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万 华 媒 体 ONEMEDIAGROUP

One Media Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 426)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 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 six months ended 30th September 2014, together with the comparative unaudited consolidated figures for the corresponding period in 2013 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2014

		(Unaudited) Six months ended 30th September	
	Note	2014 HK\$'000	2013 HK\$'000
Turnover	4	87,711	96,184
Cost of goods sold		<u>(43,586)</u>	<u>(47,227)</u>
Gross profit		44,125	48,957
Other income	12	4,427	5,749
Selling and distribution expenses		(19,567)	(19,270)
Administrative expenses		<u>(20,639)</u>	<u>(18,984)</u>
Operating profit		8,346	16,452
Change in fair value of convertible bond	13	(742)	(1,322)
Share of loss of associates and joint ventures		<u>(1,007)</u>	<u>(1,524)</u>
Profit before income tax		6,597	13,606
Income tax expense	14	(2,425)	(3,434)
Profit for the period		<u>4,172</u>	<u>10,172</u>
Profit attributable to: Equity holders of the Company		<u>4,172</u>	<u>10,172</u>
Earnings per share attributable to equity holders of the Company during the period (expressed in HK cents per share) — Basic and diluted	15	<u>1.04</u>	<u>2.54</u>
Dividends	16	<u>2,400</u>	<u>6,000</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2014

	(Unaudited)	
	Six months ended	
	30th September	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the period	4,172	10,172
Other comprehensive income		
<i>Item that may be reclassified to profit or loss</i>		
Currency translation differences	290	459
Total comprehensive income for the period	4,462	10,631
Attributable to:		
Equity holders of the Company	4,462	10,631

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30TH SEPTEMBER 2014

		(Unaudited) 30th September 2014 HK\$'000	(Audited) 31st March 2014 HK\$'000
	<i>Note</i>		
ASSETS			
Non-current assets			
Property, plant and equipment		4,385	5,108
Intangible assets	5	73,064	74,291
Interests in associates and joint ventures	6	30,591	31,636
Deferred income tax assets		3,141	3,114
Total non-current assets		111,181	114,149
Current assets			
Inventories		9,013	10,018
Trade and other receivables	7	60,731	50,539
Amount due from fellow subsidiaries		435	365
Income tax recoverable		–	1,363
Cash and cash equivalents		113,630	123,476
Total current assets		183,809	185,761
Total assets		294,990	299,910
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	8	400	400
Share premium	8	456,073	456,073
Other reserves		(324,202)	(324,492)
Retained earnings			
— Proposed dividends	16	2,400	12,000
— Others		50,447	48,675
Total equity		185,118	192,656
LIABILITIES			
Non-current liabilities			
Convertible bond	10	–	74,024
Deferred income tax liabilities		273	335
Long service payment obligations		16	16
Total non-current liabilities		289	74,375
Current liabilities			
Trade and other payables	9	31,376	31,416
Amounts due to fellow subsidiaries		2,411	1,178
Convertible bond	10	74,387	–
Income tax liabilities		1,409	285
Total current liabilities		109,583	32,879
Total liabilities		109,872	107,254
Total equity and liabilities		294,990	299,910
Net current assets		74,226	152,882
Total assets less current liabilities		185,407	267,031

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

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

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

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

2 BASIS OF PREPARATION

This Financial Information for the six months ended 30th September 2014 is unaudited and has been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” and the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

This Financial Information should be read in conjunction with the audited consolidated annual financial statements of the Group for the year ended 31st March 2014 and the accompanying explanatory notes attached to this Financial Information.

3 ACCOUNTING POLICIES

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

The accounting policies adopted for preparing this condensed consolidated interim financial information are consistent with those set out in the consolidated financial statements of the Company for the year ended 31st March 2014 as included in the Company’s annual report for the year ended 31st March 2014.

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

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

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 2014. The Group is in the process of making an assessment of the impact of those new or revised standards and amendments to standards on the Group’s results and financial position in the period of initial application.

4 SEGMENT INFORMATION

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

The Executive Committee considers the business from geographic perspective. Geographically, management considers the performance of the media business in Hong Kong and Mainland China.

The Executive Committee assesses the performance of the operating segments based on a measure of operating profit/loss before tax but excluding corporate expenses. Other information provided is measured in a manner consistent with that in the internal financial reports.

