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ONEMEDIAGROUP

One Media Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 426)

THIRD QUARTER RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31ST DECEMBER 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 31st December 2015, together with the comparative unaudited consolidated figures for the corresponding period in 2014 as follows:

CONSOLIDATED INCOME STATEMENT

FOR THE THREE MONTHS ENDED 31ST DECEMBER 2015

		(Unaudited)	
		Three months ended 31st December	
		2015	2014
	Note	HK\$'000	HK\$'000
Turnover	2	42,364	57,094
Cost of goods sold		(19,879)	(22,176)
Gross profit		22,485	34,918
Other income		1,175	2,380
Selling and distribution expenses		(9,058)	(10,630)
Administrative expenses		(10,082)	(10,780)
Operating profit		4,520	15,888
Share of profit of joint ventures and associates		142	291
Profit before income tax		4,662	16,179
Income tax expense	7	(1,203)	(2,863)
Profit for the period		3,459	13,316
Profit attributable to:			
- Owners of the Company		3,459	13,316
- Non-controlling interests		-	-
		3,459	13,316
Earnings per share attributable to owners of the Company during the period (expressed in HK cent per share)			
- Basic and diluted	8	0.85	3.33

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2015

		(Unaudited) 31st December 2015 HK\$'000	(Audited) 31st March 2015 HK\$'000
	<i>Note</i>		
ASSETS			
Non-current assets			
Property, plant and equipment		2,970	3,699
Intangible assets	3	66,951	68,986
Interests in joint ventures and associates		5,353	6,172
Deferred income tax assets		2,975	3,149
Total non-current assets		78,249	82,006
Current assets			
Inventories		5,741	7,158
Trade and other receivables		49,027	48,650
Amounts due from fellow subsidiaries		365	294
Income tax recoverable		1,109	3,257
Short-term bank deposits		32,981	-
Cash and cash equivalents		17,089	130,099
Total current assets		106,312	189,458
Total assets		184,561	271,464
EQUITY			
Equity attributable to owners of the Company			
Share capital	5	401	400
Share premium	5	457,543	456,073
Other reserves		(325,812)	(324,181)
Retained earnings			
- Proposed dividend	9	-	4,000
- Others		32,820	31,203
Total equity		164,952	167,495
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		25	195
Long service payment obligations		50	50
Total non-current liabilities		75	245
Current liabilities			
Trade and other payables		18,028	26,940
Amounts due to fellow subsidiaries		1,401	1,158
Convertible bond held by a fellow subsidiary	4	-	75,508
Income tax liabilities		105	118
Total current liabilities		19,534	103,724
Total liabilities		19,609	103,969
Total equity and liabilities		184,561	271,464
Net current assets		86,778	85,734
Total assets less current liabilities		165,027	167,740

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 December 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 third 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 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 31st December 2015 and 2014 are as follows:

	(Unaudited)					
	Three months ended 31st December					
	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	38,618	51,859	3,746	5,235	42,364	57,094
Segment profit/(loss) before income tax	6,967	21,518	(625)	(1,886)	6,342	19,632
Unallocated expenses					(1,822)	(3,744)
Operating profit					4,520	15,888
Share of profit of joint ventures and associates					142	291
Profit before income tax					4,662	16,179
Income tax expense	(1,203)	(2,864)	-	1	(1,203)	(2,863)
Profit for the period					3,459	13,316
Other information:						
Interest income	112	341	56	76	168	417
Depreciation of property, plant and equipment	416	411	74	93	490	504
Amortisation of intangible assets	683	683	-	-	683	683

3 INTANGIBLE ASSETS

	Group			
	Computer softwares HK\$'000	Goodwill HK\$'000	Trademarks HK\$'000	Total HK\$'000
Period ended 31st December 2014				
Opening net book amount	616	2,695	70,980	74,291
Additions	124	-	-	124
Amortisation expenses	(160)	-	(1,890)	(2,050)
Currency translation differences	-	36	-	36
Closing net book amount	<u>580</u>	<u>2,731</u>	<u>69,090</u>	<u>72,401</u>
At 31st December 2014				
Cost	1,283	2,731	75,600	79,614
Accumulated amortisation	(703)	-	(6,510)	(7,213)
Net book amount	<u>580</u>	<u>2,731</u>	<u>69,090</u>	<u>72,401</u>
Period ended 31st December 2015				
Opening net book amount	526	-	68,460	68,986
Additions	16	-	-	16
Amortisation expenses	(161)	-	(1,890)	(2,051)
Closing net book amount	<u>381</u>	<u>-</u>	<u>66,570</u>	<u>66,951</u>
At 31st December 2015				
Cost	1,296	2,725	75,600	79,621
Accumulated amortisation	(915)	-	(9,030)	(9,945)
Impairment charge	-	(2,725)	-	(2,725)
Net book amount	<u>381</u>	<u>-</u>	<u>66,570</u>	<u>66,951</u>

4 CONVERTIBLE BOND HELD BY A FELLOW SUBSIDIARY

	(Unaudited) 31st December 2015 <i>HK\$'000</i>	(Audited) 31st March 2015 <i>HK\$'000</i>
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.

5 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 31st December 2015	400,900	401	457,543	457,944
At 31st March 2015	400,000	400	456,073	456,473

6 EXPENSES BY NATURE

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

	(Unaudited)	
	Three months ended 31st December	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Paper consumed	3,392	3,961
Depreciation of property, plant and equipment	490	504
Amortisation of intangible assets	683	683
Employee benefit expense (including directors' emoluments)	15,797	17,555
Occupancy costs	1,139	1,372
Gain on disposal of property, plant and equipment	(1)	(2)
	<u> </u>	<u> </u>

7 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 31st December 2015 and 2014.

	(Unaudited)	
	Three months ended 31st December	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current income tax		
- Hong Kong profits tax	1,252	2,898
Deferred income tax credit	(49)	(35)
	<u> </u>	<u> </u>
	<u>1,203</u>	<u>2,863</u>

8 EARNINGS PER SHARE

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

	(Unaudited)	
	Three months ended 31st December	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit attributable to owners of the Company	<u>3,459</u>	<u>13,316</u>
Weighted average number of ordinary shares in issue (in thousands)	<u>400,900</u>	<u>400,000</u>
Basic earnings per share (HK cent per share)	<u><u>0.85</u></u>	<u><u>3.33</u></u>

9 DIVIDENDS

No dividend has been declared by the Directors during the three months ended 31st December 2015 (2014: Nil).

10 CONTINGENT LIABILITIES

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

11 REVIEW OF OPERATION

During the quarter under review, the Group's turnover was HK\$42,364,000 (2014: HK\$57,094,000), representing a decrease of 26% from the same quarter of last financial year. The decline in turnover was due to the slowdown of the economy for both Hong Kong and China and therefore the advertisers continued to tighten their advertising spending. As a result, the Group's profit attributable to owners of the Company during the quarter decreased to HK\$3,459,000 from HK\$13,316,000 for the same quarter of last financial year.

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

Hong Kong, 26th February 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.