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萬 華 媒 體
ONEMEDIAGROUP
One Media Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 426)

**FIRST QUARTER RESULTS ANNOUNCEMENT
FOR THE THREE MONTHS ENDED 30TH JUNE 2019**

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 June 2019, together with the comparative figures for the corresponding period in 2018 as follows:

CONSOLIDATED INCOME STATEMENT
FOR THE THREE MONTHS ENDED 30TH JUNE 2019

		(Unaudited)	
		Three months ended 30th June	
	<i>Note</i>	2019	2018
		HK\$'000	HK\$'000
			(Restated)
Continuing operations			
Turnover	2	18,108	22,107
Cost of goods sold		(13,480)	(13,909)
		<hr/>	<hr/>
Gross profit		4,628	8,198
Other income		372	333
Selling and distribution expenses		(3,941)	(5,903)
Administrative expenses		(4,745)	(5,876)
		<hr/>	<hr/>
Operating loss		(3,686)	(3,248)
Finance costs		(57)	-
Share of results of joint ventures and associates		-	-
		<hr/>	<hr/>
Loss before income tax		(3,743)	(3,248)
Income tax expense	6	(37)	(49)
		<hr/>	<hr/>
Loss for the period from continuing operations		(3,780)	(3,297)
Loss for the period from discontinued operation (attributable to owners of the Company)		-	(2,073)
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Loss for the period		(3,780)	(5,370)
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(Unaudited)
Three months ended 30th June

	2019	2018
<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i> (Restated)
Loss attributable to:		
- Owners of the Company		
- from continuing operations	(3,780)	(3,297)
- from discontinued operation	-	(2,073)
	(3,780)	(5,370)
- Non-controlling interests	-	-
	(3,780)	(5,370)
 Loss per share attributable to owners of the Company during the period (expressed in HK cents per share)		
- from continuing operations	(0.9)	(0.8)
- from discontinued operation	-	(0.5)
Basic and diluted	7 (0.9)	(1.3)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30TH JUNE 2019

		(Unaudited) 30th June 2019 HK\$'000	(Audited) 31st March 2018 HK\$'000
	<i>Note</i>		
ASSETS			
Non-current assets			
Property, plant and equipment		1,737	1,627
Right-of-use assets		6,068	-
Intangible assets	3	4,828	4,894
Financial asset at fair value through other comprehensive income	4	22,680	23,895
Total non-current assets		<u>35,313</u>	<u>30,416</u>
Current assets			
Inventories		295	482
Trade and other receivables		17,757	16,811
Amount due from a fellow subsidiary		4	-
Income tax recoverable		353	391
Cash and cash equivalents		18,209	22,843
Total current assets		<u>36,618</u>	<u>40,527</u>
Total assets		<u>71,931</u>	<u>70,943</u>
EQUITY			
Equity attributable to owners of the Company			
Share capital		401	401
Share premium		457,543	457,543
Other reserves		(326,019)	(324,805)
Accumulated losses		(82,867)	(79,087)
Total equity		<u>49,058</u>	<u>54,052</u>
LIABILITIES			
Non-current liabilities			
Long service payment obligations		54	54
Lease liabilities		3,946	-
Total non-current liabilities		<u>4,000</u>	<u>54</u>
Current liabilities			
Trade and other payables		14,198	12,620
Lease liabilities		2,149	-
Contract liabilities		1,536	3,116
Amounts due to fellow subsidiaries		990	1,101
Total current liabilities		<u>18,873</u>	<u>16,837</u>
Total liabilities		<u>22,873</u>	<u>16,891</u>
Total equity and liabilities		<u>71,931</u>	<u>70,943</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 June 2019 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 first quarter results announcement should be read in conjunction with the audited consolidated annual financial statements of the Group for the year ended 31st March 2019, which have been prepared in accordance with IFRSs.

(b) *Accounting policies*

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31st March 2019, 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 early adopted new or revised standards, amendments to standards and interpretations that have been issued but are not effective for the financial year beginning 1st January 2019. The Group is in the process of making an assessment of the impact of those new or revised standards, amendments to standards and interpretations 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 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 executive committee considers the performance of the media business for the Hong Kong and Taiwan, and the Mainland China operation and also the performance of the entertainment and lifestyle operation and the watch and car operation and others, respectively.

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 June 2019 and 2018 are as follows:

	(Unaudited)				
	Three months ended 30th June 2019				
	<u>Media Business</u>				
	<u>Continuing operations</u>			<u>Discontinued operation</u>	
	Hong Kong and Taiwan				
	Entertainment and lifestyle operation		Watch and car operation and others	Sub total	Mainland China
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
					Total <i>HK\$'000</i>
Turnover	14,381	3,727	18,108	-	18,108
Segment loss	(1,901)	(767)	(2,668)	-	(2,668)
Unallocated expenses					(1,018)
Operating loss					(3,686)
Finance costs					(57)
Share of results of joint ventures and associates					-
Loss before income tax					(3,743)
Income tax expense					(37)
Loss for the period					(3,780)
Other segmental information:					
Interest income	50	-	50	-	50
Depreciation of property, plant and equipment	165	16	181	-	181
Amortisation of intangible assets	65	3	68	-	68

