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## 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 2015

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 2015, together with the comparative unaudited consolidated figures for the corresponding period in 2014 as follows:

### CONSOLIDATED INCOME STATEMENT

FOR THE THREE MONTHS ENDED 30TH SEPTEMBER 2015

		(Unaudited)	
		Three months ended 30th September	
		2015	2014
	Note	HK\$'000	HK\$'000
Turnover	2	31,992	42,885
Cost of goods sold		<u>(18,350)</u>	<u>(22,050)</u>
Gross profit		13,642	20,835
Other income		1,376	2,212
Selling and distribution expenses		(8,671)	(10,610)
Administrative expenses		<u>(9,862)</u>	<u>(10,068)</u>
Operating (loss)/ profit		(3,515)	2,369
Change in fair value of convertible bond		-	(742)
Share of profit/(loss) of joint ventures and associates	4	<u>262</u>	<u>(558)</u>
(Loss)/ profit before income tax		(3,253)	1,069
Income tax expense	8	<u>(202)</u>	<u>(936)</u>
(Loss)/profit for the period		<u><u>(3,455)</u></u>	<u><u>133</u></u>
(Loss)/profit attributable to:			
- Owners of the Company		(3,455)	133
- Non-controlling interests		<u>-</u>	<u>-</u>
		<u><u>(3,455)</u></u>	<u><u>133</u></u>
(Loss)/ earnings per share attributable to owners of the Company during the period (expressed in HK cent per share)			
- Basic and diluted	9	<u><u>(0.86)</u></u>	<u><u>0.03</u></u>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE MONTHS ENDED 30TH SEPTEMBER 2015**

	<b>(Unaudited)</b>	
	<b>Three months ended 30th September</b>	
	<b>2015</b>	<b>2014</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>(Loss)/profit for the period</b>	(3,455)	133
<b>Other comprehensive (loss)/income</b>		
<i>Item that may be reclassified to profit or loss</i>		
Currency translation differences	(684)	582
<b>Total comprehensive (loss)/income for the period</b>	<u>(4,139)</u>	<u>715</u>
<b>Total comprehensive (loss)/income for the period attributable to:</b>		
-Owners of the Company	(4,139)	715
-Non-controlling interests	-	-
	<u>(4,139)</u>	<u>715</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30TH SEPTEMBER 2015**

		(Unaudited) 30th September 2015 HK\$'000	(Audited) 31st March 2015 HK\$'000
	<i>Note</i>		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		2,782	3,699
Intangible assets	3	67,628	68,986
Interests in joint ventures and associates	4	5,711	6,172
Deferred income tax assets		3,040	3,149
<b>Total non-current assets</b>		<b>79,161</b>	<b>82,006</b>
<b>Current assets</b>			
Inventories		7,404	7,158
Trade and other receivables		45,191	48,650
Amounts due from fellow subsidiaries		661	294
Income tax recoverable		2,670	3,257
Short-term bank deposits		29,067	-
Cash and cash equivalents		19,117	130,099
<b>Total current assets</b>		<b>104,110</b>	<b>189,458</b>
<b>Total assets</b>		<b>183,271</b>	<b>271,464</b>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	6	401	400
Share premium	6	457,543	456,073
Other reserves		(325,350)	(324,181)
Retained earnings			
- Proposed dividend	10	-	4,000
- Others		29,361	31,203
<b>Total equity</b>		<b>161,955</b>	<b>167,495</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred income tax liabilities		74	195
Long service payment obligations		50	50
<b>Total non-current liabilities</b>		<b>124</b>	<b>245</b>
<b>Current liabilities</b>			
Trade and other payables		19,260	26,940
Amounts due to fellow subsidiaries		1,515	1,158
Convertible bond held by a fellow subsidiary	5	-	75,508
Income tax liabilities		417	118
<b>Total current liabilities</b>		<b>21,192</b>	<b>103,724</b>
<b>Total liabilities</b>		<b>21,316</b>	<b>103,969</b>
<b>Total equity and liabilities</b>		<b>183,271</b>	<b>271,464</b>
<b>Net current assets</b>		<b>82,918</b>	<b>85,734</b>
<b>Total assets less current liabilities</b>		<b>162,079</b>	<b>167,740</b>

## 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 2015 is unaudited and has been prepared in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”), requirements of the Hong Kong Companies Ordinance and applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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 2015, which have been prepared in accordance with IFRSs and the interim results announcement for the six months ended 30th September 2015.

