
- Non-controlling interests		-	-
		<u><b>(8,894)</b></u>	<u><b>(4,186)</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>(2.22)</b></u>	<u><b>(1.04)</b></u>



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30TH SEPTEMBER 2017**

	<i>Note</i>	(Unaudited) 30th September 2017 HK\$'000	(Audited) 31st March 2017 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		1,581	2,006
Intangible assets	3	24,733	25,302
Investments accounted for using equity method		4,137	5,680
<b>Total non-current assets</b>		<b>30,451</b>	32,988
<b>Current assets</b>			
Inventories		1,690	4,686
Trade and other receivables		28,638	25,321
Amounts due from fellow subsidiaries		36	29
Income tax recoverable		211	4,445
Cash and cash equivalents		30,733	38,325
<b>Total current assets</b>		<b>61,308</b>	72,806
<b>Total assets</b>		<b>91,759</b>	105,794
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		401	401
Share premium		457,543	457,543
Other reserves		(325,809)	(326,462)
Accumulated losses		(63,035)	(46,430)
<b>Total equity</b>		<b>69,100</b>	85,052
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long service payment obligations		72	72
<b>Total non-current liabilities</b>		<b>72</b>	72
<b>Current liabilities</b>			
Trade and other payables		21,517	19,775
Amounts due to fellow subsidiaries		1,070	895
<b>Total current liabilities</b>		<b>22,587</b>	20,670
<b>Total liabilities</b>		<b>22,659</b>	20,742
<b>Total equity and liabilities</b>		<b>91,759</b>	105,794

## 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 September 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 second 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 30th September 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	HK\$'000
Turnover	19,101	4,309	23,410	450	23,860
Segment loss before income tax	(2,668)	(1,515)	(4,183)	(3,053)	(7,236)
Unallocated expenses					(1,737)
Operating loss					(8,973)
Share of results of joint ventures and associates					290
Loss before income tax					(8,683)
Income tax expense					(211)
Loss for the period					(8,894)
Other information:					
Interest income	40	-	40	34	74
Depreciation of property, plant and equipment	212	15	227	23	250
Amortisation of intangible assets	274	9	283	-	283

The Group's turnover and results provided to the executive committee for the reporting segments for the three months ended 30th September 2016 are as follows:

	(Unaudited)				Total HK\$'000
	<u>Media Business</u>			Mainland China	
	Hong Kong and Taiwan		Sub total HK\$'000		
	Lifestyle magazines HK\$'000	Automobile/ watch magazines and others HK\$'000			
Turnover	18,424	3,606	22,030	2,930	24,960
Segment loss before income tax	(3,095)	(1,296)	(4,391)	(68)	(4,459)
Unallocated expenses					(1,649)
Operating loss					(6,108)
Share of results of joint ventures and associates					1,224
Loss before income tax					(4,884)
Income tax credit					698
Loss for the period					(4,186)
Other information:					
Interest income	28	-	28	4	32
Depreciation of property, plant and equipment	272	66	338	54	392
Amortisation of intangible assets	663	17	680	-	680

### 3 INTANGIBLE ASSETS

	Computer Software <i>HK\$'000</i>	Goodwill <i>HK\$'000</i>	Trademarks <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Period ended 30th September 2016</b>				
Opening net book amount	328	-	65,940	66,268
Additions	24	-	-	24
Amortisation expenses	(101)	-	(1,260)	(1,361)
Closing net book amount	<u>251</u>	<u>-</u>	<u>64,680</u>	<u>64,931</u>
<b>At 30th September 2016</b>				
Cost	1,318	2,725	75,600	79,643
Accumulated amortisation	(1,067)	-	(10,920)	(11,987)
Accumulated impairment	-	(2,725)	-	(2,725)
Net book amount	<u>251</u>	<u>-</u>	<u>64,680</u>	<u>64,931</u>
<b>Period ended 30th September 2017</b>				
Opening net book amount	302	-	25,000	25,302
Additions	-	-	-	-
Amortisation expenses	(73)	-	(496)	(569)
Closing net book amount	<u>229</u>	<u>-</u>	<u>24,504</u>	<u>24,733</u>
<b>At 30th September 2017</b>				
Cost	1,453	2,725	75,600	79,778
Accumulated amortisation	(1,224)	-	(12,676)	(13,900)
Accumulated impairment	-	(2,725)	(38,420)	(41,145)
Net book amount	<u>229</u>	<u>-</u>	<u>24,504</u>	<u>24,733</u>

### 4 EXPENSES BY NATURE

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 30th September</b>	
	<b>2017</b>	2016
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Paper consumed	<b>1,869</b>	2,456
Depreciation of property, plant and equipment	<b>250</b>	392
Amortisation of intangible assets	<b>283</b>	680
Employee benefit expense (including directors' emoluments)	<b>16,575</b>	15,622
Occupancy costs	<b>1,097</b>	1,087
	<u><b>1,097</b></u>	<u>1,087</u>

## 5 INCOME TAX (EXPENSE)/CREDIT

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 30th September 2017 and 2016.

	<b>(Unaudited)</b>	
	<b>Three months ended 30th September</b>	
	<b>2017</b>	<b>2016</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Current income tax		
- Hong Kong profits tax expense	<b>(211)</b>	(1,104)
Deferred income tax credit	<b>-</b>	1,802
	<b>(211)</b>	<b>698</b>

## 6 LOSS PER SHARE

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

	<b>(Unaudited)</b>	
	<b>Three months ended 30th September</b>	
	<b>2017</b>	<b>2016</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Loss attributable to owners of the Company	<b>(8,894)</b>	(4,186)
Weighted average number of ordinary shares in issue (in thousands)	<b>400,900</b>	400,900
Basic loss per share (HK cents per share)	<b>(2.22)</b>	(1.04)
Diluted loss per share (HK cents per share)	<b>(2.22)</b>	(1.04)

The diluted loss per share is the same as the basic loss per share as there was no dilutive potential shares in issue during the three months ended 30th September 2017.

## 7 DIVIDENDS

No dividend has been declared by the Directors during the three months ended 30th September 2017 (2016: Nil).

## **8 CONTINGENT LIABILITIES**

As at 30th September 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\$23,860,000 (2016: HK\$24,960,000), representing a decrease of 4% as compared with the same quarter of last financial year. The decline in turnover was due to the weak print advertising market which led to the further decrease in print advertising revenue of the Group. As a result, the Group reported a loss of HK\$8,894,000 during this quarter compared to the loss of HK\$4,186,000 in the same quarter of last financial year.

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

Hong Kong, 28th November 2017

*As at the date of this announcement, the board of the Company comprises Tan Sri Datuk Sir TIONG Hiew King, 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.*