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万 华 媒 体 ONEMEDIAGROUP

One Media Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 426)

THIRD QUARTER RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31ST DECEMBER 2011

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 December 2011, together with the comparative unaudited consolidated figures for the corresponding period in 2010 as follows.

CONSOLIDATED INCOME STATEMENT

FOR THE THREE MONTHS ENDED 31ST DECEMBER 2011

		(Unaudited)	
		Three months ended	
		31st December	
		2011	2010
	Notes	HK\$'000	HK\$'000
Turnover	2	77,309	64,186
Cost of goods sold		<u>(26,930)</u>	<u>(26,712)</u>
Gross profit		50,379	37,474
Other income		1,272	893
Selling and distribution costs		(14,563)	(11,861)
Administrative expenses		<u>(11,266)</u>	<u>(9,020)</u>
Operating profit		25,822	17,486
Share of loss of an associate	3	<u>(542)</u>	-
Profit before income tax		25,280	17,486
Income tax expense	5	<u>(3,763)</u>	<u>(3,018)</u>
Profit for the period		<u><u>21,517</u></u>	<u><u>14,468</u></u>
Profit attributable to:			
Equity holders of the Company		<u><u>21,517</u></u>	<u><u>14,468</u></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><u>5.38</u></u>	<u><u>3.62</u></u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31ST DECEMBER 2011

	(Unaudited)	
	Three months ended	
	31st December	
	2011	2010
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the period	21,517	14,468
Other comprehensive income		
Currency translation differences	<u>242</u>	<u>477</u>
Total comprehensive income for the period	<u>21,759</u>	<u>14,945</u>
Total comprehensive income attributable to:		
Equity holders of the Company	<u>21,759</u>	<u>14,945</u>

CONSOLIDATED BALANCE SHEET
AS AT 31ST DECEMBER 2011

	Notes	31st December 2011 HK\$'000	31st March 2011 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		4,928	4,376
Intangible assets		3,080	2,719
Interest in an associate	3	25,258	-
Deferred income tax assets		35	51
Total non-current assets		<u>33,301</u>	<u>7,146</u>
Current assets			
Inventories		8,027	10,213
Trade and other receivables		80,176	50,268
Cash and cash equivalents		81,529	108,575
Total current assets		<u>169,732</u>	<u>169,056</u>
Total assets		<u>203,033</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		(330,251)	(331,668)
Retained earnings			
- Proposed dividends		-	8,000
- Others		36,269	11,166
Total equity		<u>162,491</u>	<u>143,971</u>
LIABILITIES			
Non-current liability			
Long service payment obligations		28	28
Total non-current liability		<u>28</u>	<u>28</u>
Current liabilities			
Trade and other payables		29,012	23,430
Amounts due to fellow subsidiaries	8	3,349	6,039
Current income tax liabilities		8,153	2,734
Total current liabilities		<u>40,514</u>	<u>32,203</u>
Total liabilities		<u>40,542</u>	<u>32,231</u>
Total equity and liabilities		<u>203,033</u>	<u>176,202</u>
Net current assets		<u>129,218</u>	<u>136,853</u>
Total assets less current liabilities		<u>162,519</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 December 2011 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 third 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 and the interim results announcement for the six months ended 30th September 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.

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

The Group has adopted the following revised standards and amendments to standard, which are mandatory for the financial year beginning 1st April 2011 and are 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 this unaudited Financial Information.
- Amendment to IAS 34, “Interim Financial Reporting” is effective for annual periods beginning on or after 1st January 2011. It emphasises the existing disclosure principles in IAS 34 and adds further guidance to illustrate how to apply these principles. Greater emphasis has been placed on the disclosure principles for significant events and transactions. Additional requirements cover disclosure of changes to fair value measurement (if significant), and the need to update relevant information from the most recent annual report. The amendment does not have a material impact on this unaudited Financial Information.

NOTES

1 BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

(b) Accounting policies (Continued)

The Group has not early adopted new or revised standards and amendments to standards that have been issued but are not yet effective for the accounting period beginning 1st April 2011. The Group is in the process of making an assessment of the impact of those new or revised standards and amendments to standards on the Group's results and financial position in the period of initial application.

