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## 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 2014

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 2014, together with the comparative unaudited consolidated figures for the corresponding period in 2013 as follows:

### CONSOLIDATED INCOME STATEMENT

FOR THE THREE MONTHS ENDED 31ST MARCH 2014

		(Unaudited)	
		Three months ended 31st March	
		2014	2013
	Note	HK\$'000	HK\$'000
Turnover	2	40,485	41,936
Cost of goods sold		<u>(21,217)</u>	<u>(23,063)</u>
Gross profit		19,268	18,873
Other income		2,237	2,025
Selling and distribution expenses		(8,485)	(8,995)
Administrative expenses		<u>(10,136)</u>	<u>(11,680)</u>
Operating profit		2,884	223
Change in fair value of convertible bond		(984)	(1,443)
Share of loss of associates and joint ventures	4	<u>(934)</u>	<u>(664)</u>
Profit/(loss) before income tax		966	(1,884)
Income tax (expense)/ credit	7	<u>(1,444)</u>	<u>858</u>
Loss for the period		<u><u>(478)</u></u>	<u><u>(1,026)</u></u>
Loss attributable to:			
Equity holders of the Company		<u><u>(478)</u></u>	<u><u>(1,026)</u></u>
Loss per share attributable to equity holders of the Company for the period (expressed in HK cents per share)			
- Basic and diluted	8	<u><u>(0.12)</u></u>	<u><u>(0.26)</u></u>



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31ST MARCH 2014**

		(Unaudited) 31st March 2014 HK\$'000	(Audited) 31st March 2013 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		5,108	5,483
Intangible assets	3	74,291	76,785
Interests in associates and joint ventures	4	31,636	32,982
Deferred income tax assets		3,114	3,152
<b>Total non-current assets</b>		<b>114,149</b>	<b>118,402</b>
<b>Current assets</b>			
Inventories		10,018	8,694
Trade and other receivables		50,539	59,164
Amount due from fellow subsidiaries	10	365	-
Income tax recoverable		1,363	1,931
Cash and cash equivalents		123,476	102,798
<b>Total current assets</b>		<b>185,761</b>	<b>172,587</b>
<b>Total assets</b>		<b>299,910</b>	<b>290,989</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to the Company's equity holders</b>			
Share capital		400	400
Share premium		456,073	456,073
Other reserves		(324,492)	(324,441)
Retained earnings			
- Proposed final dividends		12,000	14,000
- Others		48,675	38,029
<b>Total equity</b>		<b>192,656</b>	<b>184,061</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Convertible bond	5	74,024	72,474
Deferred income tax liabilities		335	288
Long service payment obligations		16	12
<b>Total non-current liabilities</b>		<b>74,375</b>	<b>72,774</b>
<b>Current liabilities</b>			
Trade and other payables		31,416	33,508
Amounts due to fellow subsidiaries	10	1,178	535
Income tax liabilities		285	111
<b>Total current liabilities</b>		<b>32,879</b>	<b>34,154</b>
<b>Total liabilities</b>		<b>107,254</b>	<b>106,928</b>
<b>Total equity and liabilities</b>		<b>299,910</b>	<b>290,989</b>
<b>Net current assets</b>		<b>152,882</b>	<b>138,433</b>
<b>Total assets less current liabilities</b>		<b>267,031</b>	<b>256,835</b>

## NOTES

### 1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

#### (a) *Basis of preparation*

The financial information of the Company (the “Financial Information”) for the three months ended 31st March 2014 is unaudited and has been prepared in accordance with International Financial Reporting Standards (“IFRS”) 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.

The preparation of this Financial Information in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

This 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 2013, the interim results announcement for the six months ended 30th September 2013 and the third quarter results announcement for the three months ended 31st December 2013.

#### (b) *Accounting policies*

##### (1) **New and amended standards adopted by the Group**

The following standards adopted by the Group are mandatory for the first time for the financial year beginning on or after 1st April 2013:

- (i) Amendments to IAS 1 “Financial statements presentation” regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in “other comprehensive income” on the basis of whether they are potentially reclassifiable to profit or losses subsequently (reclassification adjustments).
- (ii) IAS 19 (revised) “Employee benefits” amends the accounting for employment benefits. The Group has applied the standard retrospectively in accordance with the transition provisions of the standard. The impact on the Group has been in the following areas:

The standard replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost based on the net defined benefit asset or liability and the discount rate, measured at the beginning of the year. There is no change to determining the discount rate; this continues to reflect the yield on high-quality corporate bonds. This has increased the income statement charge as the discount rate applied to assets is lower than the expected return on assets. This has no effect on total comprehensive income as the increased charge in profit or loss is offset by a credit in other comprehensive income.

