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万 华 媒 体 ONEMEDIAGROUP

One Media Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 426)

FOURTH QUARTER RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31ST MARCH 2012

The directors (the “Directors”) of One Media Group Limited (the “Company”) announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the three months ended 31st March 2012, together with the comparative unaudited consolidated figures for the corresponding period in 2011 as follows.

CONSOLIDATED INCOME STATEMENT

FOR THE THREE MONTHS ENDED 31ST MARCH 2012

		(Unaudited)	
		Three months ended	
		31st March	
		2012	2011
	Notes	HK\$'000	HK\$'000
Turnover	2	49,726	46,684
Cost of goods sold		<u>(22,901)</u>	<u>(24,072)</u>
Gross profit		26,825	22,612
Other income		1,082	327
Selling and distribution costs		(12,176)	(11,740)
Administrative expenses		<u>(10,630)</u>	<u>(9,631)</u>
Operating profit		5,101	1,568
Share of loss of associates	3	<u>(280)</u>	-
Profit before income tax		4,821	1,568
Income tax expense	5	<u>(943)</u>	<u>(1,262)</u>
Profit for the period		<u>3,878</u>	<u>306</u>
Profit attributable to:			
Equity holders of the Company		<u>3,878</u>	<u>306</u>
Earnings per share attributable to equity holders of the Company during the period (expressed in HK cent per share)			
- Basic and diluted	6	<u>0.97</u>	<u>0.08</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31ST MARCH 2012

	(Unaudited)	
	Three months ended	
	31st March	
	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the period	3,878	306
Other comprehensive income		
Currency translation differences	43	339
Actuarial (losses)/gains on long service payment obligations	(125)	5
	<u> </u>	<u> </u>
Total comprehensive income for the period	<u>3,796</u>	<u>650</u>
Attributable to:		
Equity holders of the Company	<u>3,796</u>	<u>650</u>

CONSOLIDATED BALANCE SHEET
AS AT 31ST MARCH 2012

	<i>Notes</i>	31st March 2012 HK\$'000	31st March 2011 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		5,231	4,376
Intangible assets		3,181	2,719
Interests in associates	3	25,978	-
Deferred income tax assets		807	51
		<u>35,197</u>	<u>7,146</u>
Current assets			
Inventories		8,473	10,213
Trade and other receivables		57,581	50,268
Cash and cash equivalents		97,461	108,575
		<u>163,515</u>	<u>169,056</u>
Total assets		<u>198,712</u>	<u>176,202</u>
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		400	400
Share premium		456,073	456,073
Other reserves		(330,334)	(331,668)
Retained earnings			
- Proposed dividends		16,000	8,000
- Others		24,147	11,166
Total equity		<u>166,286</u>	<u>143,971</u>
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		150	-
Long service payment obligations		117	28
		<u>267</u>	<u>28</u>
Current liabilities			
Trade and other payables		27,832	23,430
Amounts due to fellow subsidiaries	8	3,611	6,039
Current income tax liabilities		716	2,734
		<u>32,159</u>	<u>32,203</u>
Total liabilities		<u>32,426</u>	<u>32,231</u>
Total equity and liabilities		<u>198,712</u>	<u>176,202</u>
Net current assets		<u>131,356</u>	<u>136,853</u>
Total assets less current liabilities		<u>166,553</u>	<u>143,999</u>

NOTES

1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

(a) *Basis of preparation*

The financial information of the Company (the “Financial Information”) for the three months ended 31st March 2012 is unaudited and has been prepared in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”), requirements of the Hong Kong Companies Ordinance and applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

This Financial Information has been prepared under the historical cost convention.

This fourth quarter results announcement should be read in conjunction with the audited consolidated annual financial statements of the Group for the year ended 31st March 2011, the interim results announcement for the six months ended 30th September 2011 and the third quarter results announcement for the three months ended 31st December 2011.

(b) *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.

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31st March 2011, as described in those annual financial statements.

(i) **New and amended standards adopted by the Group**

The Group has adopted the following revised standard, which is mandatory for the financial year beginning on 1st April 2011 and is relevant to its operations:

IAS 24 (Revised), “Related Party Disclosures” is effective for annual periods beginning on or after 1st January 2011. It introduces an exemption from all of the disclosure requirements of IAS 24 for transactions among government related entities and the government. It also clarifies and simplifies the definition of a related party. The amendment does not have a material impact on these consolidated financial statements.

