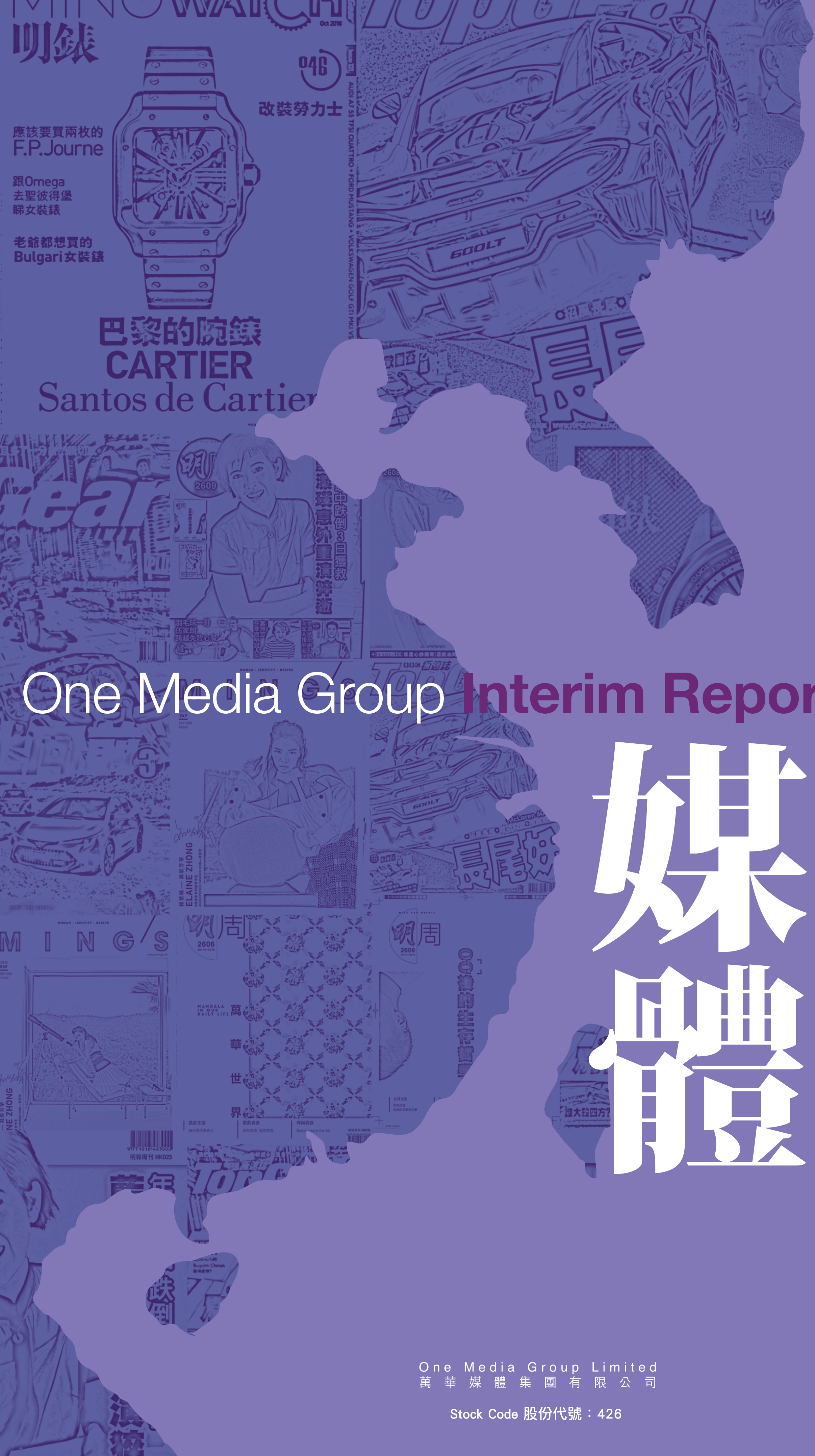


One Media Group Interim Report 2018/19

萬華媒體

二〇一八至一九年度中期報告

One Media Group Limited
萬華媒體集團有限公司

Stock Code 股份代號：426

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30TH SEPTEMBER 2018

	Note	**(Unaudited) 30th September 2018 *HK$'000***	(Audited) 31st March 2018 *HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**1,546**	1,753
Intangible assets	*8*	**5,020**	5,173
Available-for-sale financial asset		**–**	70,470
Financial asset at fair value through other comprehensive income	*9*	**25,313**	–
Investments accounted for using equity method	*10*	**1,115**	1,115
Total non-current assets		**32,994**	78,511
Current assets			
Inventories		**848**	1,406
Trade and other receivables	*11*	**23,031**	20,800
Amount due from a fellow subsidiary	*11*	**–**	3
Income tax recoverable		**502**	1,005
Cash and cash equivalents		**17,994**	29,761
Total current assets		**42,375**	52,975
Total assets		**75,369**	131,486
EQUITY			
Equity attributable to owners of the Company			
Share capital	*12*	**401**	401
Share premium	*12*	**457,543**	457,543
Other reserves		**(323,411)**	(279,273)
Accumulated losses		**(80,296)**	(66,980)
Total equity		**54,237**	111,691
LIABILITIES			
Non-current liabilities			
Long service payment obligations		**50**	50
Total non-current liabilities		**50**	50
Current liabilities			
Trade and other payables	*13*	**20,063**	18,781
Amounts due to fellow subsidiaries	*13*	**1,019**	964
Total current liabilities		**21,082**	19,745
Total liabilities		**21,132**	19,795
Total equity and liabilities		**75,369**	131,486

The notes on pages 6 to 24 form an integral part of this interim consolidated financial information.

