万 华 媒 体
ONEMEDIAGROUP

One Media Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 426)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 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 six months ended 30th September 2015, together with the comparative unaudited consolidated figures for the corresponding period in 2014 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2015

		(Unaudited) Six months ended 30th September	
		2015	2014
	Note	***HK$'000***	*HK$'000*
Turnover	*4*	**68,731**	87,711
Cost of goods sold		**(36,316)**	(43,586)
Gross profit		**32,415**	44,125
Other income	*12*	**2,413**	4,427
Selling and distribution expenses		**(17,705)**	(19,567)
Administrative expenses		**(18,008)**	(20,639)
Operating (loss)/profit		**(885)**	8,346
Change in fair value of convertible bond	*13*	**(218)**	(742)
Share of profit/(loss) of joint ventures and associates		**39**	(1,007)
(Loss)/profit before income tax		**(1,064)**	6,597
Income tax expense	*14*	**(769)**	(2,425)
(Loss)/profit for the period		**(1,833)**	4,172
(Loss)/profit attributable to:			
— Owners of the Company		**(1,833)**	4,172
— Non-controlling interests		**–**	–
		(1,833)	4,172
(Loss)/earnings per share attributable to owners of the Company during the period (expressed in HK cents per share)			
— Basic and diluted	*15*	**(0.46)**	1.04
Dividends	*16*	**–**	2,400

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2015

	(Unaudited) Six months ended 30th September **2015** *HK$'000*	2014 *HK$'000*
(Loss)/profit for the period	**(1,833)**	4,172
Other comprehensive (loss)/income:		
Item that may be reclassified to profit or loss		
Currency translation differences	**(778)**	290
Total comprehensive (loss)/income for the period	**(2,611)**	4,462
Total comprehensive (loss)/income for the period attributable to:		
— Owners of the Company	**(2,611)**	4,462
— Non-controlling interests	**–**	–
	(2,611)	4,462

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30TH SEPTEMBER 2015

	Note	(Unaudited) 30th September 2015 HK$'000	(Audited) 31st March 2015 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**2,782**	3,699
Intangible assets	*5*	**67,628**	68,986
Interests in joint ventures and associates	*6*	**5,711**	6,172
Deferred income tax assets		**3,040**	3,149
Total non-current assets		**79,161**	82,006
Current assets			
Inventories		**7,404**	7,158
Trade and other receivables	*7*	**45,191**	48,650
Amounts due from fellow subsidiaries	*7*	**661**	294
Income tax recoverable		**2,670**	3,257
Short-term bank deposits		**29,067**	–
Cash and cash equivalents		**19,117**	130,099
Total current assets		**104,110**	189,458
Total assets		**183,271**	271,464
EQUITY			
Equity attributable to owners of the Company			
Share capital	*8*	**401**	400
Share premium	*8*	**457,543**	456,073
Other reserves		**(325,350)**	(324,181)
Retained earnings			
— Proposed dividend	*16*	**–**	4,000
— Others		**29,361**	31,203
Total equity		**161,955**	167,495
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**74**	195
Long service payment obligations		**50**	50
Total non-current liabilities		**124**	245
Current liabilities			
Trade and other payables	*9*	**19,260**	26,940
Amounts due to fellow subsidiaries	*9*	**1,515**	1,158
Convertible bond held by a fellow subsidiary	*10*	**–**	75,508
Income tax liabilities		**417**	118
Total current liabilities		**21,192**	103,724
Total liabilities		**21,316**	103,969
Total equity and liabilities		**183,271**	271,464
Net current assets		**82,918**	85,734
Total assets less current liabilities		**162,079**	167,740

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 11th March 2005 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Clifton House, 75 Fort Street, P.O. Box 1350 GT, George Town, Grand Cayman, Cayman Islands.

The Company is an investment holding company. The Group is principally engaged in media business in the Greater China region, including but not limited to magazine publishing and digital media business.

This unaudited condensed consolidated interim financial information ("Financial Information") is presented in Hong Kong dollars, unless otherwise stated.

2 BASIS OF PREPARATION

This Financial Information for the six months ended 30th September 2015 is unaudited and has been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" and the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

This Financial Information should be read in conjunction with the audited consolidated annual financial statements of the Group for the year ended 31st March 2015, which has been prepared in accordance with International Financial Reporting Standards ("IFRSs") and the accompanying explanatory notes attached to this Financial Information.

3 ACCOUNTING POLICIES

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.