## NOTES

### 1 BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

#### (b) Accounting policies (Continued)

##### (1) New and amended standards adopted by the Group (Continued)

There is a new term “remeasurements”. This is made up of actuarial gains and losses, the difference between actual investment returns and the return implied by the net interest cost.

- (iii) Amendments to IFRS 7 “Financial instruments: Disclosures” on asset and liability offsetting. The amendments require new disclosure requirements which focus on quantitative information about recognised financial instruments that are offset in the statement of financial position, as well as those recognised financial instruments that are subject to master netting or similar arrangements irrespective of whether they are offset.
- (iv) IFRS 10 “Consolidated financial statements” builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.
- (v) IFRS 11 “Joint arrangements” focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures (“JVs”). Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its specific share of the assets, liabilities, revenue and expenses. JVs arise where the investors have rights to the net assets of the arrangement; JVs are accounted for under the equity method. Proportional consolidation of joint arrangements is no longer permitted.
- (vi) IFRS 12 “Disclosures of interests in other entities” includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles.
- (vii) IFRS 13 “Fair value measurement” aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but providing guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.

## NOTES

### 1 BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

#### (b) Accounting policies (Continued)

#### (2) New accounting standards, amendments to standards and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The following new standards, amendments and interpretations are effective for annual periods beginning after 1st April 2013, and have not been early adopted in preparing these consolidated financial statements:

		Effective for annual period beginning on or after
Amendments to IAS 19	Defined Benefit Plans – Employee Contributions	1st July 2014
Amendments to IAS 32	Offsetting Financial Assets and Liability	1st January 2014
Amendments to IAS 36	Impairment of Assets	1st January 2014
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting	1st January 2014
Amendments to IFRS 10, 12 and IAS 27	Investment entities	1st January 2014
Amendments to IFRSs	Annual Improvements to IFRSs 2010-2012 Cycle	1st July 2014
Amendments to IFRSs	Annual Improvements to IFRSs 2011-2013 Cycle	1st July 2014
IFRIC – Int 21	Levies	1st January 2014
IFRS 14	Regulatory Deferral Accounts	1st January 2016
IFRS 9	Financial Instruments	To be determined

The Group will adopt the above new or revised standards, amendments and interpretations to existing standards as and when they become effective. The Group has already commenced the assessment of the impact to the Group and is not yet in a position to state whether these would have a significant impact on its results of operations and financial position.

## 2 SEGMENT INFORMATION

IFRS 8 “Operating segments” requires operating segments to be identified based on internal reporting that is regularly reviewed by the chief operating decision maker. The Group regards the Executive Committee as the chief operating decision maker being responsible for allocating resources to segments and assessing their performance.

The Executive Committee 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 expense. 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 three months ended 31st March 2014 and 31st March 2013 are as follows:

	(Unaudited)					
	Three months ended 31st March					
	Media business					
	Hong Kong		Mainland China		Total	
	2014	2013	2014	2013	2014	2013
	<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	<b>38,687</b>	38,727	<b>1,798</b>	3,209	<b>40,485</b>	41,936
Segment profit/(loss) before income tax	<b>11,932</b>	10,086	<b>(5,503)</b>	(7,406)	<b>6,429</b>	2,680
Unallocated expenses					<b>(3,545)</b>	(2,457)
Operating profit					<b>2,884</b>	223
Change in fair value of convertible bond					<b>(984)</b>	(1,443)
Share of loss of associates and JVs					<b>(934)</b>	(664)
Profit/(loss) before income tax					<b>966</b>	(1,884)
Income tax (expense)/credit	<b>(1,416)</b>	(1,474)	<b>(28)</b>	2,332	<b>(1,444)</b>	858
Loss for the period					<b>(478)</b>	(1,026)
Other information:						
Interest income	<b>307</b>	189	<b>79</b>	77	<b>386</b>	266
Depreciation of property, plant and equipment	<b>404</b>	319	<b>115</b>	187	<b>519</b>	506
Amortisation of intangible assets	<b>678</b>	672	<b>5</b>	5	<b>683</b>	677