2 SEGMENT INFORMATION

IFRS 8 "Operating Segments" requires operating segments to be identified based on internal reporting that is regularly reviewed by the chief operating decision maker. The Group regards the Executive Committee as the chief operating decision maker 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 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 excludes corporate expenses. 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 December 2011 were as follows:

	(Unaudited)					
	Three months ended 31st December					
	Media business					
	Hong Kong		Mainland China		Total	
	2011	2010	2011	2010	2011	2010
	<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	61,553	52,144	15,756	12,042	77,309	64,186
Segment profit/(loss) before income tax	27,842	21,168	2,719	(971)	30,561	20,197
Unallocated expenses					(4,739)	(2,711)
Share of loss of an associate					(542)	-
Profit before income tax					25,280	17,486
Income tax expense	(3,763)	(3,018)	-	-	(3,763)	(3,018)
Profit for the period					21,517	14,468
Other information:						
Interest income	148	89	95	22	243	111
Depreciation of property, plant and equipment	182	276	230	149	412	425
Amortisation of intangible assets	19	9	8	2	27	11

3 INTEREST IN AN ASSOCIATE

	(Unaudited) 31st December 2011 HK\$'000	(Audited) 31st March 2011 HK\$'000
Acquisition of an associate	25,800	-
Share of loss of an associate	(542)	-
	<u>25,258</u>	<u>-</u>

On 30th September 2011, the Group acquired all of 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.

As at 31st December 2011, interest in an associate included goodwill, trademark and customer list identified from the acquisition of ByRead Inc. of HK\$20,822,000, HK\$3,953,000 and HK\$1,000,000 respectively. The useful lives for trademark and customer list are 30 years and 5 years respectively.

Particulars of the Group's associate are as follows:

Name of associate	Place of incorporation	Effective equity interest	Principal activities
ByRead Inc.	Cayman Islands	24.97%	Investment holding

The principal activities of the subsidiaries of ByRead Inc. are engaged in the research and development of mobile software and the operation and provision of mobile reading solution and social networking solution in Mainland China.

The Group's share of the post-acquisition results of the associate and its aggregated assets and liabilities (excluding goodwill, trademark and customer list) at gross amounts for the three months ended and as at 31st December 2011 are as follows:

	Assets HK\$'000	Liabilities HK\$'000	Revenues HK\$'000	Loss HK\$'000
ByRead Inc.	<u>4,437</u>	<u>1,448</u>	<u>1,706</u>	<u>6,684</u>

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 December	
	2011	2010
	HK\$'000	HK\$'000
Paper consumed	6,123	6,048
Depreciation of property, plant and equipment	412	425
Amortisation of intangible assets	27	11
Employee benefit expenses (including directors' emoluments)	18,475	15,391
Occupancy costs	864	738
	<u> </u>	<u> </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% (2010: 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 no assessable profits generated in PRC during the three months ended 31st December 2011 (2010: Nil).

	(Unaudited)	
	Three months ended 31st December	
	2011	2010
	HK\$'000	HK\$'000
Hong Kong profits tax		
- Current income tax	3,742	3,046
Deferred income tax		
- Current deferred income tax charges/ (credit)	21	(28)
	<u> </u>	<u> </u>
	<u> </u>	<u> </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 weighted average number of ordinary shares in issue during the period.

	(Unaudited)	
	<u>Three months ended 31st December</u>	
	2011	2010
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit attributable to equity holders of the Company	<u>21,517</u>	<u>14,468</u>
Weighted average 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>5.38</u></u>	<u><u>3.62</u></u>

There was 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 December 2011 (2010: Nil).

The Directors have declared an interim dividend of HK0.9 cent (2010: HK\$0.75 cent) per ordinary share, totalling HK\$3,600,000 (2010: HK\$3,000,000), which was paid on 28th December 2011.

8 AMOUNTS DUE TO FELLOW SUBSIDIARIES

The ageing of the amounts due to fellow subsidiaries arising from related-party transactions, by invoice date, is within 180 days. They are unsecured, non-interest bearing and with normal credit terms from 30 days to 180 days.

9 CONTINGENT LIABILITIES

As at 31st December 2011, 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\$77,309,000 (2010: HK\$64,186,000), increased by 20% from the same quarter of last year as this quarter is traditionally the best season for the whole financial year. The turnover in Hong Kong and Mainland China increased 18% and 31%, respectively. As a result, the Group's profit before income tax for this quarter increased 45% to HK\$25,280,000 (2010: HK\$17,486,000). The satisfactory performance attributed to the strong advertising revenue growth of "Ming Pao Weekly 明報周刊" and "Top Gear 汽車測試報告" in this quarter, and the cessation of the operation of "Hi-Tech Weekly 數碼誌尚" in March 2011.

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

Hong Kong, 28th February 2012

As at the date of this announcement, Mr. TIONG Kiew Chiong and Mr. LAM Pak Cheong are executive directors of the Company. Mr. YU Hon To, David, Mr. SIT Kien Ping, Peter and Mr. TAN Hock Seng, Peter are independent non-executive directors of the Company.