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 in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

There are no other amended standards or interpretations that are effective for the first time for this interim period that could be expected to have a material impact on the Group.

The Group has not early 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 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.

4 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 period ended 30th September 2015 and 2014 are as follows:

	(Unaudited) Six months ended 30th September Media business					
	Hong Kong		**Mainland China**		**Total**	
	2015	2014	**2015**	2014	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Turnover	**60,296**	74,909	**8,435**	12,802	**68,731**	87,711
Segment profit/(loss) before income tax	**6,087**	18,931	**(2,316)**	(6,134)	**3,771**	12,797
Unallocated expenses					**(4,656)**	(4,451)
Operating (loss)/profit					**(885)**	8,346
Change in fair value of convertible bond					**(218)**	(742)
Share of profit/(loss) of joint ventures ("JVs") and associates					**39**	(1,007)
(Loss)/profit before income tax					**(1,064)**	6,597
Income tax expense	**(763)**	(2,424)	**(6)**	(1)	**(769)**	(2,425)
(Loss)/profit for the period					**(1,833)**	4,172
Other information:						
Interest income	**468**	756	**129**	154	**597**	910
Depreciation of property, plant and equipment	**814**	812	**186**	196	**1,000**	1,008
Amortisation of intangible assets	**1,368**	1,362	**–**	5	**1,368**	1,367

The segment assets and liabilities as at 30th September 2015 are as follows:

			(Unaudited)		
	Hong Kong	**Mainland China**	**Eliminations**	**Unallocated**	**Group**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Total assets	**323,726**	**23,870**	**(170,035)**	**5,710**	**183,271**
Total assets include:					
Interests in JVs and associates	**–**	**–**	**–**	**5,711**	**5,711**
Additions to non-current assets (other than deferred income tax assets and interests in JVs and associates)	**117**	**20**	**–**	**–**	**137**
Total liabilities	**(21,182)**	**(169,677)**	**170,035**	**(492)**	**(21,316)**

The segment assets and liabilities as at 31st March 2015 are as follows:

			(Audited)		
	Hong Kong	Mainland China	Eliminations	Unallocated	Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Total assets	409,395	26,109	(170,447)	6,407	271,464
Total assets include:					
Interests in JVs and associates	–	–	–	6,172	6,172
Additions to non-current assets (other than deferred income tax assets and interests in JVs and associates)	757	3	–	–	760
Total liabilities	(104,013)	(170,090)	170,447	(313)	(103,969)

Segment assets consist primarily of property, plant and equipment, intangible assets, inventories, trade and other receivables and operating cash. They exclude interests in JVs and associates, deferred income tax assets and income tax recoverable.

Segment liabilities comprise operating liabilities. They exclude deferred income tax liabilities and current income tax liabilities.

The eliminations between the reportable segments are intercompany receivables and payables between the operating segments.

The total of non-current assets located in Hong Kong is HK$75,823,000 (31st March 2015: HK$78,349,000) and the total of non-current assets located in Mainland China is HK$298,000 (31st March 2015: HK$508,000).

No revenue derived from a single customer is 10% or more of the combined revenue of all operating segments (2014: Nil).

5 INTANGIBLE ASSETS

	Group			
	Computer software	Goodwill	Trademarks	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Period ended 30th September 2014				
Opening net book amount	616	2,695	70,980	74,291
Additions	116	–	–	116
Amortisation expenses	(107)	–	(1,260)	(1,367)
Currency translation differences	–	24	–	24
Closing net book amount	625	2,719	69,720	73,064
At 30th September 2014				
Cost	1,274	2,719	75,600	79,593
Accumulated amortisation	(649)	–	(5,880)	(6,529)
Net book amount	625	2,719	69,720	73,064
Period ended 30th September 2015				
Opening net book amount	**526**	**–**	**68,460**	**68,986**
Additions	**10**	**–**	**–**	**10**
Amortisation expenses	**(108)**	**–**	**(1,260)**	**(1,368)**
Closing net book amount	**428**	**–**	**67,200**	**67,628**
At 30th September 2015				
Cost	**1,290**	**2,725**	**75,600**	**79,615**
Accumulated amortisation	**(862)**	**–**	**(8,400)**	**(9,262)**
Impairment charge	**–**	**(2,725)**	**–**	**(2,725)**
Net book amount	**428**	**–**	**67,200**	**67,628**