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2018

	Note	(Unaudited) Six months ended 30th September 2018 HK$'000	2017 HK$'000 (Restated)
Continuing operations			
Turnover	7	**44,692**	44,095
Cost of goods sold		**(28,824)**	(31,625)
Gross profit		**15,868**	12,470
Other income	15	**661**	847
Selling and distribution expenses		**(11,186)**	(11,422)
Administrative expenses		**(11,880)**	(14,316)
Operating loss		**(6,537)**	(12,421)
Share of results of joint ventures and associates	10	**–**	657
Loss before income tax		**(6,537)**	(11,764)
Income tax expense	16	**(101)**	(402)
Loss for the period from continuing operations		**(6,638)**	(12,166)
Loss for the period from discontinued operation (attributable to equity holders of the Company)	17	**(6,678)**	(4,439)
Loss for the period		**(13,316)**	(16,605)
Loss is attributable to:			
— Owners of the Company			
— from continuing operations		**(6,638)**	(12,166)
— from discontinued operation		**(6,678)**	(4,439)
		(13,316)	(16,605)
— Non-controlling interests		**–**	–
		(13,316)	(16,605)
Loss per share attributable to owners of the Company during the period (expressed in HK cents per share)			
— from continuing operations		**(1.65)**	(3.03)
— from discontinued operation		**(1.67)**	(1.11)
Basic and diluted	18	**(3.32)**	(4.14)

The notes on pages 6 to 24 form an integral part of this interim consolidated financial information.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2018

	(Unaudited) Six months ended 30th September	
	2018	2017
	HK$'000	*HK$'000*
		(Restated)
Loss for the period	**(13,316)**	(16,605)
Other comprehensive loss		
Items that have been reclassified or may be reclassified subsequently to profit or loss		
Release of currency translation reserve upon disposal of subsidiaries	**1,682**	–
Currency translation differences	**(663)**	653
Item that will not be reclassified to profit or loss		
Fair value loss on financial asset at fair value through other comprehensive income	**(45,157)**	–
Total comprehensive loss for the period	**(57,454)**	(15,952)
Total comprehensive loss for the period attributable to:		
— Owners of the Company arises from:		
— from continuing operations	**(56,398)**	(9,828)
— from discontinued operation	**(1,056)**	(6,124)
	(57,454)	(15,952)
— Non-controlling interests	**–**	–
	(57,454)	(15,952)

The notes on pages 6 to 24 form an integral part of this interim consolidated financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2018

	(Unaudited) Attributable to owners of the Company						
	Share capital HK$'000	Share premium HK$'000	Other reserves HK$'000	Accumulated losses HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1st April 2017	401	457,543	(326,462)	(46,430)	85,052	–	85,052
Total comprehensive loss							
Loss for the period	–	–	–	(16,605)	(16,605)	–	(16,605)
Other comprehensive income:							
Currency translation differences	–	–	653	–	653	–	653
Total comprehensive loss for the period	–	–	653	(16,605)	(15,952)	–	(15,952)
At 30th September 2017	401	457,543	(325,809)	(63,035)	69,100	–	69,100
At 1st April 2018	**401**	**457,543**	**(279,273)**	**(66,980)**	**111,691**	**–**	**111,691**
Total comprehensive loss							
Loss for the period	**–**	**–**	**–**	**(13,316)**	**(13,316)**	**–**	**(13,316)**
Other comprehensive income:							
Currency translation differences	**–**	**–**	**(663)**	**–**	**(663)**	**–**	**(663)**
Release of currency translation reserve upon disposal of subsidiaries	**–**	**–**	**1,682**	**–**	**1,682**	**–**	**1,682**
Fair value loss on financial asset at fair value through other comprehensive income	**–**	**–**	**(45,157)**	**–**	**(45,157)**	**–**	**(45,157)**
Total comprehensive loss for the period	**–**	**–**	**(44,138)**	**(13,316)**	**(57,454)**	**–**	**(57,454)**
At 30th September 2018	**401**	**457,543**	**(323,411)**	**(80,296)**	**54,237**	**–**	**54,237**

The notes on pages 6 to 24 form an integral part of this interim consolidated financial information.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2018

	(Unaudited) Six months ended 30th September	
	2018	2017
	HK$'000	*HK$'000*
Cash flows from operating activities		
Cash used in operations	**(10,604)**	(11,872)
Hong Kong profit tax (paid)/refunded	**(402)**	3,832
Net cash used in operating activities	**(11,006)**	(8,040)
Cash flows from investing activities		
Purchase of property, plant and equipment	**(150)**	(91)
Interest received	**52**	145
Net cash (used in)/generated from investing activities	**(98)**	54
Net decrease in cash and cash equivalents	**(11,104)**	(7,986)
Cash and cash equivalents at the beginning of the period	**29,761**	38,325
Currency translation (loss)/gain	**(663)**	394
Cash and cash equivalents at the end of the period	**17,994**	30,733

The notes on pages 6 to 24 form an integral part of this interim consolidated financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

One Media Group Limited (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 Company and its subsidiaries (the "Group") are 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, and has been approved for issue by the Board of Directors on 29th November 2018.

2 BASIS OF PREPARATION

This Financial Information for the six months ended 30th September 2018 is unaudited and has been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" issued by the International Accounting Standard Board ("IASB") 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 2018, which have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and the accompanying explanatory notes attached to this Financial Information.

3 ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

Taxes on income for the six months ended 30th September 2018 are accrued using the tax rate that would be applicable to expected total annual earnings.

(i) New and amended standards adopted by the Group

A number of new and amended standards became applicable for the current reporting period and the Group had to change its accounting policies and make retrospective adjustments as a result of adopting the following standards:

- IFRS 9, "Financial instruments"; and
- IFRS 15, "Revenue from contracts with customers".

The impact of the adoption of these new standards and new accounting policies are disclosed in note 4 below. The other new standards did not have any material impact on the Group's accounting policies and did not require retrospective adjustments.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

3 ACCOUNTING POLICIES *(Continued)*

(ii) Impact of new and amended standards and interpretation that have been issued but are not yet effective and have not been early adopted by the Group

The following new and amended standards and interpretations have been issued but not yet effective and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
Annual improvement	Annual improvements to IFRS 2015–2017 cycle	1st January 2019
Amendments to IAS 19	Plan amendments, curtailment or settlement	1st January 2019
Amendments to IAS 28	Long-term interests in associates and joint ventures	1st January 2019
Amendments to IFRS 9	Prepayment features with negative compensation	1st January 2019
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	Effective Date to be determined
IFRS 16	Leases	1st January 2019
IFRS 17	Insurance contracts	1st January 2021
IFRIC 23	Uncertainty over income tax treatments	1st January 2019

(a) IFRS 16 Leases

IFRS 16 was issued in January 2016. It will result in almost all major leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of approximately HK$1,046,000. However, the Group has not yet determined to what extent these commitments will result in the recognition of assets and a liabilities for future payments and how this will affect the Group's profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that do not qualify as leases under IFRS 16.

The standard is mandatory for financial years commencing on or after 1st January 2019. At this stage, the Group does not intend to adopt the standard before its effective date.

There are no other new, amended or revised IFRS and interpretations that are not yet effective and that would be expected to have a material impact on the Group.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

4 CHANGES IN ACCOUNTING POLICIES

This note explains the impact of the adoption of IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" on the Group's financial statements and also discloses the new accounting policies that have been applied from 1st April 2018, where they are different to those applied in prior periods.

