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**萬 華 媒 體**  
**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 2018**

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 2018, together with the comparative figures for the corresponding period in 2017 as follows:

**CONSOLIDATED INCOME STATEMENT**

*FOR THE THREE MONTHS ENDED 31ST DECEMBER 2018*

		<b>(Unaudited)</b>	
		<b>Three months ended 31st December</b>	
		<b>2018</b>	<b>2017</b>
	<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
			<b>(Restated)</b>
<b>Continuing operations</b>			
Turnover	2	<b>29,979</b>	28,923
Cost of goods sold		<b>(15,443)</b>	(14,768)
		<hr/>	<hr/>
Gross profit		<b>14,536</b>	14,155
Other income		<b>353</b>	947
Selling and distribution expenses		<b>(5,162)</b>	(6,267)
Administrative expenses		<b>(5,385)</b>	(7,558)
		<hr/>	<hr/>
Operating profit		<b>4,342</b>	1,277
Share of results of joint ventures and associates		<b>-</b>	320
		<hr/>	<hr/>
Profit before income tax		<b>4,342</b>	1,597
Income tax expense	7	<b>(66)</b>	-
		<hr/>	<hr/>
Profit for the period from continuing operations		<b>4,276</b>	1,597
Loss for the period from discontinued operation (attributable to equity holders of the Company)		<b>-</b>	(1,521)
		<hr/>	<hr/>
Profit for the period		<b>4,276</b>	76
		<hr/> <hr/>	<hr/> <hr/>

<b>(Unaudited)</b>		
<b>Three months ended 31st December</b>		
	<b>2018</b>	<b>2017</b>
<i>Note</i>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b> (Restated)
Profit/(loss) attributable to:		
- Owners of the Company		
- from continuing operations	4,276	1,597
- from discontinued operation	-	(1,521)
	<u>4,276</u>	<u>76</u>
- Non-controlling interests	-	-
	<u>4,276</u>	<u>76</u>
Earnings/(loss) per share attributable to owners of the Company during the period (expressed in HK cents per share)		
- from continuing operations	1.07	0.40
- from discontinued operation	-	(0.38)
Basic and diluted	<u>1.07</u>	<u>0.02</u>
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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*AS AT 31ST DECEMBER 2018*

		(Unaudited) 31st December 2018 HK\$'000	(Audited) 31st March 2018 HK\$'000
	<i>Note</i>		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		1,728	1,753
Intangible assets	3	4,952	5,173
Available-for-sale financial asset	4	-	70,470
Financial asset at fair value through other comprehensive income	4	26,528	-
Investments accounted for using equity method	5	-	1,115
<b>Total non-current assets</b>		<u>33,208</u>	<u>78,511</u>
<b>Current assets</b>			
Inventories		486	1,406
Trade and other receivables		28,010	20,800
Amount due from a fellow subsidiary		-	3
Income tax recoverable		436	1,005
Cash and cash equivalents		18,662	29,761
<b>Total current assets</b>		<u>47,594</u>	<u>52,975</u>
<b>Total assets</b>		<u><b>80,802</b></u>	<u><b>131,486</b></u>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		401	401
Share premium		457,543	457,543
Other reserves		(322,202)	(279,273)
Accumulated losses		(76,020)	(66,980)
<b>Total equity</b>		<u>59,722</u>	<u>111,691</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long service payment obligations		50	50
<b>Total non-current liabilities</b>		<u>50</u>	<u>50</u>
<b>Current liabilities</b>			
Trade and other payables		20,166	18,781
Amounts due to fellow subsidiaries		864	964
<b>Total current liabilities</b>		<u>21,030</u>	<u>19,745</u>
<b>Total liabilities</b>		<u>21,080</u>	<u>19,795</u>
<b>Total equity and liabilities</b>		<u><b>80,802</b></u>	<u><b>131,486</b></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 December 2018 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 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 2018, which have been prepared in accordance with IFRSs and the interim results announcement for the six months ended 30th September 2018.