6 INTERESTS IN JOINT VENTURES AND ASSOCIATES

The amounts recognised in the condensed consolidated statement of financial position are as follows:

Interests in associates

	ByRead Inc.		Others		Total	
	(Unaudited) 30th September 2015	(Audited) 31st March 2015	**(Unaudited) 30th September 2015**	(Audited) 31st March 2015	**(Unaudited) 30th September 2015**	(Audited) 31st March 2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Interests in associates, at costs	**25,800**	25,800	**1,757**	1,757	**27,557**	27,557
Accumulated share of (loss)/profit and other adjustments for the years	**(2,333)**	(2,333)	**1,969**	1,424	**(364)**	(909)
Allowance for impairment	**(23,467)**	(23,467)	**–**	–	**(23,467)**	(23,467)
Interests in associates, net *(Note (a))*	**–**	–	**3,726**	3,181	**3,726**	3,181

Interests in JVs

	(Unaudited) 30th September 2015	(Audited) 31st March 2015
	HK$'000	*HK$'000*
Interests in JVs, at costs	**8,000**	8,000
Accumulated share of loss	**(6,015)**	(5,009)
Interests in JVs, net *(Note (b))*	**1,985**	2,991

The amounts of share of profit/(loss) recognised in the condensed consolidated income statement for the period are as follows:

	(Unaudited) Six months ended 30th September	
	2015	2014
	HK$'000	*HK$'000*
Associates	**1,045**	(28)
JVs	**(1,006)**	(979)
	39	(1,007)

(a) Interests in associates

Set out below are the associates of the Group as at 30th September 2015.

Name of associates	Place of incorporation	Effective equity interest		Principal activities	Measurement method
		2015	2014		
ByRead Inc. ("ByRead")	The Cayman Islands	**24.97%**	24.97%	*Note (i)*	Equity
Blackpaper Limited ("Blackpaper")	Hong Kong	**10%**	10%	*Note (ii)*	Equity

(i) ByRead is an investment holding company and the principal activities of its subsidiaries include the provision of mobile value-added services such as entertainment and online reading for individuals and enterprises in Mainland China.

ByRead is a private company with no quoted market prices available for its shares. There is no commitment and contingent liability relating to the Group's interest in the associate.

The recoverable amount of the investment in ByRead has been determined based on a value-in-use calculation. To determine the recoverable amount of ByRead, the Group used pre-tax cash flow projection based on the financial budget approved by management covering a five-year period.

Interest in ByRead was fully impaired during the year ended 31st March 2015. During the period ended 30th September 2015, ByRead incurred a loss of HK$104,000. Considering that there is no specific plan to revamp the business of ByRead, management is of the view that no reversal of the allowance for impairment should be made.

(ii) Blackpaper Limited is engaged in providing creative multimedia services and advertising campaigns.

Blackpaper is a private company with no quoted market prices available for its shares. There is no commitment and contingent liability relating to the Group's interest in the associate.

(b) Interests in JVs

Set out below are the JVs of the Group as at 30th September 2015.

Name of JVs	**Place of incorporation**	**Effective equity interest**		**Principal activities**	**Measurement method**
		2015	2014		
Chu Kong Culture Media Company Limited ("Chu Kong")	British Virgin Islands	**40%**	40%	*Note (i)*	Equity
Connect Media Company Limited ("Connect Media")	Hong Kong	**40%**	40%	*Note (i)*	Equity

(i) Chu Kong is an investment holding company and the principal activities of its wholly-owned subsidiary, Connect Media, include video programs, posters, seat covers, magazine racks, magazines, hull advertising, light box advertisement and e-commerce at the transportation vehicles and also their terminals.

Chu Kong and Connect Media are private companies with no quoted market prices available for their shares.

There are no commitments and contingent liabilities relating to the Group's interests in the JVs.

7 TRADE AND OTHER RECEIVABLES AND AMOUNTS DUE FROM FELLOW SUBSIDIARIES

	(Unaudited) 30th September 2015 *HK$'000*	(Audited) 31st March 2015 *HK$'000*
Trade receivables	**38,313**	38,652
Allowance for impairment of trade receivables	**–**	–
Trade receivables — Net	**38,313**	38,652
Other receivables — Net	**6,878**	9,998
	45,191	48,650
Amounts due from fellow subsidiaries	**661**	294
	45,852	48,944

As at 30th September 2015 and 31st March 2015, the fair values of trade and other receivables and amounts due from fellow subsidiaries approximated their carrying amounts.