The Group mainly operates its business in Hong Kong and Mainland China. The breakdown of total revenue from external customers from these two places and the Group's turnover and results provided to the Executive Committee for the reporting segments for the period ended 30th September 2014 and 2013 are as follows:

	(Unaudited)					
	Six months ended 30th September					
	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	74,909	80,228	12,802	15,956	87,711	96,184
Segment profit/(loss) before income tax	18,931	25,254	(6,134)	(4,212)	12,797	21,042
Unallocated expenses					(4,451)	(4,590)
Operating profit					8,346	16,452
Change in fair value of convertible bond					(742)	(1,322)
Share of loss of associates and joint ventures ("JVs")					(1,007)	(1,524)
Profit before income tax					6,597	13,606
Income tax expense	(2,424)	(3,434)	(1)	–	(2,425)	(3,434)
Profit for the period					4,172	10,172
Other information:						
Interest income	756	495	154	153	910	648
Depreciation of property, plant and equipment	812	685	196	359	1,008	1,044
Amortisation of intangible assets	1,362	1,350	5	10	1,367	1,360

The segment assets and liabilities as at 30th September 2014 are as follows:

	(Unaudited)				
	Hong Kong	Mainland		Unallocated	Group
	<i>HK\$'000</i>	<i>China</i>	Eliminations	<i>HK\$'000</i>	<i>HK\$'000</i>
		<i>HK\$'000</i>	<i>HK\$'000</i>		
Total assets	412,911	46,303	(167,365)	3,141	294,990
Total assets include:					
Interests in associates and JVs	5,994	24,597	–	–	30,591
Additions to non-current assets (other than deferred income tax assets and interests in associates and JVs)	397	3	–	–	400
Total liabilities	<u>(108,183)</u>	<u>(167,372)</u>	<u>167,365</u>	<u>(1,682)</u>	<u>(109,872)</u>

The segment assets and liabilities as at 31st March 2014 are as follows:

	(Audited)				
	Hong Kong	Mainland		Unallocated	Group
	<i>HK\$'000</i>	<i>China</i>	Eliminations	<i>HK\$'000</i>	<i>HK\$'000</i>
		<i>HK\$'000</i>	<i>HK\$'000</i>		
Total assets	400,327	61,412	(166,308)	4,479	299,910
Total assets include:					
Interests in associates and JVs	6,744	24,892	–	–	31,636
Additions to non-current assets (other than deferred income tax assets and interests in associates and JVs)	2,035	241	–	–	2,276
Total liabilities	<u>(97,186)</u>	<u>(175,756)</u>	<u>166,308</u>	<u>(620)</u>	<u>(107,254)</u>

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

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

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

The total of non-current assets located in Hong Kong is HK\$82,729,000 (31st March 2014: HK\$85,238,000) and the total of these non-current assets located in Mainland China is HK\$25,313,000 (31st March 2014: HK\$25,796,000).

No revenue derived from a single customer is 10% or more of the combined revenue of all operating segments (2013: Nil).

5 INTANGIBLE ASSETS

	Group			
	Computer softwares <i>HK\$'000</i>	Goodwill <i>HK\$'000</i>	Trademark <i>HK\$'000</i>	Total <i>HK\$'000</i>
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	<u>(542)</u>	<u>–</u>	<u>(4,620)</u>	<u>(5,162)</u>
Net book amount	<u>616</u>	<u>2,695</u>	<u>70,980</u>	<u>74,291</u>
Period ended 30th September 2014				
Opening net book amount	616	2,695	70,980	74,291
Additions	116	–	–	116
Amortisation expenses	(107)	–	(1,260)	(1,367)
Currency translation differences	–	24	–	24
Closing net book amount	<u>625</u>	<u>2,719</u>	<u>69,720</u>	<u>73,064</u>
At 30th September 2014				
Cost	1,274	2,719	75,600	79,593
Accumulated amortisation	<u>(649)</u>	<u>–</u>	<u>(5,880)</u>	<u>(6,529)</u>
Net book amount	<u>625</u>	<u>2,719</u>	<u>69,720</u>	<u>73,064</u>

6 INTERESTS IN ASSOCIATES AND JOINT VENTURES

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

	(Unaudited) 30th September 2014 <i>HK\$'000</i>	(Audited) 31st March 2014 <i>HK\$'000</i>
Interests in associates	27,247	27,313
Interests in JVs	3,344	4,323
	<u>30,591</u>	<u>31,636</u>

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

	(Unaudited)	
	Six months ended	
	30th September	
	2014	2013
	HK\$'000	HK\$'000
Associates	(28)	335
JVs	(979)	(1,859)
	<u>(1,007)</u>	<u>(1,524)</u>

(a) Interests in associates

Set out below are the associates of the Group as at 30th September 2014.