(Unaudited)
Three months ended 30th June 2018

Media Business

	<u>Continuing operations</u>		<u>Discontinued operation</u>		
	Hong Kong and Taiwan			Mainland China	Total
	Entertainment and lifestyle operation	Watch and car operation and others	Sub total	China	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	18,456	3,651	22,107	463	22,570
Segment loss	(1,160)	(351)	(1,511)	(2,073)	(3,584)
Unallocated expenses					(1,737)
Operating loss					(5,321)
Share of results of joint ventures and associates					-
Loss before income tax					(5,321)
Income tax expense					(49)
Loss for the period					(5,370)
Other segmental information:					
Interest income	18	-	18	15	33
Depreciation of property, plant and equipment	164	20	184	-	184
Amortisation of intangible assets	76	4	80	-	80

3 INTANGIBLE ASSETS

	Computer Software <i>(Note (a))</i> <i>HK\$'000</i>	Trademarks <i>(Note (b))</i> <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31st March 2019			
Opening net book amount	200	4,973	5,173
Additions	11	-	11
Amortisation expenses	(85)	(205)	(290)
	<u>126</u>	<u>4,768</u>	<u>4,894</u>
At 31st March 2019			
Cost	1,443	75,600	77,043
Accumulated amortisation	(1,317)	(13,378)	(14,695)
Accumulated impairment	-	(57,454)	(57,454)
	<u>126</u>	<u>4,768</u>	<u>4,894</u>
Period ended 30th June 2019			
Opening net book amount	126	4,768	4,894
Additions	2	-	2
Amortisation expenses	(16)	(52)	(68)
	<u>112</u>	<u>4,716</u>	<u>4,828</u>
At 30th June 2019			
Cost	1,435	75,600	77,035
Accumulated amortisation	(1,323)	(13,430)	(14,753)
Accumulated impairment	-	(57,454)	(57,454)
	<u>112</u>	<u>4,716</u>	<u>4,828</u>

- (a) Costs of computer software, considered to have finite useful lives, are stated at cost less any impairment losses and are amortised using the straight-line basis over five years.
- (b) The trademarks arose from the publishing titles of Ming Pao Weekly (“MP Weekly”). The management determined the publishing of MP Weekly to be the corresponding cash-generating-unit (“CGU”). Trademarks are stated at cost less accumulated amortisation and impairment provision and are amortised using the straight-line basis over thirty years.

4 FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	(Unaudited) 30th June 2019 HK\$'000	(Audited) 31st March 2018 HK\$'000
Trading securities - listed securities		
At the beginning of the period/year	23,895	70,470
Fair value loss recognised in other comprehensive income	(1,215)	(46,575)
At the end of the period/year	<u>22,680</u>	<u>23,895</u>

Financial assets at fair value through other comprehensive income (“FVOCI”) is carried at fair value. Gain or loss arising from changes in the fair value is recognised in “other comprehensive income” in the consolidated statement of comprehensive income. At 30th June 2019, the fair value was determined based on the share price at 30th June 2019 of the listed securities.

No provision for impairment on financial asset at FVOCI was made during the period ended 30th June 2019 (2018: Nil).

The financial asset at FVOCI is denominated in Hong Kong dollar and the fair value approximates the carrying amounts.

5 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 June 2019 HK\$'000	2018 HK\$'000 (Restated)
Paper consumed	122	230
Depreciation of property, plant and equipment	181	184
Depreciation of right-of-use assets	552	-
Amortisation of intangible assets	68	80
Employee benefit expense (including directors' emoluments)	12,082	13,478
Short-term lease expenses	97	-
Occupancy costs	-	782

6 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2018: 16.5%) on the estimated assessable profit for the period.

	(Unaudited) Three months ended 30th June 2019 HK\$'000	2018 HK\$'000
Current income tax		
- Hong Kong profits tax expense	<u>37</u>	<u>49</u>

7 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 30th June	
	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
Weighted average number of ordinary shares in issue <i>(in thousands)</i>	400,900	400,900
Loss from continuing operations attributable to owners of the Company	(3,780)	(3,297)
Basic and diluted loss per share from continuing operations attributable to owners of the Company <i>(HK cent per share)</i>	(0.9)	(0.8)
Loss from discontinued operation attributable to owners of the Company	-	(2,073)
Basic and diluted loss per share from discontinued operation attributable to owners of the Company <i>(HK cent per share)</i>	-	(0.5)
Basic and diluted loss per share <i>(HK cents per share)</i>	(0.9)	(1.3)

The diluted loss per share was the same as the basic loss per share as there was no dilutive potential share in issue for the three months ended 30th June 2019 and 2018.

8 DIVIDENDS

No dividend has been declared by the Directors during the three months ended 30th June 2019 (2018: Nil).

9 CONTINGENT LIABILITIES

As at 30th June 2019, the Group did not have any material contingent liabilities or guarantees (2018: Nil).

10 REVIEW OF OPERATION

During the quarter under review, the Group's turnover from continuing operations was HK\$18,108,000 (2018: HK\$22,107,000), representing a decrease of around 18% as compared with the same quarter of last financial year. The decrease in turnover was mainly due to the drop in advertising income of the entertainment and lifestyle segment. The Group's loss from continuing operations for this quarter therefore increased by around 15% from HK\$3,297,000 to HK\$3,780,000, compared to the same quarter of last financial year. In view of the recent economic slowdown in Hong Kong, the Group will continue to tighten operating costs and enhance productivity.

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

Hong Kong, 28th August 2019

As at the date of this announcement, the board of the Company comprises Ms. TIONG Choon, being non-executive director; Mr. TIONG Kiew Chiong and Mr. LAM Pak Cheong, being executive directors; and Mr. YU Hon To, David and Mr. LAU Chi Wah, Alex, being independent non-executive directors.