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# 万 华 媒 体 ONEMEDIAGROUP

## One Media Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 426)

### ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2015

The directors (the “Directors”) of One Media Group Limited (the “Company”) announce the consolidated final results of the Company and its subsidiaries (the “Group”) for the year ended 31st March 2015 as follows:

#### CONSOLIDATED INCOME STATEMENT

Year ended 31st March

	Note	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Audited)
Turnover	3	179,248	203,352
Cost of goods sold	11	(84,716)	(92,458)
<b>Gross profit</b>		<b>94,532</b>	110,894
Other income		8,463	10,423
Selling and distribution expenses	11	(38,572)	(37,849)
Administrative expenses	11	(40,001)	(40,782)
Impairment loss of goodwill		(2,725)	–
<b>Operating profit</b>		<b>21,697</b>	42,686
Change in fair value of convertible bond	7	(2,240)	(2,306)
Share of loss of joint ventures and associates		(1,071)	(2,972)
Allowance for impairment of interest in an associate		(23,467)	–
<b>(Loss)/profit before income tax</b>		<b>(5,081)</b>	37,408
Income tax expense	12	(5,991)	(8,762)
<b>(Loss)/profit for the year</b>		<b>(11,072)</b>	28,646
<b>(Loss)/profit attributable to:</b>			
Equity holders of the Company		(11,072)	28,646
<b>(Loss)/earnings per share attributable to equity holders of the Company for the year (expressed in HK cents per share)</b>			
— Basic and diluted	13	(2.8)	7.2
<b>Dividends</b>	14	<b>6,400</b>	18,000

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31st March

	2015 <i>HK\$'000</i> (Unaudited)	2014 <i>HK\$'000</i> (Audited)
<b>(Loss)/profit for the year</b>	<b>(11,072)</b>	28,646
<b>Other comprehensive income/(loss):</b>		
<b><u>Item that may be reclassified to profit or loss</u></b>		
Currency translation differences	350	(48)
<b><u>Item that will not be reclassified subsequently to profit or loss</u></b>		
Actuarial losses on long service payment obligations	<u>(39)</u>	<u>(3)</u>
<b>Total comprehensive (loss)/income for the year</b>	<b><u><u>(10,761)</u></u></b>	<b><u><u>28,595</u></u></b>
<b>Attributable to:</b>		
Equity holders of the Company	<b><u><u>(10,761)</u></u></b>	<b><u><u>28,595</u></u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31st March*

	<i>Note</i>	<b>2015</b> <i>HK\$'000</i> <b>(Unaudited)</b>	2014 <i>HK\$'000</i> <b>(Audited)</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>3,699</b>	5,108
Intangible assets	4	<b>68,986</b>	74,291
Interests in joint ventures and associates	5	<b>6,172</b>	31,636
Deferred income tax assets	9	<b>3,149</b>	3,114
<b>Total non-current assets</b>		<b>82,006</b>	114,149
<b>Current assets</b>			
Inventories		<b>7,158</b>	10,018
Trade and other receivables	6	<b>48,650</b>	50,539
Amounts due from fellow subsidiaries	6	<b>294</b>	365
Income tax recoverable		<b>3,257</b>	1,363
Cash and cash equivalents		<b>130,099</b>	123,476
<b>Total current assets</b>		<b>189,458</b>	185,761
<b>Total assets</b>		<b>271,464</b>	299,910
<b>EQUITY</b>			
<b>Capital and reserves attributable to the Company's equity holders</b>			
Share capital	10	<b>400</b>	400
Share premium	10	<b>456,073</b>	456,073
Other reserves		<b>(324,181)</b>	(324,492)
Retained earnings			
— Proposed final dividends	14	<b>4,000</b>	12,000
— Others		<b>31,203</b>	48,675
<b>Total equity</b>		<b>167,495</b>	192,656
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Convertible bond held by a fellow subsidiary	7	—	74,024
Deferred income tax liabilities	9	<b>195</b>	335
Long service payment obligations		<b>50</b>	16
<b>Total non-current liabilities</b>		<b>245</b>	74,375
<b>Current liabilities</b>			
Trade and other payables	8	<b>26,940</b>	31,416
Amounts due to fellow subsidiaries	8	<b>1,158</b>	1,178
Convertible bond held by a fellow subsidiary	7	<b>75,508</b>	—
Income tax liabilities		<b>118</b>	285
<b>Total current liabilities</b>		<b>103,724</b>	32,879
<b>Total liabilities</b>		<b>103,969</b>	107,254
<b>Total equity and liabilities</b>		<b>271,464</b>	299,910
<b>Net current assets</b>		<b>85,734</b>	152,882
<b>Total assets less current liabilities</b>		<b>167,740</b>	267,031

