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## 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 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 30th June 2018, together with the comparative figures for the corresponding period in 2017 as follows:

### CONSOLIDATED INCOME STATEMENT

FOR THE THREE MONTHS ENDED 30TH JUNE 2018

		(Unaudited)	
		Three months ended 30th June	
		2018	2017
	Note	HK\$'000	HK\$'000
Turnover	2	22,570	22,196
Cost of goods sold		<u>(14,694)</u>	<u>(16,582)</u>
Gross profit		7,876	5,614
Other income		348	643
Selling and distribution expenses		(6,918)	(6,329)
Administrative expenses		<u>(6,627)</u>	<u>(7,815)</u>
Operating loss		(5,321)	(7,887)
Share of results of joint ventures and associates		<u>-</u>	<u>367</u>
Loss before income tax		(5,321)	(7,520)
Income tax expense	6	<u>(49)</u>	<u>(191)</u>
Loss for the period		<u><b>(5,370)</b></u>	<u><b>(7,711)</b></u>
Loss attributable to:			
- Owners of the Company		(5,370)	(7,711)
- Non-controlling interests		<u>-</u>	<u>-</u>
		<u><b>(5,370)</b></u>	<u><b>(7,711)</b></u>
Loss per share attributable to owners of the Company during the period (expressed in HK cents per share)			
- Basic and diluted	7	<u><b>(1.34)</b></u>	<u><b>(1.92)</b></u>



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
AS AT 30TH JUNE 2018

	<i>Note</i>	(Unaudited) 30th June 2018 HK\$'000	(Audited) 31st March 2018 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		1,656	1,753
Intangible assets	3	5,094	5,173
Financial asset at fair value through other comprehensive income	4	41,108	70,470
Investments accounted for using equity method		1,115	1,115
<b>Total non-current assets</b>		<b>48,973</b>	<b>78,511</b>
<b>Current assets</b>			
Inventories		1,020	1,406
Trade and other receivables		24,189	20,800
Amounts due from fellow subsidiaries		-	3
Income tax recoverable		554	1,005
Cash and cash equivalents		25,143	29,761
<b>Total current assets</b>		<b>50,906</b>	<b>52,975</b>
<b>Total assets</b>		<b>99,879</b>	<b>131,486</b>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		401	401
Share premium		457,543	457,543
Other reserves		(309,045)	(279,273)
Accumulated losses		(72,350)	(66,980)
<b>Total equity</b>		<b>76,549</b>	<b>111,691</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long service payment obligations		50	50
<b>Total non-current liabilities</b>		<b>50</b>	<b>50</b>
<b>Current liabilities</b>			
Trade and other payables		22,375	18,781
Amounts due to fellow subsidiaries		905	964
<b>Total current liabilities</b>		<b>23,280</b>	<b>19,745</b>
<b>Total liabilities</b>		<b>23,330</b>	<b>19,795</b>
<b>Total equity and liabilities</b>		<b>99,879</b>	<b>131,486</b>

## 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 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 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 2018, 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 2018, 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 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 2018. 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 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 report.

The executive committee considers the performance of the media business for the Hong Kong and Taiwan operation 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 2018 are as follows:

	(Unaudited)				
	<u>Media Business</u>				
	Hong Kong and Taiwan				
	Entertainment	Watch		Mainland	
	and lifestyle	and car	Sub total	China	Total
	operation	operation	operation	operation	operation
	and others	and others	and others	and others	and others
	<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 operating loss	(1,160)	(351)	(1,511)	(2,073)	(3,584)
Unallocated expenses					(1,737)
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

The Group's turnover and results provided to the executive committee for the reporting segments for the three months ended 30th June 2017 are as follows:

	(Unaudited)				
	<u>Media Business</u>				
	Hong Kong and Taiwan				
	Entertainment and lifestyle operation <i>HK\$'000</i>	Watch and car operation and others <i>HK\$'000</i>	Sub total <i>HK\$'000</i>	Mainland China <i>HK\$'000</i>	Total <i>HK\$'000</i>
Turnover	17,085	3,600	20,685	1,511	22,196
Segment operating loss	(3,931)	(1,063)	(4,994)	(1,386)	(6,380)
Unallocated expenses					(1,507)
Operating loss					(7,887)
Share of results of joint ventures and associates	-	367	367	-	367
Loss before income tax					(7,520)
Income tax expense					(191)
Loss for the period					(7,711)
Other segmental information:					
Interest income	40	-	40	31	71
Depreciation of property, plant and equipment	227	14	241	23	264
Amortisation of intangible assets	286	-	286	-	286

### 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>Year ended 30th June 2018</b>				
Opening net book amount	200	-	4,973	5,173
Additions	-	-	-	-
Amortisation expenses	(28)	-	(51)	(79)
	<u>172</u>	<u>-</u>	<u>4,922</u>	<u>5,094</u>
<b>At 30th June 2018</b>				
Cost	1,433	2,725	75,600	79,758
Accumulated amortisation	(1,261)	-	(13,224)	(14,485)
Accumulated impairment	-	(2,725)	(57,454)	(60,179)
	<u>172</u>	<u>-</u>	<u>4,922</u>	<u>5,094</u>

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

	<b>30th June 2018 <i>HK\$'000</i></b>	31st March 2018 <i>HK\$'000</i>
Listed securities		
At the beginning of the period/year	<b>70,470</b>	-
Addition	-	24,300
Change in fair value recognised in other comprehensive income	<b>(29,362)</b>	46,170
At the end of the period/year	<b><u>41,108</u></b>	<u>70,470</u>

The financial asset at fair value through other comprehensive income 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:

	<b>(Unaudited)</b>	
	<b>Three months ended 30th June</b>	
	<b>2018</b>	<b>2017</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Paper consumed	<b>230</b>	2,156
Depreciation of property, plant and equipment	<b>184</b>	264
Amortisation of intangible assets	<b>80</b>	286
Employee benefit expense (including directors' emoluments)	<b>14,506</b>	15,144
Occupancy costs	<b>1,055</b>	1,035

## 6 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.

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 or had utilised tax losses to offset the assessable profits generated during the three months ended 30th June 2018 and 2017.

	<b>(Unaudited)</b>	
	<b>Three months ended 30th June</b>	
	<b>2018</b>	<b>2017</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Current income tax		
- Hong Kong profits tax expense	<b>49</b>	191
Deferred income tax charge	<b>-</b>	-

## 7 LOSS PER SHARE

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

	<b>(Unaudited)</b>	
	<b>Three months ended 30th June</b>	
	<b>2018</b>	<b>2017</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Loss attributable to owners of the Company	<b>5,370</b>	7,711
Number of ordinary shares in issue (in thousands)	<b>400,900</b>	400,900
Basic and diluted loss per share (HK cents per share)	<b>1.34</b>	1.92

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 2018 and 2017.

## 8 DIVIDENDS

No dividend has been declared by the Directors during the three months ended 30th June 2018 (2017: Nil).

## 9 CONTINGENT LIABILITIES

As at 30th June 2018, the Group did not have any material contingent liabilities or guarantees (2017: Nil).

## 10 REVIEW OF OPERATION

During the quarter under review, the Group's turnover was HK\$22,570,000 (2017: HK\$22,196,000), representing a slight increase of 1.7% as compared with the same quarter of last financial year. The increase in turnover attributed to the growth in digital advertising revenue. Although there was a decline in overall print advertising income of the Group, such decline was fully covered by the improvement in digital advertising revenue. In addition, there was saving in labour costs and paper and printing costs during the quarter. As a result, the loss for this quarter under review decreased to HK\$5,370,000, compared to the loss of HK\$7,711,000 in the same quarter of last financial year.

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 completion of the disposal is subject to the regulatory approvals.

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

Hong Kong, 28th August 2018

*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.*