(ii) **New standards, amendments and interpretations that have been issued but are not yet effective for the financial year beginning on 1st April 2011 and have not been early adopted**

The Group has not early adopted the following new standards, amendments and interpretations that have been issued but are not yet effective for the financial year beginning on 1st April 2011. The Group is in the process of making an assessment of the impact of these new IFRSs in their period of initial application.

NOTES

1 BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

(b) Accounting policies (Continued)

(ii) New standards, amendments and interpretations that have been issued but are not yet effective for the financial year beginning on 1st April 2011 and have not been early adopted (Continued)

		Effective for accounting period beginning on or after
IAS 12 (amendment)	Deferred tax: Recovery of underlying assets	1st January 2012
IAS 1 (amendment)	Presentation of financial statements	1st July 2012
IAS 19 (amendment)	Employee benefits	1st January 2013
IAS 27 (revised 2011)	Separate financial statements	1st January 2013
IAS 28 (revised 2011)	Investment in associates and joint ventures	1st January 2013
IFRS 10	Consolidated financial statements	1st January 2013
IFRS 11	Joint arrangements	1st January 2013
IFRS 12	Disclosure of interests in other entities	1st January 2013
IFRS 13	Fair value measurements	1st January 2013
IFRS 9	Financial instruments	1st January 2015

2 SEGMENT INFORMATION

IFRS 8 “Operating Segments” requires operating segments to be identified based on internal reporting that is regularly reviewed by the chief operating decision maker. The Group regards the Executive Committee as the chief operating decision maker in order to allocate resources to segments and assess their performance.

The Executive Committee considers the business from geographic perspective. Geographically, management considers the performance of 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 expense. Other information provided is measured in a manner consistent with that in the internal financial reports.

The Group’s turnover and results provided to the Executive Committee for the reporting segments for the three months ended 31st March 2012 and 31st March 2011 are as follows:

2 SEGMENT INFORMATION (Continued)

(Unaudited)						
Three months ended 31st March						
Media business						
	Hong Kong		Mainland China		Total	
	2012	2011	2012	2011	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	44,184	39,384	5,542	7,300	49,726	46,684
Segment profit/(loss) before income tax	13,165	9,787	(5,777)	(5,767)	7,388	4,020
Unallocated expenses					(2,287)	(2,452)
Operating profit					5,101	1,568
Share of loss of associates					(280)	-
Profit before income tax					4,821	1,568
Income tax (expense)/credit	(1,749)	(1,262)	806	-	(943)	(1,262)
Profit for the period					3,878	306
Other information:						
Interest income	203	81	82	8	285	89
Depreciation of property, plant and equipment	204	228	230	213	434	441
Amortisation of intangible assets	30	9	7	3	37	12

3 INTERESTS IN ASSOCIATES

	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
At 1st April	-	-
Acquisition of associates	26,800	-
Share of loss (including amortisation of trademark and customer list)	(822)	-
At 31st March	25,978	-

Notes:-

- (a) On 30th September 2011, the Group acquired all the shares in Media Connect Investment Limited from a fellow subsidiary, which in turn holds approximately 24.97% interest in ByRead Inc., for a cash consideration of HK\$25,800,000.

3 INTERESTS IN ASSOCIATES (Continued)

Notes (Continued):

- (b) On 1st February 2012, the Group subscribed for 10% of the entire issued share capital as enlarged by the subscription of the shares in Blackpaper Limited at the investment cost of HK\$1,000,000. Although the Group holds less than 20% of the equity shares of this company, the Group exercises significant influence by virtue of its contractual right to nominate and remove one director out of the four directors, all having equal voting rights, which form the board of directors of this company. In addition, the Group has the power to participate in the financial and operating policy decisions of this company.
- (c) As at 31st March 2012, interest in ByRead Inc. included goodwill, trademark and customer list identified from the acquisition of ByRead Inc. of HK\$20,822,000, HK\$2,940,000 and HK\$711,000 respectively. The useful lives for trademark and customer list are 30 years and 5 years respectively.

Particulars of the Group's associates are as follows:

Name of associate	Place of incorporation	Effective equity interest	Principal activities
ByRead Inc.	The Cayman Islands	24.97%	Note (i)
Blackpaper Limited	Hong Kong	10%	Note (ii)

(i)ByRead Inc. is engaged in investment holding and the principal activities of its subsidiaries include provision of mobile value-added services such as entertainment, learning and multimedia applications for individuals and enterprises in Mainland China.