The Group allows in general a credit period ranging from 30 to 120 days to its trade customers. As at 30th September 2015 and 31st March 2015, the ageing analysis of the Group's trade receivables by invoice date, net of provision for impairment, is as follows:

	(Unaudited) 30th September 2015 *HK$'000*	(Audited) 31st March 2015 *HK$'000*
0 to 60 days	**19,853**	22,097
61 to 120 days	**10,095**	9,410
121 to 180 days	**4,612**	4,454
Over 180 days	**3,753**	2,691
	38,313	38,652

Other receivables comprised the following:

	(Unaudited) 30th September 2015 *HK$'000*	(Audited) 31st March 2015 *HK$'000*
Amounts due from third parties	**6,158**	8,988
Amount due from an associate	**–**	450
Amount due from a JV	**720**	560
	6,878	9,998

There is no concentration of credit risk with respect to trade receivables as the Group has a large customer base.

8 SHARE CAPITAL AND SHARE PREMIUM

	Number of issued shares *(in thousands)*	**Ordinary shares** *HK$'000*	**Share premium** *HK$'000*	**Total** *HK$'000*
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 30th September 2015	**400,900**	**401**	**457,543**	**457,944**
At 1st April 2014, 30th September 2014 and 31st March 2015	400,000	400	456,073	456,473

During the period ended 30th September 2015, 900,000 shares of HK$0.001 each were issued at HK$1.20 per share as a result of the exercise of the options under the Company's Pre-IPO share option scheme which was approved and adopted on 26th September 2005. The weighted average closing price of the Company's shares at the time of exercise was HK$1.57 per share.

In addition, during the period under review, options over 638,000 shares lapsed by reason of the grantees ceasing to be full time employees of the Group and options over 5,900,000 shares lapsed by reason of expiration of the Pre-IPO Share Option Scheme on 25th September 2015. At 30th September 2015, no outstanding options under the Pre-IPO share option scheme.

9 TRADE AND OTHER PAYABLES AND AMOUNTS DUE TO FELLOW SUBSIDIARIES

	(Unaudited) 30th September 2015 *HK$'000*	(Audited) 31st March 2015 *HK$'000*
Trade payables	**4,646**	2,647
Other payables	**14,614**	24,293
	19,260	26,940
Amounts due to fellow subsidiaries	**1,515**	1,158
	20,775	28,098

As at 30th September 2015, the ageing analysis of the trade payables by invoice date is as follows:

	(Unaudited) 30th September 2015 *HK$'000*	(Audited) 31st March 2015 *HK$'000*
0 to 60 days	**4,412**	2,399
61 to 120 days	**144**	242
121 to 180 days	**4**	3
Over 180 days	**86**	3
	4,646	2,647

As at 30th September 2015 and 31st March 2015, the fair values of trade and other payables and amounts due to fellow subsidiaries approximated their carrying amounts.

Other payables comprised the following:

	(Unaudited) 30th September 2015 *HK$'000*	(Audited) 31st March 2015 *HK$'000*
Amounts due to third parties	**14,581**	19,741
Amount due to an associate	**33**	4,552
	14,614	24,293

10 CONVERTIBLE BOND HELD BY A FELLOW SUBSIDIARY

	(Unaudited) 30th September 2015	(Audited) 31st March 2015
	HK$'000	*HK$'000*
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.

11 EXPENSES BY NATURE

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

	(Unaudited) Six months ended 30th September	
	2015	2014
	HK$'000	*HK$'000*
Paper consumed	**5,898**	7,157
Depreciation of property, plant and equipment	**1,000**	1,008
Amortisation of intangible assets	**1,368**	1,367
Employee benefit expense (including directors' emoluments)	**30,618**	34,639
Occupancy costs	**2,905**	2,807
Loss on disposal of property, plant and equipment	**23**	6

12 OTHER INCOME

	(Unaudited) Six months ended 30th September	
	2015	2014
	HK$'000	*HK$'000*
Bank interest income	**597**	910
Licence fee income	**120**	393
Other media business income	**1,696**	3,124
	2,413	4,427

13 CHANGE IN FAIR VALUE OF CONVERTIBLE BOND

	(Unaudited) Six months ended 30th September	
	2015	2014
	HK$'000	*HK$'000*
Financial liability at fair value through profit or loss		
— Change in fair value of convertible bond	**218**	742

14 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 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 six months ended 30th September 2015 and 2014.