#### (b) *Accounting policies*

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.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31st March 2015, as described in those annual financial statements.

- Amendments to IFRSs effective for the financial year ending 31st March 2016 do not have a material impact on the Group.

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 applicable for the accounting period beginning 1st April 2015. 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 in Hong Kong and Mainland China.

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 Group mainly operates its business in Hong Kong and Mainland China. The breakdown of total revenue from external customers from these two areas and the Group’s turnover and results provided to the Executive Committee for the reporting segments for the three months ended 30th September 2015 and 2014 are as follows:

	(Unaudited)					
	Three months ended 30th September					
	Media business					
	Hong Kong		Mainland China		Total	
	2015	2014	2015	2014	2015	2014
	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i>
Turnover	<b>28,568</b>	36,564	<b>3,424</b>	6,321	<b>31,992</b>	42,885
Segment profit/(loss) before income tax	<b>1,272</b>	7,685	<b>(2,144)</b>	(3,551)	<b>(872)</b>	4,134
Unallocated expenses					<b>(2,643)</b>	(1,765)
Operating (loss)/profit					<b>(3,515)</b>	2,369
Change in fair value of convertible bond					-	(742)
Share of profit/(loss) of joint ventures (“JVs”) and associates					<b>262</b>	(558)
(Loss)/profit before income tax					<b>(3,253)</b>	1,069
Income tax expense	<b>(199)</b>	(935)	<b>(3)</b>	(1)	<b>(202)</b>	(936)
(Loss)/profit for the period					<b>(3,455)</b>	133
Other information:						
Interest income	<b>156</b>	387	<b>59</b>	75	<b>215</b>	462
Depreciation of property, plant and equipment	<b>404</b>	410	<b>97</b>	95	<b>501</b>	505
Amortisation of intangible assets	<b>684</b>	684	-	-	<b>684</b>	684

### 3 INTANGIBLE ASSETS

	<b>Group</b>			
	<b>Computer softwares HK\$'000</b>	<b>Goodwill HK\$'000</b>	<b>Trademarks HK\$'000</b>	<b>Total HK\$'000</b>
<b>Period ended 30th September 2014</b>				
Opening net book amount	616	2,695	70,980	74,291
Additions	116	-	-	116
Amortisation expenses	(107)	-	(1,260)	(1,367)
Currency translation differences	-	24	-	24
Closing net book amount	<u>625</u>	<u>2,719</u>	<u>69,720</u>	<u>73,064</u>
<b>At 30th September 2014</b>				
Cost	1,274	2,719	75,600	79,593
Accumulated amortisation	(649)	-	(5,880)	(6,529)
Net book amount	<u>625</u>	<u>2,719</u>	<u>69,720</u>	<u>73,064</u>
<b>Period ended 30th September 2015</b>				
Opening net book amount	<b>526</b>	-	<b>68,460</b>	<b>68,986</b>
Additions	<b>10</b>	-	-	<b>10</b>
Amortisation expenses	<b>(108)</b>	-	<b>(1,260)</b>	<b>(1,368)</b>
Closing net book amount	<u><b>428</b></u>	<u>-</u>	<u><b>67,200</b></u>	<u><b>67,628</b></u>
<b>At 30th September 2015</b>				
Cost	<b>1,290</b>	<b>2,725</b>	<b>75,600</b>	<b>79,615</b>
Accumulated amortisation	<b>(862)</b>	-	<b>(8,400)</b>	<b>(9,262)</b>
Impairment charge	-	<b>(2,725)</b>	-	<b>(2,725)</b>
Net book amount	<u><b>428</b></u>	<u>-</u>	<u><b>67,200</b></u>	<u><b>67,628</b></u>