# NOTES TO THE CONSOLIDATED 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 consolidated financial information is presented in Hong Kong dollars, unless otherwise stated.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial information are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation

The consolidated financial information of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) and under the historical cost convention.

The consolidated financial information are prepared in accordance with the applicable requirements of the predecessor Companies Ordinance (Cap. 32) for this financial year and comparative year.

The preparation of 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.

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

- (i) Amendment to IAS 32, ‘Financial instruments: Presentation’ on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have a significant effect on the Group’s financial information.
- (ii) Amendments to IAS 36, ‘Impairment of assets’, on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in IAS 36 by the issue of IFRS 13. It also enhanced the disclosures of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The amendment did not have a significant effect on the Group’s financial information.
- (iii) Amendment to IAS 39, ‘Financial instruments: Recognition and measurement’ on the novation of derivatives and the continuation of hedge accounting. This amendment considers legislative changes to ‘over-the-counter’ derivatives and the establishment of central counterparties. Under IAS 39 novation of derivatives to central counterparties would result in discontinuance of hedge accounting. The amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument meets specified criteria. The Group has applied the amendment and there has been no significant impact on the Group’s financial information as a result.

- (iv) IFRIC 21, ‘Levies’, sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37 ‘Provisions’. The interpretation addresses what the obligating event is that gives rise to the payment a levy and when a liability should be recognised. As the Group is not currently subjected to significant levies, the impact on the Group is not material.

Other than as disclosed above, there are no IFRSs or International Financial Reporting Interpretations Committee (“IFRIC”) interpretations that are effective for the first time for the financial year beginning on 1st April 2014 that have a material impact on the Group.

**(b) *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***

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1st April 2014, and have not been applied in preparing these consolidated financial information.

		<b>Effective for annual period beginning on or after</b>
Amendment to IAS 19	Defined Benefit Plans: Employee Contributions	1st July 2014
IFRS 14	Regulatory Deferral Accounts	1st January 2016
Amendment to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1st January 2016
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation	1st January 2016
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	1st January 2016
Amendment to IAS 27	Equity Method in Separate Financial Statements	1st January 2016
IFRS 15	Revenue from Contracts with Customers	1st January 2017
IFRS 9	Financial Instruments	1st January 2018

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.

**(c) *New Hong Kong Companies Ordinance (Cap. 622)***

In addition, the requirements of Part 9 “Accounts and Audit” of the new Hong Kong Companies Ordinance (Cap. 622) came into operation as from the Company’s first financial year commencing on or after 3rd March 2014 in accordance with section 358 of that Ordinance. The Group is in the process of making an assessment of expected impact of the changes in the Companies Ordinance on the consolidated financial information in the period of initial application of Part 9 of the new Hong Kong Companies Ordinance (Cap. 622). Management has concluded that the impact is unlikely to be significant and only the presentation and the disclosure of information in the consolidated financial information will be affected.