Name of associates	Place of Incorporation	Effective equity interest	Principal activities	Measurement method
ByRead Inc. (“ByRead”)	The Cayman Islands	24.97%	<i>Note (i)</i>	Equity
Blackpaper Limited (“Blackpaper”)	Hong Kong	10%	<i>Note (ii)</i>	Equity
Guangzhou Tangde Advertising Company Limited (“Tangde”)	People’s Republic of China (“PRC”)	10%	<i>Note (iii)</i>	Equity

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

ByRead, Blackpaper and Tangde 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 associates.

(b) Interests in JVs

Set out below are the JVs of the Group as at 30th September 2014.

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%	<i>Note (i)</i>	Equity
Connect Media Company Limited (“Connect Media”)	Hong Kong	40%	<i>Note (i)</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.

7 TRADE AND OTHER RECEIVABLES

	(Unaudited) 30th September 2014 HK\$'000	(Audited) 31st March 2014 HK\$'000
Trade receivables	50,984	43,469
Other receivables	9,747	7,070
	<u>60,731</u>	<u>50,539</u>

The Group allows in general a credit period ranging from 30 days to 120 days to its trade customers. As at 30th September 2014 and 31st March 2014, the ageing analysis of the Group's trade receivables by invoice date, net of impairment provision, is as follows:

	(Unaudited) 30th September 2014 HK\$'000	(Audited) 31st March 2014 HK\$'000
0 to 60 days	26,192	23,592
61 to 120 days	13,979	13,620
121 to 180 days	8,395	2,996
Over 180 days	2,418	3,261
	<u>50,984</u>	<u>43,469</u>

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

As at 30th September 2014 and 31st March 2014, the fair values of trade and other receivables approximated their carrying values.

Other receivables comprised the following:

	(Unaudited) 30th September 2014 HK\$'000	(Audited) 31st March 2014 HK\$'000
Amounts due from third parties	9,517	6,710
Amount due from an associate	150	–
Amount due from a JV	80	360
	<u>9,747</u>	<u>7,070</u>

8 SHARE CAPITAL AND PREMIUM

	Number of issued shares (in thousands)	Ordinary shares HK\$'000	Share premium HK\$'000	Total HK\$'000
Balance at 30th September 2013, 31st March 2014, 1st April 2014 and 30th September 2014	<u>400,000</u>	<u>400</u>	<u>456,073</u>	<u>456,473</u>

The total authorised number of ordinary shares is 4,000 million shares (2013: 4,000 million shares) with a par value of HK\$0.001 per share (2013: HK\$0.001). All issued shares are fully paid.

9 TRADE AND OTHER PAYABLES

	(Unaudited) 30th September 2014 <i>HK\$'000</i>	(Audited) 31st March 2014 <i>HK\$'000</i>
Trade payables	6,498	5,700
Other payables	24,878	25,716
	<u>31,376</u>	<u>31,416</u>

As at 30th September 2014, the ageing analysis of trade payables by invoice date is as follows:

	(Unaudited) 30th September 2014 <i>HK\$'000</i>	(Audited) 31st March 2014 <i>HK\$'000</i>
0 to 60 days	4,033	4,510
61 to 120 days	2,358	1,080
121 to 180 days	4	6
Over 180 days	103	104
	<u>6,498</u>	<u>5,700</u>

As at 30th September 2014 and 31st March 2014, the fair values of trade and other payables approximated their carrying amounts.

Other payables comprised the following:

	(Unaudited) 30th September 2014 <i>HK\$'000</i>	(Audited) 31st March 2014 <i>HK\$'000</i>
Amounts due to third parties	21,875	24,308
Amount due to an associate	3,003	1,408
	<u>24,878</u>	<u>25,716</u>

10 CONVERTIBLE BOND

	(Unaudited) 30th September 2014 <i>HK\$'000</i>	(Audited) 31st March 2014 <i>HK\$'000</i>
Convertible bond	<u>74,387</u>	<u>74,024</u>

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 on 31st May 2015, 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 was calculated using a discounted cash flow approach and is within level 3 of the fair value hierarchy. 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

For the year ended 31st March 2014

Liability component at 1st April 2013	72,474
Coupon interest	(756)
Change in fair value of the liability component of the convertible bond	2,306

Liability component at 31st March 2014 74,024

For the period ended 30th September 2014

Liability component at 1st April 2014	74,024
Coupon interest	(379)
Change in fair value of the liability component of the convertible bond	742

Liability component at 30th September 2014 74,387

11 EXPENSES BY NATURE

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

	(Unaudited)	
	Six months ended	
	30th September	
	2014	2013
	HK\$'000	HK\$'000
Paper consumed	7,157	8,547
Depreciation of property, plant and equipment	1,008	1,044
Amortisation of intangible assets	1,367	1,360
Employee benefit expense (including directors' emoluments)	34,639	35,558
Occupancy costs	2,807	3,340
Loss on disposal of property, plant and equipment	6	-
	<u>6</u>	<u>-</u>