(a) IFRS 9 Financial Instruments — Impact of adoption

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9 from 1st April 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the Group's consolidated financial statements. The new accounting policies are set out in note 4(a)(1) and 4(a)(2) below. In accordance with the transitional provisions in IFRS 9, comparative figures have not been restated.

(1) Classification and measurement

On 1st April 2018 (the date of initial application of IFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate IFRS 9 categories. The main effects resulting from this reclassification changes on the Group's financial assets are as follows:

		Financial assets at fair value through other comprehensive income	**Available-for-sale financial assets**
		HK$'000	*HK$'000*
Closing balance 31st March 2018 — IAS 39		–	70,470
Reclassify investments from available-for-sale ("AFS") to financial assets at fair value through other comprehensive income ("FVOCI")	*Note*	70,470	(70,470)
Opening balance 1st April 2018 — IFRS 9		70,470	–

The impact of these changes on the Group's equity is as follows:

		Effect on AFS reserves	**Effect on FVOCI Reserves**
		HK$'000	*HK$'000*
Closing balance 31st March 2018 — IAS 39		46,170	–
Reclassify investments from AFS to FVOCI	*Note*	(46,170)	46,170
Opening balance 1st April 2018 — IFRS 9		–	46,170

Note:

Reclassification from AFS to FVOCI

The Group elected to present in other comprehensive income ("OCI") changes in the fair value of certain equity investments previously classified as AFS, because these investments are held as long-term strategic investments that are not expected to be sold in the short to medium term. As a result, assets with a fair value of HK$70,470,000 were reclassified from AFS to FVOCI and related fair value gains were reclassified from the AFS reserve to the FVOCI reserve on 1st April 2018.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

4 CHANGES IN ACCOUNTING POLICIES *(Continued)*

(a) IFRS 9 Financial Instruments — Impact of adoption *(Continued)*

(2) Impairment of financial assets

The Group has the following financial assets at amortised cost that are subjects IFRS 9's new expected credit loss ("ECL") model:

- Trade and other receivables

  The Group was required to revise its impairment methodology under IFRS 9 for each of these classes of assets. While cash and cash equivalents and short-term bank deposits are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

  The Group applies the IFRS 9 simplified approach to measure ECLs which uses a lifetime expected loss allowance for all trade receivables. To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. ECLs on trade receivables are estimated using a provision matrix based on the Group's historical credit loss experience. The adoption of the ECL requirements of IFRS 9 does not change the impairment allowance of the Group's trade and other receivables and have no impact on retained earnings as of 1st April 2018.

(b) IFRS 9 Financial Instruments —Accounting policies applied from 1st April 2018

(1) Investments and other financial assets

Classification

From 1st April 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

4 CHANGES IN ACCOUNTING POLICIES *(Continued)*

(b) IFRS 9 Financial Instruments —Accounting policies applied from 1st April 2018 *(Continued)*

(1) Investments and other financial assets (Continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTPL are not reported separately from other changes in fair value.

Impairment

From 1st April 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and other receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(c) IFRS 15 Revenue from Contracts with Customers — Impact of adoption

The Group has adopted IFRS 15 Revenue from Contracts with Customers from 1st April 2018 which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the transition provisions in IFRS 15, the Group has elected to use a modified retrospective approach for the transition to IFRS 15 whereby the effects of adopting IFRS 15 for uncompleted contracts with customers as at 31st March 2018 are recognised as adjustment to the opening balances of the Group's consolidated statement of financial position as at 1st April 2018 and prior period comparatives are not restated.

The accounting policies were changed to comply with IFRS 15, which replaces the provisions of IAS 18 Revenue and the related interpretations that relate to the recognition, classification and measurement of revenue and costs.

Reclassifications were made as at 1st April 2018 to be consistent with the terminology used under IFRS 15.

(1) Presentation of contract asset and contract liability

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

The Group's contract liabilities represented payments received by the Group in advance for subscription of its publications and customer deposits received, which the Group will recognise as revenue when the publications are delivered to the customers. These were previously recorded as receipts in advance and were classified under "trade and other payables".

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

4 CHANGES IN ACCOUNTING POLICIES *(Continued)*

(c) IFRS 15 Revenue from Contracts with Customers — Impact of adoption *(Continued)*

(1) Presentation of contract asset and contract liability (Continued)

The adoption of IFRS 15 does not have a significant impact on how the Group recognises revenue and there is no impact of transition to IFRS 15 on the Group's retained earnings at 1st April 2018.

The Group has adopted IFRS 15 using the cumulative effect method (without practical expedients) with the effect of initially applying the standard recognised at the date of initial application. The adoption of IFRS 15 results in changes in accounting policies for revenue recognition and has no material impact other than the disclosures in the Group's financial statements.

(2) Accounting for publishing and printing business

Under IFRS 15, advertising income is recognised net of trade discount over the period when the related advertisement is published. Sale of newspapers, magazines, books and digital content is recognised net of trade discount and sales return at point in time upon delivery of the publication.

The impact on the Group's financial position by the application of IFRS 15 is as follows:

	As at 1st April 2018		
Condensed consolidated statement of financial position (extract)	**As previously reported** *HK$'000*	**Reclassification under IFRS 15** *HK$'000*	**As restated** *HK$'000*
Trade and other payables	19,745	(2,728)	17,017
Contract liabilities	–	2,728	2,728
	19,745	–	19,745

5 ESTIMATES

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31st March 2018.

6 FINANCIAL RISK MANAGEMENT

6.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and interest rate risk.

The Financial Information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31st March 2018.

There have been no changes in the risk management policies since 31st March 2018.

6.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash flows for financial liabilities.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

6 FINANCIAL RISK MANAGEMENT *(Continued)*

6.3 Fair value estimation

For financial instruments that are measured at fair value, the Group classifies fair value measurements using a fair value hierarchy that priorities the inputs to valuation techniques used to measure fair value. The fair value hierarchy has the following levels:

Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 — Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Group's assets that are measured at fair value at 30th September 2018:

	Level 1	**Level 2**	**Level 3**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Financial assets at fair value through other comprehensive income				
Listed equity securities	25,313	–	–	25,313

The following table presents the Group's assets that are measured at fair value at 31st March 2018:

	Level 1	**Level 2**	**Level 3**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Available-for-sale financial asset				
Listed equity securities	70,470	–	–	70,470

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of each reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques.

