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ONEMEDIAGROUP

One Media Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 426)

FOURTH QUARTER RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31ST MARCH 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 31st March 2016, together with the comparative unaudited consolidated figures for the corresponding period in 2015 as follows:

CONSOLIDATED INCOME STATEMENT

FOR THE THREE MONTHS ENDED 31ST MARCH 2016

		(Unaudited)	
		Three months ended 31st March	
		2016	2015
	Note	HK\$'000	HK\$'000
Turnover	2	26,152	34,443
Cost of goods sold		<u>(18,429)</u>	<u>(18,954)</u>
Gross profit		7,723	15,489
Other income		539	1,656
Selling and distribution expenses		(7,423)	(8,375)
Administrative expenses		(16,319)	(8,582)
Impairment loss of goodwill		<u>-</u>	<u>(2,725)</u>
Operating loss		(15,480)	(2,537)
Change in fair value of convertible bond		-	(1,498)
Share of profit/(loss) of joint ventures and associates		455	(355)
Allowance for impairment of interest in an associate		<u>-</u>	<u>(23,467)</u>
Loss before income tax		(15,025)	(27,857)
Income tax expense	7	<u>(2,206)</u>	<u>(703)</u>
Loss for the period		<u>(17,231)</u>	<u>(28,560)</u>
Loss attributable to:			
- Owners of the Company		(17,231)	(28,560)
- Non-controlling interests		-	-
		<u>(17,231)</u>	<u>(28,560)</u>
Loss per share attributable to owners of the Company during the period (expressed in HK cents per share)			
- Basic and diluted	8	<u>(4.30)</u>	<u>(7.14)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH 2016

		(Unaudited) 31st March 2016 HK\$'000	(Audited) 31st March 2015 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		2,598	3,699
Intangible assets	3	66,268	68,986
Interests in joint ventures and associates		5,808	6,172
Deferred income tax assets		30	3,149
Total non-current assets		<u>74,704</u>	<u>82,006</u>
Current assets			
Inventories		6,167	7,158
Trade and other receivables		37,745	48,650
Amounts due from fellow subsidiaries		39	294
Income tax recoverable		5,260	3,257
Cash and cash equivalents		48,470	130,099
Total current assets		<u>97,681</u>	<u>189,458</u>
Total assets		<u><u>172,385</u></u>	<u><u>271,464</u></u>
EQUITY			
Equity attributable to owners of the Company			
Share capital	5	401	400
Share premium	5	457,543	456,073
Other reserves		(325,760)	(324,181)
Retained earnings			
- Proposed dividend		-	4,000
- Others		15,589	31,203
Total equity		<u>147,773</u>	<u>167,495</u>
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		-	195
Long service payment obligations		114	50
Total non-current liabilities		<u>114</u>	<u>245</u>
Current liabilities			
Trade and other payables		22,463	26,940
Short-term bank borrowings		936	-
Amounts due to fellow subsidiaries		1,099	1,158
Convertible bond held by a fellow subsidiary	4	-	75,508
Income tax liabilities		-	118
Total current liabilities		<u>24,498</u>	<u>103,724</u>
Total liabilities		<u>24,612</u>	<u>103,969</u>
Total equity and liabilities		<u><u>172,385</u></u>	<u><u>271,464</u></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 31st March 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 fourth 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, the interim results announcement for the six months ended 30th September 2015 and the third quarter results announcement for the three months ended 31st December 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 March 2016 and 2015 are as follows:

	(Unaudited)					
	Three months ended 31st March					
	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	25,130	33,474	1,022	969	26,152	34,443
Segment (loss)/profit before income tax	(3,488)	5,020	(4,378)	(6,021)	(7,866)	(1,001)
Unallocated expenses					(7,614)	(1,536)
Operating loss					(15,480)	(2,537)
Change in fair value of convertible bond					-	(1,498)
Share of profit/(loss) of joint ventures and associates					455	(355)
Allowance for impairment of interest in an associate					-	(23,467)
Loss before income tax					(15,025)	(27,857)
Income tax expense					(2,206)	(703)
Loss for the period					(17,231)	(28,560)
Other information:						
Interest income	36	432	28	77	64	509
Impairment loss of goodwill	-	-	-	2,725	-	2,725
Depreciation of property, plant and equipment	406	417	66	91	472	508
Amortisation of intangible assets	683	684	-	-	683	684