	(Unaudited) Six months ended 30th September	
	2015	2014
	HK$'000	*HK$'000*
Current income tax		
— Hong Kong profits tax	**890**	2,487
Deferred income tax credit	**(121)**	(62)
	769	2,425

15 (LOSS)/EARNINGS PER SHARE

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

	(Unaudited) Six months ended 30th September	
	2015	2014
	HK$'000	*HK$'000*
(Loss)/profit attributable to owners of the Company	**(1,833)**	4,172
Weighted average number of ordinary shares in issue (in thousands)	**400,471**	400,000
Basic (loss)/earnings per share (HK cents per share)	**(0.46)**	1.04

16 DIVIDENDS

The Directors do not recommend the payment of interim dividend for the six months ended 30th September 2015 (Six months ended 30th September 2014: HK$2,400,000).

Dividends paid during the period:

	(Unaudited) Six months ended 30th September	
	2015	2014
	HK$'000	*HK$'000*
Relating to the year ended 31st March 2015		
Final dividend of HK1 cent (2014: HK3 cents) per ordinary share	**4,009**	12,000

17 CONTINGENT LIABILITIES

As at 30th September 2015, the Group did not have any material contingent liabilities or guarantees (31st March 2015: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Results Summary

During the financial period under review, the Hong Kong economic slow-down inevitably affected the retail and advertising markets. The retail market, especially the luxury and branded label products, fell sharply. As a result, the advertisers continued to tighten their advertising spending, which adversely impacted the turnover and the overall performance of the Group.

Turnover of the Group for the six months ended 30 September 2015 decreased from last year's HK$87,711,000, by 22% or HK$18,980,000 to HK$68,731,000. The Group recorded a loss attributable to owners of the Company of HK$1,833,000 as compared to the profit of HK$4,172,000 during the corresponding period in 2014.

Review of Operations

Hong Kong

Turnover for Hong Kong operation, which accounted for 88% of the Group's turnover for the period, was down by 20% or HK$14,613,000, to HK$60,296,000. Segment profit from Hong Kong operation reported a decline of 68% to HK$6,087,000 compared with the previous financial period.

"*Ming Pao Weekly 明周*" ("MP Weekly") is the Group's main turnover contributing business for the Hong Kong segment. During the period, MP Weekly suffered from the lackluster retail market, which caused advertisers in general to slash their advertising and promotion spending. In September 2014, the Group launched "*Ming's*" ("Ming's"), which is a complimentary monthly title published with MP Weekly. Ming's is one of the revenue contributors of the Group. It offers photographs, in depth articles and quality features covering five major categories — fashion, beauty, luxuries, arts and sports.

"*TopGear 極速誌*" ("TopGear Hong Kong") is a leading automobile magazine with international editorial backing, and "*MING Watch 明錶*" ("Ming Watch Hong Kong") is a popular watch title. Both magazines continue to provide quality contents and enhance the business coverage from print to multi-media through digital platforms. Due to the sluggish market, the performance of TopGear Hong Kong and of Ming Watch Hong Kong was negatively impacted and reported a decrease in turnover.

TopGear Hong Kong continued to provide contract publishing services to certain premium brands. These extended services have contributed additional revenue to the Group during the period.

Mainland China

During the first half of the financial year, the turnover for the Group's Mainland China operation amounted to HK$8,435,000, representing a considerable drop of 34% from HK$12,802,000 in the corresponding period last year which was partly due to the discontinuation of the operation of "*Popular Science 科技新時代*" ("Popular Science") in September 2014. The discontinuation of Popular Science has resulted in savings in operating expenses. Despite a decrease in turnover, the loss for the period reduced from last year's HK$6,134,000 to HK$2,316,000.

"*TopGear 汽車測試報告*" ("TopGear China") continues to attract Mainland Chinese readers with infotainment, automobile news and trends. "*MING Watch 明表*" ("Ming Watch China"), a quarterly magazine, introduces the latest high-end watch market trends and delivers feature stories to readers in Mainland China. In the first half of 2015/16, the operating results of TopGear China and Ming Watch China have been adversely affected by the weakening retail market in China.

Other Media Investments

Connect Media Company Limited has continued to focus on multimedia channel of advertising business in passenger transportation in the Pearl River Delta region. It is a member and media sponsor of The Hong Kong Association of Amusement Parks and Attractions.