These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the entity-specific estimates. If all signification inputs required to determine the fair value of an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

There was no transfer between level 1 and level 2 of the fair value hierarchy during the period. There was no change during the period attributable to level 3 of the fair value hierarchy.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

7 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 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 period ended 30th September 2018 and 2017 are as follows:

	(Unaudited) Six months ended 30th September 2018 Media Business				
	Continuing operations			Discontinued operation	
	Hong Kong and Taiwan			*(Note)*	
	Entertainment and lifestyle operation *HK$'000*	**Watch and car operation and others** *HK$'000*	**Sub total** *HK$'000*	**Mainland China** *HK$'000*	**Total** *HK$'000*
Turnover	**36,675**	**8,017**	**44,692**	**463**	**45,155**
Segment operating loss	**(2,075)**	**(1,186)**	**(3,261)**	**(6,678)**	**(9,939)**
Unallocated expenses					**(3,276)**
Operating loss					**(13,215)**
Share of results of joint ventures ("JVs") and associates *(Note 10)*					**–**
Loss before income tax					**(13,215)**
Income tax expense					**(101)**
Loss for the period					**(13,316)**
Other segmental information:					
Interest income	**36**	**–**	**36**	**16**	**52**
Depreciation of property, plant and equipment	**311**	**41**	**352**	**–**	**352**
Amortisation of intangible assets *(Note 8)*	**146**	**7**	**153**	**–**	**153**

Note: During the period ended 30th September 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 condensed consolidated income statement have been restated to distinguish discontinued operation from continuing operations.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

7 SEGMENT INFORMATION *(Continued)*

	(Unaudited) Six months ended 30th September 2017 Media Business				
	Continuing operations			Discontinued operation	
	Hong Kong and Taiwan				
	Entertainment and lifestyle operation *HK$'000*	Watch and car operation and others *HK$'000*	Sub total *HK$'000*	Mainland China *HK$'000*	Total *HK$'000*
Turnover	36,186	7,909	44,095	1,961	46,056
Segment operating loss	(6,599)	(2,578)	(9,177)	(4,439)	(13,616)
Unallocated expenses					(3,244)
Operating loss					(16,860)
Share of results of JVs and associates					657
Loss before income tax					(16,203)
Income tax expense					(402)
Loss for the period					(16,605)
Other segmental information:					
Interest income	80	–	80	65	145
Depreciation of property, plant and equipment	439	29	468	46	514
Amortisation of intangible assets *(Note 8)*	560	9	569	–	569

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

7 SEGMENT INFORMATION *(Continued)*

The segment assets and liabilities as at 30th September 2018 are as follows:

	(Unaudited)						
	Hong Kong and Taiwan						
	Entertainment and lifestyle operation	**Watch and car operation and others**	**Total**	**Mainland China**	**Eliminations**	**Unallocated**	**Group**
	HK\$'000	***HK\$'000***	***HK\$'000***	***HK\$'000***	***HK\$'000***	***HK\$'000***	***HK\$'000***
Total assets	**226,655**	**6,485**	**233,140**	**4,635**	**(162,908)**	**502**	**75,369**
Total assets include:							
– Investments in JVs and associates	**–**	**1,115**	**1,115**	**–**	**–**	**–**	**1,115**
– Additions to non-current assets (other than investments accounted for using equity method)	**74**	**76**	**150**	**–**	**–**	**–**	**150**
Total liabilities	**(16,755)**	**(3,289)**	**(20,044)**	**(163,996)**	**162,908**	**–**	**(21,132)**

The segment assets and liabilities as at 31st March 2018 are as follows:

	(Audited)						
	Hong Kong and Taiwan						
	Entertainment and lifestyle operation	Watch and car operation and others	Total	Mainland China	Eliminations	Unallocated	Group
	HK\$'000	*HK\$'000*	*HK\$'000*	*HK\$'000*	*HK\$'000*	*HK\$'000*	*HK\$'000*
Total assets	301,907	4,459	306,366	11,521	(187,406)	1,005	131,486
Total assets include:							
– Investments in JVs and associates	–	1,115	1,115	–	–	–	1,115
– Additions to non-current assets (other than investments accounted for using equity method)	759	113	872	14	–	–	886
Total liabilities	(12,704)	(14,842)	(27,546)	(179,655)	187,406	–	(19,795)

Segment assets consist primarily of property, plant and equipment, intangible assets, investments accounted for using equity method, financial asset at fair value through other comprehensive income, inventories, trade and other receivables and operating cash. They exclude income tax recoverable.

Segment liabilities comprise operating 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\$32,994,000 (31st March 2018: HK\$78,511,000), the total of non-current assets located in Mainland China is nil (31st March 2018: Nil) and the total of non-current assets located in Taiwan is nil (31st March 2018: Nil).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

8 INTANGIBLE ASSETS

	Group			
	Computer software *HK$'000*	Goodwill *HK$'000*	Trademarks *HK$'000*	Total *HK$'000*
Period ended 30th September 2017				
Opening net book amount	302	–	25,000	25,302
Amortisation expenses	(73)	–	(496)	(569)
Closing net book amount	229	–	24,504	24,733
At 30th September 2017				
Cost	1,453	2,725	75,600	79,778
Accumulated amortisation	(1,224)	–	(12,676)	(13,900)
Accumulated impairment	–	(2,725)	(38,420)	(41,145)
Net book amount	229	–	24,504	24,733
Period ended 30th September 2018				
Opening net book amount	**200**	**–**	**4,973**	**5,173**
Amortisation expenses	**(51)**	**–**	**(102)**	**(153)**
Closing net book amount	**149**	**–**	**4,871**	**5,020**
At 30th September 2018				
Cost	**1,484**	**2,725**	**75,600**	**79,809**
Accumulated amortisation	**(1,335)**	**–**	**(13,275)**	**(14,610)**
Accumulated impairment	**–**	**(2,725)**	**(57,454)**	**(60,179)**
Net book amount	**149**	**–**	**4,871**	**5,020**

9 FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	(Unaudited) 30th September 2018 ***HK$'000***	(Audited) 31st March 2018 *HK$'000*
Listed equity securities		
At the beginning of the period/year *(Note 4(a)(1))*	**70,470**	–
Fair value loss recognised in other comprehensive income	**(45,157)**	–
At the end of the period/year	**25,313**	–

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 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 30th September 2018, the fair value was determined based on the share price at 30th September 2018 of the listed securities. Details of the accounting treatment are set out in the Group's accounting policies.