### 3 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 areas and the Group’s turnover and results provided to the Executive Committee for the reporting segments for the year ended 31st March 2015 are as follows:

	<b>(Unaudited)</b>		
	<b>Media Business</b>		
	<b>Hong Kong</b>	<b>Mainland China</b>	<b>Total</b>
	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i>
Turnover	<u>160,242</u>	<u>19,006</u>	<u>179,248</u>
Segment profit/(loss) before income tax	<u>45,469</u>	<u>(14,041)</u>	<u>31,428</u>
Unallocated expenses			<u>(9,731)</u>
Operating profit			<u>21,697</u>
Change in fair value of convertible bond			<u>(2,240)</u>
Share of loss of joint ventures (“JVs”) and associates			<u>(1,071)</u>
Allowance for impairment of interest in an associate			<u>(23,467)</u>
Loss before income tax			<u>(5,081)</u>
Income tax expense	<u>(5,984)</u>	<u>(7)</u>	<u>(5,991)</u>
Loss for the year			<u>(11,072)</u>
Other information:			
Interest income	<u>1,529</u>	<u>307</u>	<u>1,836</u>
Impairment loss of goodwill	<u>–</u>	<u>2,725</u>	<u>2,725</u>
Depreciation of property, plant and equipment	<u>1,640</u>	<u>380</u>	<u>2,020</u>
Amortisation of intangible assets	<u>2,729</u>	<u>5</u>	<u>2,734</u>

The Group's turnover and results provided to the Executive Committee for the reporting segments for the year ended 31st March 2014 are as follows:

	(Audited)		
	Media Business		
	Hong Kong <i>HK\$'000</i>	Mainland China <i>HK\$'000</i>	Total <i>HK\$'000</i>
Turnover	177,300	26,052	203,352
Segment profit/(loss) before income tax	64,202	(9,258)	54,944
Unallocated expenses			(12,258)
Operating profit			42,686
Change in fair value of convertible bond			(2,306)
Share of loss of JVs and associates			(2,972)
Profit before income tax			37,408
Income tax expense	(8,734)	(28)	(8,762)
Profit for the year			28,646
Other information:			
Interest income	1,101	308	1,409
Depreciation of property, plant and equipment	1,492	852	2,344
Amortisation of intangible assets	2,709	20	2,729

The segment assets and liabilities as at 31st March 2015 are as follows:

	(Unaudited)				
	Hong Kong <i>HK\$'000</i>	Mainland China <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Group <i>HK\$'000</i>
Total assets	409,395	26,109	(170,447)	6,407	271,464
Total assets include:					
— Interests in JVs and associates	6,172	-	-	-	6,172
— Additions to non-current assets (other than deferred income tax assets and interests in JVs and associates)	757	3	-	-	760
Total liabilities	(104,013)	(170,090)	170,447	(313)	(103,969)

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

	(Audited)				
	Hong Kong	Mainland China	Eliminations	Unallocated	Group
	<i>HK\$'000</i>	<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 JVs and associates	6,744	24,892	–	–	31,636
— Additions to non-current assets (other than deferred income tax assets and interests in JVs and associates)	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 JVs and associates, 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\$78,349,000 (2014: HK\$85,238,000) and the total of non-current assets located in Mainland China is HK\$508,000 (2014: HK\$25,796,000).

No revenue derived from a single customer is 10% or more of the combined revenue of all operating segments (2014: Nil).

#### 4 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>
<b>At 1st April 2013 (Audited)</b>				
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>
<b>Year ended 31st March 2014 (Audited)</b>				
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>
<b>At 31st March 2014 (Audited)</b>				
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>
<b>Year ended 31st March 2015 (Unaudited)</b>				
Opening net book amount	616	2,695	70,980	74,291
Additions	124	–	–	124
Impairment charge	–	(2,725)	–	(2,725)
Amortisation expenses	(214)	–	(2,520)	(2,734)
Currency translation differences	–	30	–	30
Closing net book amount	<u>526</u>	<u>–</u>	<u>68,460</u>	<u>68,986</u>
<b>At 31st March 2015 (Unaudited)</b>				
Cost	1,283	–	75,600	76,883
Accumulated amortisation	(757)	–	(7,140)	(7,897)
Net book amount	<u>526</u>	<u>–</u>	<u>68,460</u>	<u>68,986</u>