#### (b) *Accounting policies*

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31st March 2018, 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 is 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, 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 31st December 2018 and 2017 are as follows:

	(Unaudited)					
	Three months ended 31st December 2018					
	<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	Total
	<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	24,297	5,682	29,979	-	29,979	
Segment operating profit	5,336	905	6,241	-	6,241	
Unallocated expenses					(1,899)	
Profit before income tax					4,342	
Income tax expense					(66)	
Profit for the period					4,276	
Other segmental information:						
Interest income	23	-	23	-	23	
Depreciation of property, plant and equipment	150	22	172	-	172	
Amortisation of intangible assets	65	4	69	-	69	

*Note:*

During the period ended 31st December 2018, the Group disposed of its entire equity interest in two subsidiaries in Mainland China. The related financial information of the disposed entities is presented as discontinued operation. The comparative figures in the consolidated income statement have been restated to distinguish discontinued operation from continuing operations.

(Unaudited)					
Three months ended 31st December 2017					
<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>	
				Total <i>HK\$'000</i>	
Turnover	23,562	5,361	28,923	2,637	31,560
Segment operating profit/( loss)	2,569	484	3,053	(1,521)	1,532
Unallocated expenses					(1,776)
Operating loss					(244)
Share of results of joint ventures and associates	-	320	320	-	320
Profit before income tax					76
Income tax expense					-
Profit for the period					76
Other segmental information:					
Interest income	24	-	24	26	50
Depreciation of property, plant and equipment	193	20	213	24	237
Amortisation of intangible assets	275	5	280	-	280

### 3 INTANGIBLE ASSETS

	Computer Software <i>HK\$'000</i>	Goodwill <i>HK\$'000</i>	Trademarks <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Year ended 31st March 2018</b>				
Opening net book amount	302	-	25,000	25,302
Additions	31	-	-	31
Amortisation expenses	(133)	-	(993)	(1,126)
Provision for impairment	-	-	(19,034)	(19,034)
	<u>200</u>	<u>-</u>	<u>4,973</u>	<u>5,173</u>
<b>At 31st March 2018</b>				
Cost	1,484	2,725	75,600	79,809
Accumulated amortisation	(1,284)	-	(13,173)	(14,457)
Accumulated impairment	-	(2,725)	(57,454)	(60,179)
	<u>200</u>	<u>-</u>	<u>4,973</u>	<u>5,173</u>
<b>Period ended 31st December 2018</b>				
Opening net book amount	200	-	4,973	5,173
Amortisation expenses	(67)	-	(154)	(221)
	<u>133</u>	<u>-</u>	<u>4,819</u>	<u>4,952</u>
<b>At 31st December 2018</b>				
Cost	1,484	2,725	75,600	79,809
Accumulated amortisation	(1,351)	-	(13,327)	(14,678)
Accumulated impairment	-	(2,725)	(57,454)	(60,179)
	<u>133</u>	<u>-</u>	<u>4,819</u>	<u>4,952</u>

#### 4 FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	(Unaudited) 31st December 2018 HK\$'000	(Audited) 31st March 2018 HK\$'000
Listed equity securities		
At the beginning of the period/year	70,470	-
Fair value loss recognised in other comprehensive income	(43,942)	-
At the end of the period/year	<u>26,528</u>	<u>-</u>

At the adoption of IFRS 9, investment in listed securities held as long-term strategic investments that are not expected to be sold in the short to medium term were reclassified from available-for-sale financial assets to financial assets at fair value through other comprehensive income ("FVOCI"). Financial assets at 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. As at 31st December 2018, the fair value was determined based on the share price at 31st December 2018 of the listed securities.