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

10 INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	(Unaudited) 30th September 2018 *HK$'000*	(Audited) 31st March 2018 *HK$'000*
At the beginning of the period/year	**1,115**	5,680
Share of results of JVs and associates	**–**	618
De-recognition of investment in an associate	**–**	(2,983)
Dividend income declared/received	**–**	(2,200)
Interests in JVs and associates, net	**1,115**	1,115

Set out below is the associate of the Group as at 30th September 2018 and 31st March 2018.

Name of associate	**Place of incorporation**	**Effective equity interest**		**Principal activities**	**Measurement method**
		30th September 2018	31st March 2018		
ByRead Inc. ("ByRead")	The Cayman Islands	**24.97%**	24.97%	*Note*	Equity

Note:

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.

Set out below are the JVs of the Group as at 30th September 2018 and 31st March 2018.

Name of JVs	**Place of incorporation**	**Effective equity interest**		**Principal activities**	**Measurement method**
		30th September 2018	31st March 2018		
Chu Kong Culture Media Company Limited ("Chu Kong")	British Virgin Islands	**40%**	40%	*Note*	Equity
Connect Media Company Limited ("Connect Media")	Hong Kong	**40%**	40%	*Note*	Equity

Note:

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

In April 2016, Connect Media signed a subcontracting agreement with a fellow subsidiary of the other joint venturer (the "Subcontractor") to manage the daily operations of Connect Media for three years. For each year, all losses incurred by Connect Media will be borne by the Subcontractor, while the Subcontractor will be entitled to a certain amount of profit generated by Connect Media as service fee. Any profit exceeding the service fee will be shared equally between Connect Media and the Subcontractor. For the period ended 30th September 2018, no profit was shared by Connect Media as its profit did not exceed the service fee.

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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

11 TRADE AND OTHER RECEIVABLES AND AMOUNT DUE FROM A FELLOW SUBSIDIARY

	(Unaudited) 30th September 2018 *HK$'000*	(Audited) 31st March 2018 *HK$'000*
Trade receivables	**18,762**	18,121
Less: allowance for impairment of trade receivables	**–**	(699)
Trade receivables — net	**18,762**	17,422
Other receivables — net	**4,269**	3,378
	23,031	20,800
Amount due from a fellow subsidiary	**–**	3
	23,031	20,803

As at 30th September 2018 and 31st March 2018, the fair values of trade and other receivables and amount due from a fellow subsidiary 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 2018 and 31st March 2018, the ageing analysis of the Group's trade receivables by invoice date, net of allowance for impairment, is as follows:

	(Unaudited) 30th September 2018 *HK$'000*	(Audited) 31st March 2018 *HK$'000*
0 to 60 days	**11,305**	10,328
61 to 120 days	**4,911**	3,265
121 to 180 days	**1,433**	2,627
Over 180 days	**1,113**	1,901
	18,762	18,121

Other receivables comprised the following:

	(Unaudited) 30th September 2018 *HK$'000*	(Audited) 31st March 2018 *HK$'000*
Prepayment	**3,118**	1,858
Rental and utilities deposit	**18**	312
Others	**1,133**	1,208
	4,269	3,378

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

12 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 2017, 30th September 2017, 31st March 2018 and 30th September 2018	400,900	401	457,543	457,944

13 TRADE AND OTHER PAYABLES AND AMOUNTS DUE TO FELLOW SUBSIDIARIES

	(Unaudited) 30th September 2018 ***HK$'000***	(Audited) 31st March 2018 *HK$'000*
Trade payables	**4,845**	3,417
Other payables	**9,596**	12,103
Receipt in advance	**–**	2,728
Contract liabilities	**5,047**	–
Deferred income and tax provision	**575**	533
	20,063	18,781
Amounts due to fellow subsidiaries	**1,019**	964
	21,082	19,745

As at 30th September 2018 and 31st March 2018, the ageing analysis of the trade payables by invoice date is as follows:

	(Unaudited) 30th September 2018 ***HK$'000***	(Audited) 31st March 2018 *HK$'000*
0 to 60 days	**2,516**	2,321
61 to 120 days	**1,555**	990
121 to 180 days	**644**	84
Over 180 days	**130**	22
	4,845	3,417

As at 30th September 2018 and 31st March 2018, the fair values of trade and other payables and amounts due to fellow subsidiaries approximated their carrying amounts.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

14 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	
	2018	2017
	HK$'000	*HK$'000*
		(Restated)
Paper consumed	**555**	4,025
Depreciation of property, plant and equipment	**352**	468
Amortisation of intangible assets *(Note 8)*	**153**	569
Employee benefit expense (including directors' emoluments)	**27,640**	28,740
Occupancy costs	**1,580**	1,525
Loss on disposal of property, plant and equipment	**4**	10

15 OTHER INCOME

	(Unaudited) Six months ended 30th September	
	2018	2017
	HK$'000	*HK$'000*
		(Restated)
Bank interest income	**36**	80
Other media business income	**625**	767
	661	847

16 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) Six months ended 30th September	
	2018	2017
	HK$'000	*HK$'000*
Current income tax		
— Hong Kong profits tax	**101**	402

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

17 DISPOSAL OF SUBSIDIARIES AND DISCONTINUED OPERATION

During the period ended 30th September 2018, the Group disposed of its entire equity interests in two of its subsidiaries, Beijing OMG Advertising Company Limited ("Beijing OMG Advertising") and Beijing Times Resource Technology Consulting Limited ("Beijing TRT"). The total consideration was approximate to the net assets value of disposed companies. The principal activity of these two companies was operation of magazines in Mainland China. As a result of the disposal, a loss of HK$1,641,000 has been recognised in the condensed consolidated income statement. The effect of the disposal is summarised as follows:

	(Unaudited) 30th September 2018
	HK$'000
Gain on disposal before release of currency translation reserve	**41**
Release of currency translation reserve	**(1,682)**
Net loss on disposal of subsidiaries	**(1,641)**

Upon disposal of Beijing OMG Advertising and Beijing TRT, the Group would cease the magazine operation in Mainland China.