## 4 INTERESTS IN JOINT VENTURES AND ASSOCIATES

The amounts recognised in the consolidated statement of financial position are as follows:

### Interests in associates

	<b><u>BvRead Inc.</u></b>		<b><u>Others</u></b>		<b><u>Total</u></b>	
	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>30th</b>	<b>31st March</b>	<b>30th</b>	<b>31st March</b>	<b>30th</b>	<b>31st March</b>
	<b>September</b>	<b>2015</b>	<b>September</b>	<b>2015</b>	<b>September</b>	<b>2015</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
Interests in associates, at costs	<b>25,800</b>	25,800	<b>1,757</b>	1,757	<b>27,557</b>	27,557
Accumulated share of (loss)/profit and other adjustments for the years	<b>(2,333)</b>	(2,333)	<b>1,969</b>	1,424	<b>(364)</b>	(909)
Allowance for impairment	<b>(23,467)</b>	(23,467)	-	-	<b>(23,467)</b>	(23,467)
Interests in associates, net (Note (a))	<b>-</b>	-	<b>3,726</b>	3,181	<b>3,726</b>	3,181

### Interests in JVs

	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>30th September</b>	<b>31st March</b>
	<b>2015</b>	<b>2015</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Interests in JVs, at costs	<b>8,000</b>	8,000
Accumulated share of loss	<b>(6,015)</b>	(5,009)
Interests in JVs, net (Note (b))	<b>1,985</b>	2,991

The amounts of share of profit/(loss) recognised in the consolidated income statement for the period are as follows:

	<b>(Unaudited)</b>	
	<b>Three months ended 30th September</b>	
	<b>2015</b>	<b>2014</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Associates	<b>647</b>	(3)
JVs	<b>(385)</b>	(555)
	<b>262</b>	(558)

#### 4 INTERESTS IN JOINT VENTURES AND ASSOCIATES (Continued)

##### (a) Interests in associates

Set out below are the associates of the Group :

Name of associates	Place of incorporation	Effective equity interest		Principal activities	Measurement method
		30th September 2015	31st March 2015		
ByRead Inc. (“ByRead”)	The Cayman Islands	24.97%	24.97%	Note (i)	Equity
Blackpaper Limited (“Blackpaper”)	Hong Kong	10%	10%	Note (ii)	Equity

- (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 with no quoted market prices available for its shares. There is no commitment and contingent liability relating to the Group’s interest in the associate.

The recoverable amount of the investment in ByRead has been determined based on a value-in-use calculation. To determine the recoverable amount of ByRead, the Group used pre-tax cash flow projection based on the financial budget approved by management covering a five-year period.

Interest in ByRead was fully impaired during the year ended 31st March 2015. During the period ended 30th September 2015, ByRead incurred a loss of HK\$104,000. Considering that there is no specific plan to revamp the business of ByRead, management is of the view that no reversal of the allowance for impairment should be made.

- (ii) Blackpaper is engaged in providing creative multimedia services and advertising campaigns.

Blackpaper is a private company with no quoted market prices available for its shares. There is no commitment and contingent liability relating to the Group’s interest in the associate.

#### 4 INTERESTS IN JOINT VENTURES AND ASSOCIATES (Continued)

##### (b) Interests in JVs

Set out below are the JVs of the Group :

Name of JVs	Place of incorporation	Effective equity interest		Principal activities	Measurement method
		30th September 2015	31st March 2015		
Chu Kong Culture Media Company Limited (“Chu Kong”)	British Virgin Islands	40%	40%	Note (i)	Equity
Connect Media Company Limited (“Connect Media”)	Hong Kong	40%	40%	Note (i)	Equity

(i) Chu Kong is an investment holding company and the principal activities of its wholly-owned subsidiary, Connect Media, include video programs, posters, seat covers, magazine racks, magazines, 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.

There are no commitments and contingent liabilities relating to the Group’s interests in JVs.