12 OTHER INCOME

	(Unaudited)	
	Six months ended	
	30th September	
	2014	2013
	HK\$'000	HK\$'000
Bank interest income	910	648
Licence fee income	393	293
Other media business income	3,124	4,808
	<u>4,427</u>	<u>5,749</u>

13 CHANGE IN FAIR VALUE OF CONVERTIBLE BOND

	(Unaudited) Six months ended 30th September	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Financial liability at fair value through profit or loss		
— Change in fair value of convertible bond	<u>742</u>	<u>1,322</u>

14 INCOME TAX EXPENSE

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

Hong Kong profits tax has been provided at the rate of 16.5% (2013: 16.5%) on the estimated assessable profit for the period.

No provision for the PRC current enterprise income tax has been made as the Group has unutilised tax losses to offset the assessable profits generated in the PRC during the six months ended 30th September 2014 and 2013.

	(Unaudited) Six months ended 30th September	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong profits tax		
— Current income tax	2,487	3,376
Deferred income tax		
— Current deferred income tax(credit)/charge	<u>(62)</u>	<u>58</u>
	<u>2,425</u>	<u>3,434</u>

15 EARNINGS PER SHARE

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

	(Unaudited) Six months ended 30th September	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit attributable to equity holders of the Company	<u>4,172</u>	<u>10,172</u>
Number of ordinary shares in issue (in thousands)	<u>400,000</u>	<u>400,000</u>
Basic earnings per share (HK cents per share)	<u>1.04</u>	<u>2.54</u>

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

16 DIVIDENDS

Dividends attributable to the period:

	(Unaudited)	
	Six months ended	
	30th September	
	2014	2013
	HK\$'000	HK\$'000
Interim dividend of HK0.6 cent (2013: HK1.5 cents) per ordinary share	2,400	6,000

On 26th November 2014, the Board of Directors declared an interim dividend for the six months ended 30th September 2014 of HK0.6 cent (2013: HK1.5 cents) per ordinary share, totaling HK\$2,400,000 (2013: HK\$6,000,000) payable on 31st December 2014 to shareholders whose names appear on the register of members of the Company on 17th December 2014. This condensed consolidated financial information does not reflect this dividend payable but accounts for it as proposed dividend.

Dividends paid during the period:

	(Unaudited)	
	Six months ended	
	30th September	
	2014	2013
	HK\$'000	HK\$'000
Relating to the year ended 31st March 2014 Final dividend of HK3 cents (2013: HK3.5 cents) per ordinary share	12,000	14,000

17 CONTINGENT LIABILITIES

As at 30th September 2014, the Group did not have any material contingent liabilities or guarantees (31st March 2014: Nil).

MANAGEMENT DISCUSSION & ANALYSIS

Results Summary

During the financial period under review, the local economy in the second quarter of 2014 marked the slowest growth since the third quarter of 2012, according to the half-yearly Economic Report 2014 by the Hong Kong Government. The weak economic performance was basically due to a fall-off in tourist spending and a concurrent slowdown in domestic demand. Advertisers have tightened their promotion budgets and the Group's performance was therefore adversely impacted during the period under review.

Turnover of the Group for the period ended 30th September 2014 decreased by 9% to HK\$87,711,000 largely due to the above factors. Gross profit of the Group therefore fell by 10% to HK\$44,125,000 compared with the previous financial period. Profit attributable to equity holders of the Company was HK\$4,172,000, representing a 59% drop compared with the previous financial period.

Review of Operations

Hong Kong

Turnover of Hong Kong operations, which accounted for 85% of the Group's total turnover for the period, recorded a decline of 7% to HK\$74,909,000. Segment profit from Hong Kong operations reduced by 25% to HK\$18,931,000 compared with the previous financial period.

“*Ming Pao Weekly* 明報周刊” (“MP Weekly”) is the Group's main turnover contributing business for Hong Kong segment. During the period, MP Weekly's advertising revenue was affected by the soft tourist spending on the luxury and branded labels that has dragged down the local advertising market of these categories. Some promotional campaigns and advertising events were held back or cancelled by the advertisers.

The Group however continues to seek opportunities to expand its business. In September 2014, the Group successfully launched “*Ming's*” (“Ming's”) to generate additional advertising revenue. Ming's is a monthly title published complimentary with MP Weekly, which offers photographs, in-depth articles and quality features covering five major categories — fashion, beauty, luxuries, arts and sports.