The results of the discontinued operation for both years are presented below:

	(Unaudited) Six months ended 30th September	
	2018	2017
	HK$'000	*HK$'000*
Revenue and other income	**479**	2,026
Expenses	**(5,516)**	(6,465)
Loss before income tax of discontinued operation	**(5,037)**	(4,439)
Income tax expense	**–**	–
Loss after income tax of discontinued operation	**(5,037)**	(4,439)
Gain on disposal of subsidiaries	**41**	–
Release of currency translation reserve	**(1,682)**	–
Loss from discontinued operation	**(6,678)**	(4,439)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

18 LOSS PER SHARE

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

	(Unaudited) Six months ended 30th September	
	2018	2017
	HK$'000	*HK$'000*
Weighted average number of ordinary shares in issue *(in thousands)*	**400,900**	400,900
Loss from continuing operations attributable to owners of the Company	**(6,638)**	(12,166)
Basic and diluted loss per share from continuing operations attributable to owners of the Company *(HK cents per share)*	**(1.65)**	(3.03)
Loss from discontinued operation attributable to owners of the Company	**(6,678)**	(4,439)
Basic and diluted loss per share from discontinued operation attributable to owners of the Company *(HK cents per share)*	**(1.67)**	(1.11)
Basic and diluted loss per share *(HK cents per share)*	**(3.32)**	(4.14)

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 six months ended 30th September 2018 and 2017.

19 DIVIDENDS

The Directors do not declare the payment of interim dividend for the six months ended 30th September 2018 (Six months ended 30th September 2017: HK nil cent).

20 RELATED PARTY TRANSACTIONS

The ultimate parent of the Company is Media Chinese International Limited ("Media Chinese"), a company incorporated in Bermuda.

The following transactions were carried out with related parties:

(i) During the period ended 30th September 2018 and 2017, the Group entered into the following transactions with fellow subsidiaries and an associate:

		2018	2017
	Note	***HK$'000***	*HK$'000*
Circulation support services charges	*a*	**445**	443
Library services charges	*b*	**84**	51
Administrative support and IS programming support services charges	*c*	**2,610**	2,920
Charges for leasing and licensing of office space, storage space and parking spaces	*d*	**1,288**	1,288
Ticketing and accommodation expenses	*e*	**237**	214
Barter advertising expenses	*f*	**237**	150
Barter advertising income	*g*	**(319)**	(395)
Promotion expenses	*h*	**–**	10
Pension costs — defined contribution plans	*i*	**1,040**	1,051
Sundry income	*j*	**–**	(600)
Dividend income	*k*	**–**	(2,200)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

20 RELATED PARTY TRANSACTIONS *(Continued)*

(i) During the period ended 30th September 2018 and 2017, the Group entered into the following transactions with fellow subsidiaries and an associate: *(Continued)*

Notes:

(a) This represents recharge of circulation support services relating to the distribution, sale and promotion of the publications of the Group by a fellow subsidiary. It is charged on a cost reimbursement basis.

(b) This represents recharge by a fellow subsidiary relating to provision of library services including data classification, data indexing and filing, data storage management and retrieval, data provision and newspaper clipping. It is charged on a cost reimbursement basis.

(c) This represents recharge of administrative, human resources, corporate communications, legal services, information system support services and depreciation on certain computers and office equipment leased from fellow subsidiaries. It is charged on a cost reimbursement basis.

(d) This represents charges paid to a fellow subsidiary for the leasing and licensing of office space, storage space and parking spaces. The rentals and licence fees are charged at a pre-determined rate calculated by reference to the prevailing market rates.

(e) This represents ticketing and accommodation expenses paid to a fellow subsidiary. It is charged at a pre-determined rate calculated based on the rates charged to third party customers.

(f) This represents advertising expenses on a barter basis in accordance with barter advertising agreement entered into with Media Chinese. It is charged at a pre-determined rate calculated based on the rates charged to third party customers.

(g) This represents advertising income on a barter basis in accordance with barter advertising agreement entered into with Media Chinese. It is charged at a pre-determined rate calculated based on the rates charged to third party customers.

(h) This represents promotion expenses paid to a fellow subsidiary. It is charged at a pre-determined rate calculated based on the rates charged to third party customers.

(i) This represents defined contribution cost made to a fellow subsidiary for the Group's pension obligation. There is no stated policy or contractual agreement between the Group and the Media Chinese Group. It is charged based on a pre-determined rate of the employees' salaries.

(j) This represents accounting services income in accordance with agreement entered into with an associate of the Company. It is charged at a pre-determined rate calculated by references to the prevailing market rates and a cost reimbursement basis respectively.

(k) This represents dividend income received from an associate. It is calculated according to the equity interest held by the Group in the associate.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

20 RELATED PARTY TRANSACTIONS *(Continued)*

(ii) The balances at 30th September 2018 and 31st March 2018 arising from the related party transactions as disclosed in Note 20(i) above are as follows:

	(Unaudited) 30th September 2018 *HK$'000*	(Audited) 31st March 2018 *HK$'000*
Amount due from a fellow subsidiary *(Note 11)*	**–**	3
Amounts due to fellow subsidiaries *(Note 13)*	**(1,019)**	(964)

The outstanding balances with fellow subsidiaries are aged within 180 days from the invoice date and are unsecured, non-interest bearing and with normal credit terms from 30 days to 180 days.

(iii) Key management compensation

	(Unaudited) Six months ended 30th September	
	2018 *HK$'000*	2017 *HK$'000*
Salaries and other short-term employee benefits	**1,922**	1,952
Contributions to pension scheme	**18**	18
	1,940	1,970

21 CONTINGENT LIABILITIES

As at 30th September 2018, the Group did not have any material contingent liabilities or guarantees (31st March 2018: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Results Summary

The GDP of Hong Kong for the third quarter of 2018 increased by 2.9% over a year earlier. According to the monthly retail sales report conducted by Hong Kong Census and Statistics Department, the provisional estimate of the total retail sales of Hong Kong in the first nine months of 2018 increased by 11.1% in value compared with the same period of 2017. Benefiting from the general improvement in the Hong Kong economy, the Group has achieved a marginal increase in the turnover of its Hong Kong operation for the six months ended 30th September 2018.

During the period, the Group recorded a turnover from continuing operations of HK$44,692,000, representing a slight increase of 1% or HK$597,000 if compared to the Group's turnover of HK$44,095,000 for the corresponding period in 2017. The Group recorded a loss attributable to owners of the Company of HK$13,316,000 as compared to the loss of HK$16,605,000 for the corresponding period in 2017. This improvement was mainly due to the narrowing of the losses of its Hong Kong operation.

Review of Operations

Hong Kong and Taiwan — continuing operations

The Group's turnover for Hong Kong and Taiwan operation improved marginally by 1% to HK$44,692,000 from HK$44,095,000 when compared with same period last year. This segment losses narrowed by 64% to HK$3,261,000 for this period if compared with last year. The marginal increase in the Group's turnover for the six months ended 30th September 2018 is in tandem with the improvement of Hong Kong's general economy and the retail sales sector. The cost control efforts by the Group which mainly include reviewing its production cost and optimising its manpower helped to improve the earnings of the Group.