### 3 INTANGIBLE ASSETS

	<b>Group</b>			
	<b>Computer softwares HK\$'000</b>	<b>Goodwill HK\$'000</b>	<b>Trademarks HK\$'000</b>	<b>Total HK\$'000</b>
Year ended 31st March 2013				
Opening net book amount	523	2,658	-	3,181
Additions	229	-	-	229
Additions from acquisition	-	-	75,600	75,600
Amortisation expenses	(171)	-	(2,100)	(2,271)
Currency translation differences	1	45	-	46
Closing net book amount	<u>582</u>	<u>2,703</u>	<u>73,500</u>	<u>76,785</u>
At 31st March 2013				
Cost	950	2,703	75,600	79,253
Accumulated amortisation	(368)	-	(2,100)	(2,468)
Net book amount	<u>582</u>	<u>2,703</u>	<u>73,500</u>	<u>76,785</u>
Year ended 31st March 2014				
Opening net book amount	582	2,703	73,500	76,785
Additions	243	-	-	243
Amortisation expenses	(209)	-	(2,520)	(2,729)
Currency translation differences	-	(8)	-	(8)
Closing net book amount	<u>616</u>	<u>2,695</u>	<u>70,980</u>	<u>74,291</u>
At 31st March 2014				
Cost	1,158	2,695	75,600	79,453
Accumulated amortisation	(542)	-	(4,620)	(5,162)
Net book amount	<u>616</u>	<u>2,695</u>	<u>70,980</u>	<u>74,291</u>

#### 4 INTERESTS IN ASSOCIATES AND JOINT VENTURES

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

	(Unaudited) 31st March 2014 <i>HK\$'000</i>	(Audited) 31st March 2013 <i>HK\$'000</i>
Interests in associates	27,313	25,512
Interests in JVs	4,323	7,470
	<u>31,636</u>	<u>32,982</u>

The amounts of share of loss recognised in the consolidated income statement for the three months ended 31st March are as follows:

	(Unaudited) 2014 <i>HK\$'000</i>	(Audited) 2013 <i>HK\$'000</i>
Associates	231	187
JVs	703	477
	<u>934</u>	<u>664</u>

##### Interests in associates

Set out below are the associates of the Group as at 31st March 2014.

Name of associates	Place of incorporation	Effective equity interest	Principal activities	Measurement method
ByRead Inc. (“ByRead”)	The Cayman Islands	24.97%	Note (i)	Equity
Blackpaper Limited (“Blackpaper”)	Hong Kong	10%	Note (ii)	Equity
Guangzhou Tangde Advertising Company Limited (“Tangde”)	Peoples Republic of China (“PRC”)	10%	Note (iii)	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, learning and multimedia applications for individuals and enterprises in Mainland China.
- (ii) Blackpaper is engaged in providing creative multimedia services and advertising campaigns.
- (iii) Tangde is engaged in providing public relations events organising services for enterprises in Mainland China.

## 4 INTERESTS IN ASSOCIATES AND JOINT VENTURES (Continued)

### Interests in associates (Continued)

During the year ended 31st March 2014, the Group, through its subsidiary, subscribed for 10% of the entire issued share capital as enlarged by the subscription of the shares in Tangde for a consideration of RMB700,000. 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 three 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 making the financial and operating policy decisions of this company.

ByRead, Blackpaper and Tangde are private companies with no quoted market prices available for their shares.

There are no contingent liabilities relating to the Group's interests in the associates.

### Interests in JVs

The JVs listed below have share capital consisting solely of ordinary shares, which are held directly by the Group.

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

(i) Chu Kong is an investment holding company and the principal activities of its wholly-owned subsidiary, Connect Media include but not limited to 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.

## 5 CONVERTIBLE BOND

	(Unaudited) 31st March 2014 HK\$'000	(Audited) 31st March 2013 HK\$'000
Non-current Convertible bond	<u>74,024</u>	<u>72,474</u>

## 5 CONVERTIBLE BOND (Continued)

The Company issued 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 will be the third anniversary of the date of the issue. The holder has the right to convert in whole or part of the principal amount of the bond into shares at a conversion price of HK\$0.9 per conversion share at any time following the issue of the convertible bond and up to the close of business on the maturity date. The values of the liability component and the equity conversion component were determined at issuance of the convertible bond.

The fair value of the liability component, included in non-current liabilities, was calculated using a market interest rate for an equivalent non-convertible bond. The equity component is recognised initially as the difference between the net proceeds from the bond and the fair value of the liability component and is included in other reserves in equity.