“*Top Gear* 極速誌” (“Top Gear Hong Kong”) is a popular automobile magazine with international editorial backing. It continuously expanded its business and coverage from print format to multi-media format through online video platform which generated positive response from readers. In the first half year, Top Gear Hong Kong recorded healthy growth.

“*MING Watch* 明錶” is a professional high-end watch magazine offering feature stories and the latest trends in the watch industry. It maintained stable performance for the interim period under review. As the title has been well accepted by the market in Hong Kong, the Group has officially expanded this magazine from Hong Kong to Mainland China. The first Mainland China edition was launched in June 2014.

“*Travel Planner* 港澳台自由行專輯” (“Travel Planner”) is a monthly guidebook that caters to travelers who want to explore and get a real taste of Hong Kong, Macau and Taiwan. During the period, Travel Planner was also affected by the decline of tourist spending and therefore reported a decrease in revenue.

The Group has launched a new mobile application SOBA掃吧! (“SOBA”) in March 2014, using “Augmented Reality” technology to integrate print content with multi-media. During the period, SOBA has stayed on pace to develop advertising, technology and multi-media functionality to create synergies with the Group’s publications.

Mainland China

During the period, the Group’s Mainland China operations recorded a drop in turnover of 20% to HK\$12,802,000. Segment loss during the period was HK\$6,134,000 compared with HK\$4,212,000 in the previous financial period. The increase in segment loss was mainly due to certain one-off expenses of approximately HK\$1,500,000 resulting from the optimisation of the Mainland China business, which included the scaled down of the organisational structure of this segment and the discontinuation of the operation of “*Popular Science* 科技新時代” starting from September 2014.

“*Top Gear* 汽車測試報告” continues to attract Mainland Chinese readers with infotainment, automobile news and trends. It maintained a relatively stable performance during the first half-year.

“*MING Watch* 明表”, a quarterly magazine, was officially launched in June 2014. It introduces the latest high-end watch market trends and feature stories to satisfy the needs of Mainland China readers. It is expected this new publication will generate additional advertising revenue for the Group.

Performance of Other Media Investments

The Group’s joint venture, Connect Media Company Limited, has continued to focus on the advertising business through the platform of travelers in the Pearl River Delta region. Despite still amid a development stage, its performance during the interim period was within the expectation of the management.

ByRead Group is one of the leading mobile reading platform providers in Mainland China, with registered users increasing to more than 71 million during the period, and added approximately 8 million users compared with the same period of the previous financial year.

Blackpaper Limited is principally engaged in the publication of “*BlackPaper*”, “*100 Most*” and books. It recorded healthy growth during the period under review.

Outlook

Management expects that the operating environment will continue to be tough and extremely challenging in the second half of the financial year. Going forward, facing the sluggish and uncertain market, the Group will review its magazine portfolio in order to enhance its competitiveness. In addition, the Group will continue to monitor the cost effectiveness of its operation.

CAPITAL EXPENDITURE

The Group's total capital expenditure for property, plant and equipment for the six months ended 30th September 2014 amounted to HK\$400,000.

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

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

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

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

CLOSURE OF THE REGISTER OF MEMBERS

The register of members will be closed from Friday, 12th December 2014 to Wednesday, 17th December 2014, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend of HK0.6 cent per ordinary share, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 11th December 2014.

EMPLOYEES

As at 30th September 2014, the Group has approximately 204 employees (31st March 2014: approximately 215 employees), of which 154 and 50 were stationed in Hong Kong and in the Mainland China, respectively. The Group remunerates its employees based on the operating results, individual performance and comparable market statistics. The emoluments of the Directors and senior management are reviewed by the Remuneration Committee regularly. The Company has implemented share option schemes as an incentive to the Directors and eligible employees.

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

CORPORATE GOVERNANCE

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

COMPLIANCE OF THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

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

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

AUDIT COMMITTEE

The Company established an Audit Committee on 26th September 2005 with written terms of reference. The Audit Committee currently comprises three independent non-executive Directors, namely, Mr. YU Hon To, David, Mr. Victor YANG and Mr. LAU Chi Wah, Alex. The Audit Committee has reviewed the Group's unaudited condensed consolidated financial information for the six months ended 30th September 2014 and discussed matters relating to auditing, internal controls and financial reporting.

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

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

Hong Kong, 26th November 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. Victor YANG and Mr. LAU Chi Wah, Alex, being independent non-executive directors.

The Company's Interim Report 2014/15 containing all the information required by the Listing Rules will be published on The Stock Exchange of Hong Kong Limited's website in due course and will be dispatched to shareholders before end of December 2014.