The flagship publication of its magazine business, namely "*Ming Pao Weekly 明周*" ("MP Weekly"), continues to be impacted by the shift of the advertising spending to digital platforms, though the shift seems to be stabilising. In the period under review, the publication had seen the return of advertising spending from some luxury brands to print media though at a very marginal rate for magazines. The reason for the shift is that there is now a trend of thought that readers view advertisements on print more favorably. *"Ming's"*, a title covering latest trends, fashion, beauty and lifestyle, which is now a standalone publication continues to contribute to the Group's overall advertising income.

"*TopGear 極速誌*" ("TopGear Hong Kong"), is a leading automobile magazine in Hong Kong with international editorial backing. "*MING Watch 明錶*" ("Ming Watch Hong Kong"), a popular high-end watch title offers quality feature stories and the latest industry trends. These two titles remain a favorite with their readers with their entertaining content published through the print or digital edition.

In Taiwan, "*TopGear 極速誌*" ("TopGear Taiwan"), a monthly automobile magazine, which is still new to the market continues to improve its performance. Meanwhile *"Ming Watch plus 明錶+"* ("Ming Watch Plus Taiwan"), a bi-monthly watch and lifestyle magazine launched in May 2017 that provides watch market trends and in-depth coverage of international watch events continues to attract new readers.

The Group continues to build its strength and presence in the digital platform for its Hong Kong and Taiwan operation and its digital income recorded a satisfactory growth when compared to same period in previous year. Nevertheless, the income generated by its digital operations has yet to cover the decline in the revenue of its print business. The Group's digital team has been intensifying its efforts to increase its client base with a focus on global clients with local interest. This group of clients will leverage on the creativity of the Group's digital team to expand outreach of its products in the local markets.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Review of Operations *(Continued)*

Hong Kong and Taiwan — continuing operations (Continued)

The Group's efforts in diversifying its revenue have brought fruition with its artist management business in the entertainment industry. Meanwhile, it continues to build its event management business targeting government and corporate events.

The Group has made efforts to further control costs including the reduction of production cost and the redeployment of staff to improve the operation efficiency.

Mainland China — discontinued operation

The turnover of the Group's Mainland China operation for the first half of the current financial year fell by 76% to HK$463,000 from the sum of HK$1,961,000 recorded in the corresponding period last year owing to the tightening market conditions. The drop in turnover resulted in the widening of its segment loss, from HK$4,439,000 to HK$6,678,000 when compared to same period last year.

In the period under review, the Group had made a decision to discontinue its operation in Mainland China by disposing the operation.

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 administrative procedures and is expected to be completed shortly.

Other Media Investments

The Group continues to keep a look out for strategic partnerships with new start-ups, especially in the digital media platform, with an intention to spur its growth in digital media. One of its notable investments includes Most Kwai Chung Limited ("Most Kwai Chung", previously known as Blackpaper Limited) which is principally engaged in the provision of creative multimedia services mainly through its digital product, namely "TV Most", Most Kwai Chung was listed on the Main Board of The Stock Exchange of Hong Kong Limited on 28th March 2018.

Outlook

The Group expects the business environment for the next half of the financial year to remain challenging. The recent trade disputes between the United States and China are casting significant uncertainties on the global economy and the persistently weak advertising spending is likely to impact the Group's performance. Nevertheless, the Group will continue to work on improving its digital business and maintaining tight cost control to enhance productivity and profitability. The Group will also explore new business opportunities to diversify its revenue stream.

CAPITAL EXPENDITURE

The Group's total capital expenditure for property, plant and equipment and intangible assets for the six months ended 30th September 2018 amounted to HK$150,000.

EXPOSURE TO FLUCTUATIONS 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 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.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30th September 2018, the interests and short positions of the directors, chief executives and their associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified or as required to be notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 of the Listing Rules are as follows:

(a) Interests in the shares in the Company

Name of Director	Number of shares held	Nature of interests	Percentage of issued ordinary shares
Ms. TIONG Choon	26,000	Personal interests	0.01%
Tan Sri Datuk Sir TIONG Hiew King	292,700,000 *(Note 1)*	Corporate interests	73.01%
Mr. LAM Pak Cheong	3,000,000 *(Note 2)*	Corporate interests	0.75%

All the interests stated above represent long positions in the share of the Company.

Notes:

1. For further details on the corporate interests of Tan Sri Datuk Sir TIONG Hiew King, please refer to the paragraph "Substantial Shareholders and Persons who have an Interest and Short Positions Discloseable under Divisions 2 and 3 of Part XV of the SFO" on page 29.

2. The corporate interests of Mr. LAM Pak Cheong of 3,000,000 shares are held by Venture Logic Investments Limited, in which Mr. LAM holds 100% of its equity interests.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS *(Continued)*

(b) Interests in the shares in Media Chinese

Name of Director	Number of shares held: Personal interests	Family interests	Corporate interests	Aggregate interests	Percentage of issued ordinary shares in Media Chinese
Ms. TIONG Choon	2,654,593	1,023,632	653,320	4,331,545	0.26%
Tan Sri Datuk Sir TIONG Hiew King	87,109,058	234,566	766,734,373 *(Note)*	854,077,997	50.62%
Mr. TIONG Kiew Chiong	3,355,539	–	–	3,355,539	0.20%

All the interests stated above represent long positions in the share of Media Chinese.

Note:

The corporate interests of Tan Sri Datuk Sir TIONG Hiew King of 766,734,373 shares are held through Progresif Growth Sdn Bhd ("Progresif"), Conch Company Limited ("Conch"), Ezywood Options Sdn Bhd ("Ezywood"), Teck Sing Lik Enterprise Sdn Bhd ("TSL"), Madigreen Sdn Bhd ("Madigreen"), Rimbunan Hijau (Sarawak) Sdn Bhd ("RHS"), Rimbunan Hijau Southeast Asia Sdn Bhd ("RHSA") and Pertumbuhan Abadi Asia Sdn Bhd ("PAA").

Tan Sri Datuk Sir TIONG Hiew King directly holds 84% interest in TSL and 99.99% interest in PAA. In addition, Tan Sri Datuk Sir TIONG Hiew King, TSL and PAA directly and indirectly hold 52.38% interest in both RHS and RHSA, 75% interest in Madigreen, 45% interest in Progresif and 70% interest in Ezywood. In respect of Conch, 40% of the interest in Conch is held by Seaview Global Company Limited, in which Tan Sri Datuk Sir TIONG Hiew King holds 50% of its equity interest. In addition, he directly holds 25% of the interest in Conch.