3 INTANGIBLE ASSETS

	Computer softwares HK\$'000	Goodwill HK\$'000	Trademarks HK\$'000	Total HK\$'000
Period ended 31st March 2015				
(Audited)				
Opening net book amount	616	2,695	70,980	74,291
Additions	124	-	-	124
Impairment charge	-	(2,725)	-	(2,725)
Amortisation expenses	(214)	-	(2,520)	(2,734)
Currency translation differences	-	30	-	30
Closing net book amount	<u>526</u>	<u>-</u>	<u>68,460</u>	<u>68,986</u>
At 31st March 2015 (Audited)				
Cost	1,283	2,725	75,600	79,608
Impairment charge	-	(2,725)	-	(2,725)
Accumulated amortisation	(757)	-	(7,140)	(7,897)
Net book amount	<u>526</u>	<u>-</u>	<u>68,460</u>	<u>68,986</u>
Period ended 31st March 2016				
(Unaudited)				
Opening net book amount	526	-	68,460	68,986
Additions	16	-	-	16
Amortisation expenses	(214)	-	(2,520)	(2,734)
Closing net book amount	<u>328</u>	<u>-</u>	<u>65,940</u>	<u>66,268</u>
At 31st March 2016 (Unaudited)				
Cost	1,296	2,725	75,600	79,621
Impairment charge	-	(2,725)	-	(2,725)
Accumulated amortisation	(968)	-	(9,660)	(10,628)
Net book amount	<u>328</u>	<u>-</u>	<u>65,940</u>	<u>66,268</u>

4 CONVERTIBLE BOND HELD BY A FELLOW SUBSIDIARY

	(Unaudited) 31st March 2016 <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 March 2016	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 March	
	2016	2015
	HK\$'000	HK\$'000
Paper consumed	2,841	3,261
Depreciation of property, plant and equipment	472	508
Amortisation of intangible assets	683	684
Employee benefit expense (including directors' emoluments)	16,671	15,938
Occupancy costs	1,146	1,370
Loss on disposal of property, plant and equipment	-	123
	<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% (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 the Group has unutilised tax losses to offset the assessable profits generated in the PRC during the three months ended 31st March 2016 and 2015.

	(Unaudited)	
	Three months ended 31st March	
	2016	2015
	HK\$'000	HK\$'000
Current income tax		
- Hong Kong profits tax (credit)/expense	(606)	766
- Over provision in prior year	(110)	(20)
	<u> </u>	<u> </u>
Deferred income tax charge/(credit)	2,922	(43)
	<u>2,206</u>	<u>703</u>

8 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 period.

	(Unaudited)	
	Three months ended 31st March	
	2016	2015
	HK\$'000	HK\$'000
Loss attributable to owners of the Company	<u>(17,231)</u>	<u>(28,560)</u>
Weighted average number of ordinary shares in issue (in thousands)	<u>400,900</u>	<u>400,000</u>
Basic loss per share (HK cents per share)	<u><u>(4.30)</u></u>	<u><u>(7.14)</u></u>

9 DIVIDENDS

No dividend has been declared by the Directors during the three months ended 31st March 2016 (2015: Nil).

10 CONTINGENT LIABILITIES

As at 31st March 2016, the Group did not have any material contingent liabilities or guarantees (2015: Nil).

11 REVIEW OF OPERATION

During the quarter under review, the Group's turnover was HK\$26,152,000 (2015: HK\$34,443,000), representing a decrease of 24% from the same quarter of last financial year. The decline in turnover was due to the weak retail conditions resulting in advertisers tightening advertising and promotion spending. Adding to this adverse market condition, due to the corporate exercise in relation to the possible disposal of shares of the Company by its controlling shareholder to an independent third party, the Group incurred professional fees which further impacted the Group's performance for the quarter under review. Included in the same quarter of last financial year's loss were impairment charges on the Group's interest in an associate and goodwill arising from the Group's subsidiaries in Mainland China amounting to HK\$26,192,000. Excluding the impairment losses recognised in the same quarter of last financial year, the Group would have recorded a loss attributable to owners of the Company of HK\$2,368,000 in the same quarter of last financial year compared to a loss of HK\$17,231,000 in this quarter. The increase in loss was mainly due to the decline in turnover and operating expenses.

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

Hong Kong, 30th May 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.