Movements on the liability component of the convertible bond are as follows:

	HK\$'000
<b>For the year ended 31st March 2013</b>	
Face value of convertible bond issued on 1st June 2012	75,600
Equity component	(5,214)
Liability component on initial recognition at 1st June 2012	70,386
Coupon interest	(630)
Change in fair value of the liability component of convertible bond	2,718
<b>Liability component at 31st March 2013</b>	<b>72,474</b>
<b>For the year ended 31st March 2014</b>	
Liability component at 1st April 2013	72,474
Coupon interest	(756)
Change in fair value of the liability component of convertible bond	2,306
<b>Liability component at 31st March 2014</b>	<b>74,024</b>

## 6 EXPENSES BY NATURE

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

	<b>(Unaudited)</b>	
	<b>Three months ended 31st March</b>	
	<b>2014</b>	<b>2013</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Paper consumed	<b>3,855</b>	4,584
Depreciation of property, plant and equipment	<b>519</b>	506
Amortisation of intangible assets	<b>683</b>	677
Employee benefit expense (including directors' emoluments)	<b>17,731</b>	18,829
Occupancy costs	<b>1,361</b>	1,219
Loss on disposal of property, plant and equipment	<b>(16)</b>	159

## 7 INCOME TAX (EXPENSE)/CREDIT

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% (2013: 16.5%) on the estimated assessable profit for the period.

No provision for the PRC enterprise current income tax has been made as the Group has unutilised tax losses to offset the assessable profits generated in the PRC during the three months ended 31st March 2014 (2013: Nil).

	<b>(Unaudited)</b>	
	<b>Three months ended 31st March</b>	
	<b>2014</b>	<b>2013</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Hong Kong profits tax		
- Current income tax	<b>(1,463)</b>	(1,494)
- Over provision in prior year	<b>20</b>	24
Deferred income tax		
- Current deferred income tax (expense)/credit	<b>(1)</b>	2,328
	<b>(1,444)</b>	858

## 8 LOSS PER SHARE

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

	<b>(Unaudited)</b>	
	<b>Three months ended 31st March</b>	
	<b>2014</b>	<b>2013</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Loss attributable to equity holders of the Company	<u>(478)</u>	<u>(1,026)</u>
Number of ordinary shares in issue (in thousands)	<u>400,000</u>	<u>400,000</u>
Basic loss per share (HK cent per share)	<u><b>(0.12)</b></u>	<u><b>(0.26)</b></u>

There is no dilutive effect arising from the assumed conversion of the convertible bond and share options granted by the Company.

## 9 DIVIDENDS

No dividend has been declared by the Directors during the three months ended 31st March 2014 (2013: Nil).

Dividends paid during the year:

	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>31st March</b>	<b>31st March</b>
	<b>2014</b>	<b>2013</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Interim dividend, 2014, HK1.5 cents (2013: HK2 cents) per ordinary share	<b>6,000</b>	8,000
Final dividend, 2013, HK3.5 cents (2012: HK4 cents) per ordinary share	<b>14,000</b>	16,000
	<u><b>20,000</b></u>	<u>24,000</u>

On 29th May 2014, the Board of Directors proposed a final dividend of HK3 cents per share, totalling HK\$12,000,000. Such dividend is to be approved by the shareholders at the annual general meeting of the Company to be held on 5th August 2014. Upon approval by the shareholders of the Company, this final dividend will be paid on 22nd August 2014 to shareholders whose names appear on the register of members of the Company at the close of the business on 14th August 2014. These consolidated financial statements do not reflect this dividend payable but accounted for it as proposed dividend.

## 10 AMOUNTS DUE TO/FROM FELLOW SUBSIDIARIES

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

## 11 CONTINGENT LIABILITIES

As at 31st March 2014, the Group did not have any material contingent liabilities or guarantees (31st March 2013: Nil).

## 12 REVIEW OF OPERATION

During the quarter under review, the Group's consolidated turnover was HK\$40,485,000 (2013: HK\$41,936,000), representing a decrease of 3% from the same quarter of last financial year. However the Group's operating profit was HK\$2,884,000 compared to HK\$223,000 for the same quarter of last financial year. It attributed to the Group's continuing stringent control over production costs and operating costs.

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

Hong Kong, 29th May 2014

*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. Victor YANG, being independent non-executive directors.*