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

#### 5 INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	(Unaudited) 31st December 2018 HK\$'000	(Audited) 31st March 2018 HK\$'000
At the beginning of the period/year	1,115	5,680
Share of results of joint ventures and associates	-	618
De-recognition of investment in an associate	-	(2,983)
De-recognition of investment in joint ventures ( <i>note</i> )	(81)	-
Dividend income declared/received	(1,034)	(2,200)
Interests in joint ventures and associates	<u>-</u>	<u>1,115</u>

*Note:*

During the three months ended 31st December 2019, the Group disposed of its entire interests in joint ventures to an independent third party. The consideration was approximate to a fair value of the joint ventures. The loss on disposal of HK\$72,000 has been recognised in the consolidated income statement.

## 6 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 31st December	
	2018	2017
	HK\$'000	HK\$'000
		(Restated)
Paper consumed	294	1,815
Depreciation of property, plant and equipment	172	213
Amortisation of intangible assets	69	280
Employee benefit expense (including directors' emoluments)	13,446	14,764
Occupancy costs	742	745
	<u>742</u>	<u>745</u>

## 7 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2017: 16.5%) on the estimated assessable profit for the period.

	(Unaudited)	
	Three months ended 31st December	
	2018	2017
	HK\$'000	HK\$'000
Current income tax		
- Hong Kong profits tax		
	66	-
	<u>66</u>	<u>-</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 number of ordinary shares in issue during the period.

	(Unaudited)	
	Three months ended 31st December	
	2018	2017
	HK\$'000	HK\$'000
Weighted number of ordinary shares in issue ( <i>in thousands</i> )	400,900	400,900
Profit from continuing operations attributable to owners of the Company	4,276	1,597
Basic and diluted profit per share from continuing operations attributable to owners of the Company ( <i>HK cents per share</i> )	1.07	0.40
Loss from discontinued operation attributable to owners of the Company	-	(1,521)
Basic and diluted loss per share from discontinued operation attributable to owners of the Company ( <i>HK cents per share</i> )	-	(0.38)
Basic and diluted earnings per share ( <i>HK cents per share</i> )	<u>1.07</u>	<u>0.02</u>

The diluted earnings per share was the same as the basic earnings per share as there was no dilutive potential share in issue for the three months ended 31st December 2018 and 2017.

## 9 DIVIDENDS

No dividend has been declared by the Directors during the three months ended 31st December 2018 (2017: Nil).

## 10 CONTINGENT LIABILITIES

As at 31st December 2018, the Group did not have any material contingent liabilities or guarantees (2017: Nil).

## 11 REVIEW OF OPERATION

During the quarter under review, the Group's turnover from continuing operations was HK\$29,979,000 (2017: HK\$28,923,000), representing an increase of around 3.7% as compared with the same quarter of last financial year. The increase in turnover was attributed to the increase in digital advertising income. However, such increase in turnover was partly offset by a decline in print advertising income of the Group. For this quarter, the Group's profit of continued operations was HK\$4,276,000, representing an increase of around 167.8% as compared to HK\$1,597,000 in the same quarter of last financial year, which was mainly due to the improvement in overall digital advertising income and the saving in operating cost.

Reference is made to the voluntary announcement dated 20th July 2018, Media2U Company Limited, an indirectly wholly-owned subsidiary of the Company has entered into agreements to dispose of its 100% equity interests in the registered capital of Beijing OMG Advertising Company Limited ("Beijing OMG Advertising") and Beijing Times Resource Technology Consulting Limited ("Beijing TRT") to an independent third party. The principal activities of Beijing OMG Advertising and Beijing TRT are operations of magazines in Mainland China. Beijing OMG Advertising and Beijing TRT have been loss making for the past three years and they were sold at a consideration equal to the aggregate value of their net tangible assets as at 14th July 2018 and the administrative procedures of the disposal were completed in January 2019. For the three months ended 31st December 2018, the Mainland China operation was classified as a discontinued operation.

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

Hong Kong, 25th February 2019

*As at the date of this announcement, the board of the Company comprises Ms. TIONG Choon and Tan Sri Datuk Sir TIONG Hiew King, being non-executive directors; 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.*