#### 5 CONVERTIBLE BOND HELD BY A FELLOW SUBSIDIARY

	(Unaudited) 30th September 2015 HK\$’000	(Audited) 31st March 2015 HK\$’000
Convertible bond held by a fellow subsidiary	-	75,508

The Company issued to a fellow subsidiary a convertible bond on 1st June 2012, bearing interest at the rate of 1% per annum payable half-yearly in arrears, in the principal amount of HK\$75,600,000. The maturity date of the convertible bond was 31st May 2015, the third anniversary of the date of the issue.

On 1st June 2015, all the outstanding principal amount of the convertible bond together with all accrued and unpaid interest was redeemed in accordance with the terms of the convertible bond.

## 6 SHARE CAPITAL AND SHARE PREMIUM

	Number of issued shares (in thousands)	Ordinary shares <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1st April 2015	400,000	400	456,073	456,473
Proceeds from shares issued under the share option scheme	900	1	1,079	1,080
Transfer from share based payment reserve to share premium	-	-	391	391
At 30th September 2015	400,900	401	457,543	457,944
At 31st March 2015	400,000	400	456,073	456,473

During the three months ended 30th September 2015, 22,000 shares of HK\$0.001 each were issued at HK\$1.20 per share as a result of the exercise of the options under the Company's Pre-IPO share option scheme which was approved and adopted on 26th September 2005. The weighted average closing price of the Company's shares at the time of exercise was HK\$1.22 per share.

In addition, during the period under review, options over 30,000 shares lapsed by reason of the grantees ceasing to be full time employees of the Group and options over 5,900,000 shares lapsed by reason of the expiration of the Pre-IPO share option scheme on 25th September 2015. At 30th September 2015, no outstanding options under the Pre-IPO share option scheme.

## 7 EXPENSES BY NATURE

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

	<b>(Unaudited)</b>	
	<b>Three months ended 30th September</b>	
	<b>2015</b>	2014
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Paper consumed	<b>2,826</b>	3,537
Depreciation of property, plant and equipment	<b>501</b>	505
Amortisation of intangible assets	<b>684</b>	684
Employee benefit expense (including directors' emoluments)	<b>15,223</b>	17,880
Occupancy costs	<b>1,558</b>	1,369
Loss on disposal of property, plant and equipment	<b>20</b>	6

## 8 INCOME TAX EXPENSE

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 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 the Group has unutilised tax losses to offset the assessable profits generated in the PRC during the three months ended 30th September 2015 and 2014.

	<b>(Unaudited)</b>	
	<b>Three months ended 30th September</b>	
	<b>2015</b>	<b>2014</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Current income tax		
- Hong Kong profits tax	<b>263</b>	952
Deferred income tax credit	<b>(61)</b>	(16)
	<b>202</b>	936

## 9 (LOSS)/EARNINGS PER SHARE

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

	<b>(Unaudited)</b>	
	<b>Three months ended 30th September</b>	
	<b>2015</b>	<b>2014</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
(Loss)/profit attributable to owners of the Company	<b>(3,455)</b>	133
Weighted average number of ordinary shares in issue (in thousands)	<b>400,471</b>	400,000
Basic (loss)/earnings per share (HK cent per share)	<b>(0.86)</b>	0.03

## 10 DIVIDENDS

No dividend has been declared by the Directors during the three months ended 30th September 2015 (2014: Nil).

During the period ended 30th September 2015, a final dividend of HK1 cent per share (2014: HK3 cents), totalling HK\$4,009,000 (2014: HK\$12,000,000) for the year ended 31st March 2015 was paid on 21st August 2015.

## 11 CONTINGENT LIABILITIES

As at 30th September 2015, the Group did not have any material contingent liabilities or guarantees (31st March 2015: Nil).

## 12 REVIEW OF OPERATION

During the quarter under review, the Group's turnover was HK\$31,992,000 (2014: HK\$42,885,000), representing a decrease of 25% from the same quarter of last financial year. The decline in turnover was due to the slow-down of economy for both Hong Kong and China and the advertising markets were inevitably affected. As a result, advertisers continued to tighten their advertising and promotion spending, and therefore the Group reported a loss attributable to owners of HK\$3,455,000 compared to profit of HK\$133,000 for the same quarter of last financial year.

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

Hong Kong, 25th November 2015

*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.*