Save as disclosed above, as at 30th September 2018, none of the Directors, chief executives and their associates had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified or as required to be notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code.

At no time during the six months ended 30th September 2018 were rights to acquire benefits by means of the acquisition of shares, underlying shares or debentures of the Company granted to any directors or their respective spouses or children under 18 years of age, or were any such rights exercised by them; or was the Company or its holding company or any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the directors of the Company to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS AND PERSONS WHO HAVE AN INTEREST AND SHORT POSITIONS DISCLOSEABLE UNDER DIVISIONS 2 AND 3 OF PART XV OF THE SFO

According to the register of interests in shares and short positions maintained under Section 336 of the SFO as at 30th September 2018, the Company had been notified of the following interests in shares representing 5% or more of the Company's issued share capital:

Name of shareholder	Number of shares held	Capacity	Percentage of issued ordinary shares
Comwell Investment Limited	292,700,000 *(Note)*	Beneficial owner	73.01%

All the interests stated above represent long positions in the shares of the Company.

Note: Comwell Investment Limited is an indirect wholly-owned subsidiary of Media Chinese. Tan Sri Datuk Sir TIONG Hiew King, a director and substantial shareholder of Media Chinese, is deemed interested in Media Chinese in an aggregate of 50.62% by virtue of his personal interests, family interests and corporate interests. Dato' Sri Dr. TIONG Ik King, a director and substantial shareholder of Media Chinese, is deemed interested in Media Chinese in an aggregate of 15.80% by virtue of his personal interests and corporate interests.

Save as disclosed above, the Company had not been notified of any other interests representing 5% or more of the issued share capital of the Company as shown in the said register as at 30th September 2018.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

The Company has not redeemed any of its share 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 2018, the Group has 160 employees (31st March 2018: 193 employees) and they were stationed in Hong Kong and Taiwan. 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.

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.

CORPORATE GOVERNANCE

For the six months ended 30th September 2018, 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 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 as 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 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 2018 and discussed matters relating to auditing, risk management and internal control systems and financial reporting.

REMUNERATION COMMITTEE

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

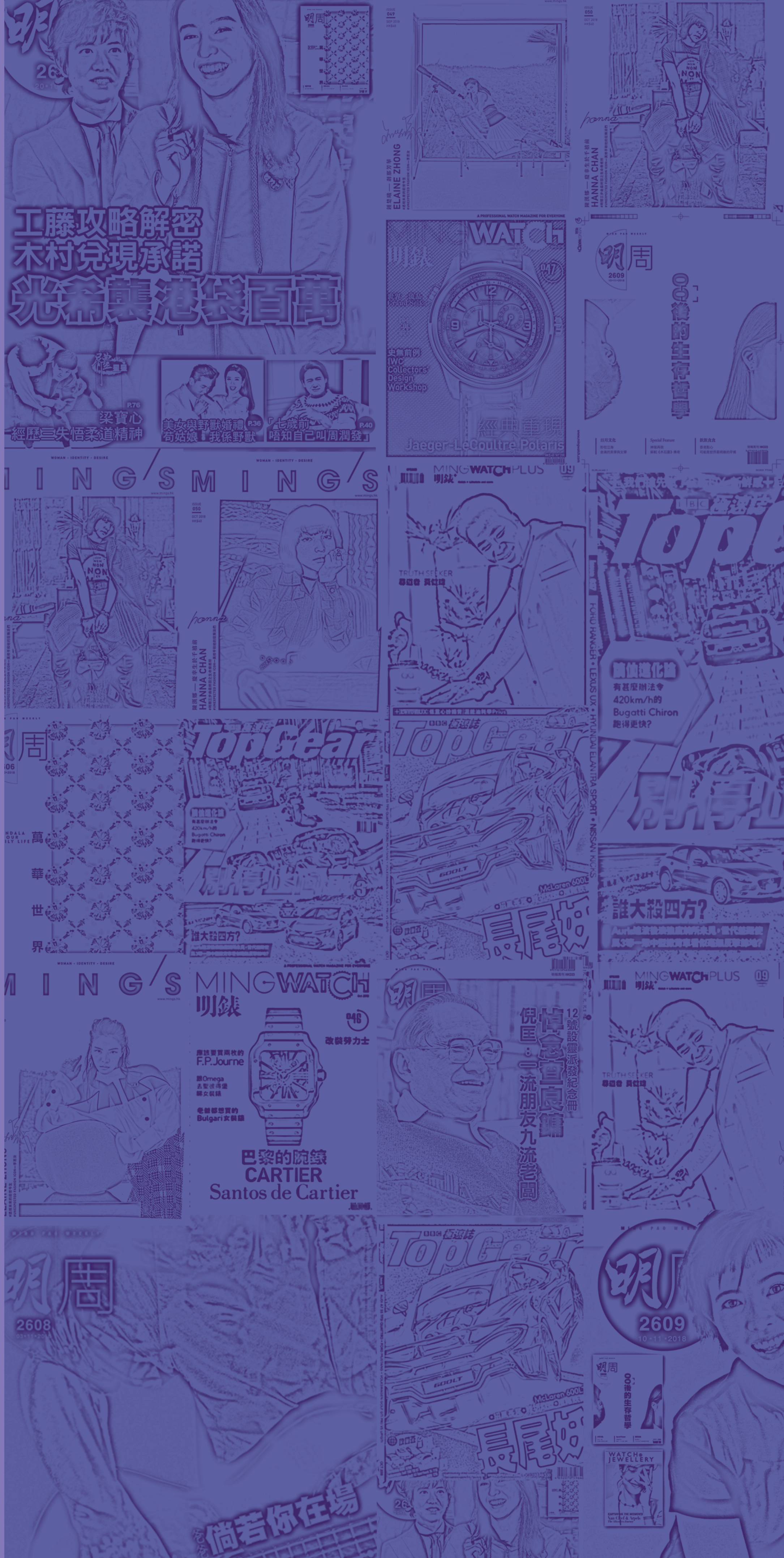
The Nomination Committee currently comprises three independent non-executive Directors, namely, Mr. YU Hon To, David, Mr. Victor YANG and Mr. LAU Chi Wah, Alex and one executive Director, namely, Mr. TIONG Kiew Chiong.

By order of the Board
One Media Group Limited

TIONG Kiew Chiong
Director

Hong Kong, 29th November 2018

As at the date of this report, the Board of Directors 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.



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