Blackpaper Limited is principally engaged in the publication of "*BlackPaper*" and "*100 Most*". It also publishes books and provides creative multimedia services mainly through one of its digital products, namely "TV Most".

New Businesses

The Taiwan edition of "*TopGear 極速誌*" was launched in November 2015. This magazine positions as one of the high-end automobile magazines in Taiwan and is expected to generate revenue for the Group in the near future. This is a significant step of the Group to build up a Greater China media platform by expanding its business coverage from Hong Kong and Mainland China markets to Taiwan market. In addition, a new joint venture of 70% equity interest, namely ST Productions Limited, has also been set up for the business of artiste and events management to open up new revenue stream for the Group.

Outlook

The economic growth in the Mainland is slowing down and ongoing uncertainty clouds outlook of the Hong Kong economy. Adding to this, digital media with low entry barriers renders intense competition in the entire media industry. The operating environment of the Group remains tough and challenging in the near future.

Nevertheless, the Group will continue to leverage its high credibility and competitive advantages as a content provider to deliver high quality contents to readers through various channels. The Group will also collaborate with strategic partners to diversify its operations and capture new market opportunities as well as further improve the operational and financial efficiency in its business units.

CAPITAL EXPENDITURE

The Group's total capital expenditure for property, plant and equipment and intangible assets for the six months ended 30th September 2015 amounted to HK$137,000.

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

The Group's revenues and costs are mainly denominated in Hong Kong dollars, United States dollars and Renminbi. Since Hong Kong dollars remain pegged to the United States dollars, the Group does not foresee substantial risks from exposure to United States dollars. For subsidiaries in the PRC, most of the sales and purchases are denominated in Renminbi and the exposure to foreign exchange risk is expected to be minimal.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

The Company has not redeemed any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

EMPLOYEES

As at 30th September 2015, the Group has approximately 186 employees (31st March 2015: approximately 194 employees), of which 153 and 33 were stationed in Hong Kong and in the Mainland China, respectively. The Group remunerates its employees based on the operating results, individual performance and comparable market statistics. The emoluments of the Directors and senior management are reviewed by the Remuneration Committee regularly. The Company has implemented share option schemes as an incentive to the Directors and eligible employees.

In Hong Kong, the Group participates in the hybrid retirement benefit scheme operated by the Company's fellow subsidiary and the Mandatory Provident Fund scheme for its employees. In Mainland China, the Group provides to its employees social security plans in relation to retirement, medical care and unemployment and has made the required contributions to the local social insurance authorities in accordance with relevant laws and regulations in Mainland China.

CORPORATE GOVERNANCE

The Company has adopted the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules and complied with the CG Code throughout the period.

COMPLIANCE OF THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the"Model Code") set out in Appendix 10 of the Listing Rules as the code for securities transactions by the Directors. The Directors have confirmed, following specific enquiries by the Company, their compliance with the required standard set out in the Model Code throughout the period.

The Company has also established written guidelines regarding securities transactions on no less exacting terms of the Model Code for senior management and specific individual who may have access to inside information in relation to the securities of the Company.

AUDIT COMMITTEE

The Company established an Audit Committee on 26th September 2005 with written terms of reference. The Audit Committee currently comprises three independent non-executive Directors, namely, Mr. YU Hon To, David, Mr. Victor YANG and Mr. LAU Chi Wah, Alex. The Audit Committee has reviewed the Group's unaudited condensed consolidated financial information for the six months ended 30th September 2015 and discussed matters relating to auditing, internal controls and financial reporting.

REMUNERATION COMMITTEE

The Company established a Remuneration Committee on 26th September 2005 with written terms of reference. The Remuneration Committee currently comprises three independent non-executive Directors, namely, Mr. YU Hon To, David, Mr. Victor YANG and Mr. LAU Chi Wah, Alex and one executive Director, namely, Mr. TIONG Kiew Chiong.

NOMINATION COMMITTEE

The Company established a Nomination Committee on 26th September 2005 with written terms of reference. The Nomination Committee currently comprises three independent non-executive Directors, namely, Mr. YU Hon To, David, Mr. Victor YANG and Mr. LAU Chi Wah, Alex and one executive Director, namely, Mr. TIONG Kiew Chiong.

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

Hong Kong, 25th November 2015

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.

The Company's Interim Report 2015/16 containing all the information required by the Listing Rules will be published on The Stock Exchange of Hong Kong Limited's website in due course and will be dispatched to shareholders before end of December 2015.