

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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 2016

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 2016, together with the comparative unaudited consolidated figures for the corresponding period in 2015 as follows:

CONSOLIDATED INCOME STATEMENT

FOR THE THREE MONTHS ENDED 30TH SEPTEMBER 2016

	<i>Note</i>	(Unaudited)	
		Three months ended 30th September	
		2016	2015
		<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	2	24,960	31,992
Cost of goods sold		<u>(16,966)</u>	<u>(18,350)</u>
Gross profit		7,994	13,642
Other income		248	1,376
Selling and distribution expenses		(6,478)	(8,671)
Administrative expenses		<u>(7,872)</u>	<u>(9,862)</u>
Operating loss		(6,108)	(3,515)
Share of profit of joint ventures and associates		<u>1,224</u>	<u>262</u>
Loss before income tax		(4,884)	(3,253)
Income tax credit/(expense)	5	<u>698</u>	<u>(202)</u>
Loss for the period		<u>(4,186)</u>	<u>(3,455)</u>
Loss attributable to:			
- Owners of the Company		(4,186)	(3,455)
- Non-controlling interests		<u>-</u>	<u>-</u>
		<u>(4,186)</u>	<u>(3,455)</u>
Loss per share attributable to owners of the Company during the period (expressed in HK cents per share)			
- Basic and diluted	6	<u>(1.04)</u>	<u>(0.86)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30TH SEPTEMBER 2016

	<i>Note</i>	(Unaudited) 30th September 2016 HK\$'000	(Audited) 31st March 2016 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		2,509	2,598
Intangible assets	3	64,931	66,268
Interests in joint ventures and associates		7,218	5,808
Deferred income tax assets		1,870	30
Total non-current assets		<u>76,528</u>	<u>74,704</u>
Current assets			
Inventories		5,521	6,167
Trade and other receivables		30,262	37,745
Amounts due from fellow subsidiaries		-	39
Income tax recoverable		4,888	5,260
Cash and cash equivalents		41,428	48,470
Total current assets		<u>82,099</u>	<u>97,681</u>
Total assets		<u>158,627</u>	<u>172,385</u>
EQUITY			
Equity attributable to owners of the Company			
Share capital		401	401
Share premium		457,543	457,543
Other reserves		(326,113)	(325,760)
Retained earnings		6,796	15,589
Total equity		<u>138,627</u>	<u>147,773</u>
LIABILITIES			
Non-current liabilities			
Long service payment obligations		114	114
Total non-current liabilities		<u>114</u>	<u>114</u>
Current liabilities			
Trade and other payables		18,706	22,463
Short-term bank borrowings		-	936
Amounts due to fellow subsidiaries		1,130	1,099
Income tax liabilities		50	-
Total current liabilities		<u>19,886</u>	<u>24,498</u>
Total liabilities		<u>20,000</u>	<u>24,612</u>
Total equity and liabilities		<u>158,627</u>	<u>172,385</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 30th September 2016 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 2016, which have been prepared in accordance with IFRSs and the interim results announcement for the six months ended 30th September 2016.

(b) *Accounting policies*

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31st March 2016, as described in those annual financial statements.

There are no amended standards or interpretations that are effective for the first time for this period that could be expected to 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 early 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 2016. 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 Taiwan” 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, Taiwan and Mainland China. 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 2016 and 2015 are as follows:

	(Unaudited)					
	Three months ended 30th September					
	Media business					
	Hong Kong and Taiwan		Mainland China		Total	
2016	2015	2016	2015	2016	2015	
<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	22,030	28,568	2,930	3,424	24,960	31,992
Segment (loss)/profit before income tax	(4,391)	1,272	(68)	(2,144)	(4,459)	(872)
Unallocated expenses					(1,649)	(2,643)
Operating loss					(6,108)	(3,515)
Share of profit of joint ventures and associates					1,224	262
Loss before income tax					(4,884)	(3,253)
Income tax credit/(expense)					698	(202)
Loss for the period					(4,186)	(3,455)
Other information:						
Interest income	28	156	4	59	32	215
Depreciation of property, plant and equipment	338	404	54	97	392	501
Amortisation of intangible assets	680	684	-	-	680	684

3 INTANGIBLE ASSETS

	Computer software HK\$'000	Goodwill HK\$'000	Trademarks HK\$'000	Total HK\$'000
Period ended 30th September 2015				
Opening net book amount	526	-	68,460	68,986
Additions	10	-	-	10
Amortisation expenses	(108)	-	(1,260)	(1,368)
Closing net book amount	<u>428</u>	<u>-</u>	<u>67,200</u>	<u>67,628</u>
At 30th September 2015				
Cost	1,296	2,725	75,600	79,621
Accumulated amortisation	(862)	-	(8,400)	(9,262)
Accumulated impairment	-	(2,725)	-	(2,725)
Net book amount	<u>428</u>	<u>-</u>	<u>67,200</u>	<u>67,628</u>
Period ended 30th September 2016				
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>
At 30th September 2016				
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>

4 EXPENSES BY NATURE

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

	(Unaudited)	
	Three months ended 30th September	
	2016	2015
	HK\$'000	HK\$'000
Paper consumed	2,456	2,826
Depreciation of property, plant and equipment	392	501
Amortisation of intangible assets	680	684
Employee benefit expense (including directors' emoluments)	15,622	15,223
Occupancy costs	1,087	1,558
Loss on disposal of property, plant and equipment	<u>2</u>	<u>20</u>

5 INCOME TAX CREDIT/(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% (2015: 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 except for one PRC subsidiary has unutilised tax losses to offset the assessable profits generated in the PRC during the three months ended 30th September 2016 and 2015.

	(Unaudited)	
	Three months ended 30th September	
	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current income tax		
- Hong Kong profits tax	(1,104)	(263)
Deferred income tax credit	1,802	61
	<u>698</u>	<u>(202)</u>

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.

	(Unaudited)	
	Three months ended 30th September	
	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss attributable to owners of the Company	<u>(4,186)</u>	<u>(3,455)</u>
Weighted average number of ordinary shares in issue (in thousands)	<u>400,900</u>	<u>400,471</u>
Basic loss per share (HK cents per share)	<u>(1.04)</u>	<u>(0.86)</u>
Diluted loss per share (HK cents per share)	<u>(1.04)</u>	<u>(0.86)</u>

The diluted loss per share is the same as the basic loss per share as there was no dilutive effect arising from the assumed conversion of the convertible bond and share options granted by the Company.

7 DIVIDENDS

No dividend has been declared by the Directors during the three months ended 30th September 2016 (2015: Nil).

8 CONTINGENT LIABILITIES

As at 30th September 2016, the Group did not have any material contingent liabilities or guarantees (31st March 2016: Nil).

9 REVIEW OF OPERATION

During the quarter under review, the Group's turnover was HK\$24,960,000 (2015: HK\$31,992,000), representing a decrease of 22% from the same quarter of last financial year. The decline in turnover was due to the weak performance of retail market, especially the luxury and branded label products. It led to the decrease of advertising expenditure which adversely impacted on the Group's overall financial performance during this quarter under review. As a result, the Group reported a loss of HK\$4,186,000 during this quarter compared to the loss of HK\$3,455,000 in the same quarter of last financial year.

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

Hong Kong, 30th November 2016

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.