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

- (d) The Group's share of the results of its principal associates, and its gross amount of assets (excluding goodwill) and liabilities, are as follows:

	<u>Assets</u> <i>HK\$'000</i>	<u>Liabilities</u> <i>HK\$'000</i>	<u>Revenues</u> <i>HK\$'000</i>	<u>Loss</u> <i>HK\$'000</i>
Year ended 31 March 2012	4,666	1,555	456	(822)
Year ended 31 March 2011	-	-	-	-

4 EXPENSES BY NATURE

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

	(Unaudited)	
	Three months ended 31st March	
	2012	2011
	HK\$'000	HK\$'000
Paper consumed	4,524	4,807
Depreciation of property, plant and equipment	434	441
Amortisation of intangible assets	37	12
Employee benefit expenses (including directors' emoluments)	16,783	16,671
Occupancy costs	1,363	1,455
	<u>1,363</u>	<u>1,455</u>

5 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% (2011: 16.5%) on the estimated assessable profit for the period.

No provision for the People's Republic of China ("PRC") enterprise income tax has been made as the Group has unutilized tax losses to offset the assessable profits generated in the PRC during the three months ended 31st March 2012 and 2011.

	(Unaudited)	
	Three months ended 31st March	
	2012	2011
	HK\$'000	HK\$'000
Hong Kong profits tax		
- Current income tax	(1,565)	(1,260)
Deferred income tax		
- Current deferred income tax credit/(charge)	622	(2)
	<u>(943)</u>	<u>(1,262)</u>

6 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the Group's unaudited consolidated profit attributable to equity holders of the Company by the number of ordinary shares in issue during the period.

	(Unaudited)	
	Three months ended 31st March	
	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit attributable to equity holders of the Company	<u>3,878</u>	<u>306</u>
Number of ordinary shares in issue (in thousands)	<u>400,000</u>	<u>400,000</u>
Basic earnings per share (HK cent per share)	<u><u>0.97</u></u>	<u><u>0.08</u></u>

There is no dilutive effect arising from the share options granted by the Company.

7 DIVIDENDS

No dividend has been declared by the Directors during the three months ended 31st March 2012 (2011: Nil).

Dividends paid during the year

	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
Dividend paid relating to the year ended 31st March 2012		
Interim dividend of HK0.9 cent (2011: HK0.75 cent) per ordinary share	3,600	3,000
Dividends paid relating to the year ended 31st March 2011		
Final dividend of HK2 cents (2010: HK0.5 cent) per ordinary share	8,000	2,000
Special dividend of Nil (2010: HK10 cents) per ordinary share	-	40,000
	<u>11,600</u>	<u>45,000</u>

The Directors recommended the payment of a final dividend of HK4 cents per share, totalling HK\$16,000,000. Such dividend is to be approved by the shareholders at the annual general meeting of the Company on 28th August 2012. Upon approval by the shareholders of the Company, this final dividend will be paid on 14th September 2012 to shareholders whose names appear on the register of members of the Company at the close of the business on 5th September 2012. These consolidated financial statements do not reflect this dividend payable but accounted for it as proposed dividend.

8 AMOUNTS DUE TO FELLOW SUBSIDIARIES

The amounts due to fellow subsidiaries were arisen from related-party transactions.

9 CONTINGENT LIABILITIES

As at 31st March 2012, the Group did not have any material contingent liabilities or guarantees (31st March 2011: Nil).

10 REVIEW OF OPERATION

During the quarter under review, the Group recorded a consolidated turnover of HK\$49,726,000 (2011: HK\$46,684,000), an increase of 7% from the same quarter of last year. The Group's profit before income tax for this quarter increased 207% to HK\$4,821,000 (2011: HK\$1,568,000). For Hong Kong operation, turnover increased 12% mainly because of the strong advertising revenue growth of "Ming Pao Weekly 明報周刊" and advertising revenue contributed by the new magazine, "MING Watch 明錶". For Mainland China operation, the turnover decreased 24% as the Group terminated the operation of "MING 明日風尚" in March 2012 with a view to better reallocating its resources to focus on existing businesses and new products with greater potential.

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

Hong Kong, 30th May 2012

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. SIT Kien Ping, Peter and Mr. TAN Hock Seng, Peter, being independent non-executive directors.