## 5 INTERESTS IN JOINT VENTURES AND ASSOCIATES

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

	ByRead Inc.		Others		Total	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
Interests in associates, at costs	25,800	25,800	1,757	2,645	27,557	28,445
Share of (loss)/profit and other adjustments for the years	(2,333)	(1,783)	1,424	651	(909)	(1,132)
Allowance for impairment	(23,467)	-	-	-	(23,467)	-
Interests in associates, net	-	24,017	3,181	3,296	3,181	27,313

	Total	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Audited)
Interests in joint ventures, at costs	8,000	8,000
Share of loss for the years	(5,009)	(3,677)
Interests in joint ventures, net	2,991	4,323

The amounts of share of profit/(loss) recognised in the consolidated income statement for the year are as follows:

	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Audited)
Associates	261	175
JVs	(1,332)	(3,147)
	(1,071)	(2,972)

### Interests in associates

Set out below are the associates of the Group as at 31st March 2015:

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

- (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.

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.

The recoverable amount of the investment in ByRead has been determined based on a value-in-use calculation. To determine the recoverable amount of ByRead, the Group used pre-tax cash flow projection based on the financial budget approved by management covering a five-year period.

Key assumptions used for value-in-use calculations are around 7% for average growth rate and 9% for the discount rate. The average growth rate used is based on past performance and is consistent with the industry forecasts. The discount rate used is pre-tax and reflects specific risks relating to the relevant operation of ByRead. Based on this projection, the recoverable amount from the investment in ByRead will be less than the carrying amount of the investment, and accordingly the Group recognised an allowance for impairment of HK\$23,467,000 for the investment in ByRead during the year ended 31st March 2015.

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

Blackpaper 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.

- (iii) Pursuant to a share transfer agreement on 1st December 2014, the Group disposed of its 10% equity interest in an associate, Guangzhou Tangde Advertising Company Limited ("Tangde") for a consideration of RMB700,000 (equivalent to HK\$891,000). As a result of the disposal, the Group recognised a gain on disposal of HK\$3,000 and recorded it as sundry income.

### Interests in JVs

Set out below are the JVs of the Group as at 31st March 2015:

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 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 JVs.

## 6 TRADE AND OTHER RECEIVABLES AND AMOUNTS DUE FROM FELLOW SUBSIDIARIES

	<b>2015</b> <i>HK\$'000</i> (Unaudited)	2014 <i>HK\$'000</i> (Audited)
Trade receivables	<b>38,652</b>	43,510
Less: allowance for impairment of trade receivables	–	(41)
Trade receivables — net	<b>38,652</b>	43,469
Other receivables — net	<b>9,998</b>	7,070
Amounts due from fellow subsidiaries	<b>294</b>	365
	<b>48,944</b>	50,904

At 31st March 2015 and 31st March 2014, the fair values of trade and other receivables approximated their carrying amounts.

The Group allows in general a credit period ranging from 30 days to 120 days to its trade customers. At 31st March 2015 and 2014, the ageing analysis of the Group's trade receivables by invoice date, net of allowance for impairment, is as follows:

	<b>2015</b> <i>HK\$'000</i> (Unaudited)	2014 <i>HK\$'000</i> (Audited)
0 to 60 days	<b>22,097</b>	23,592
61 to 120 days	<b>9,410</b>	13,620
121 to 180 days	<b>4,454</b>	2,996
Over 180 days	<b>2,691</b>	3,261
	<b>38,652</b>	43,469

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

## 7 CONVERTIBLE BOND HELD BY A FELLOW SUBSIDIARY

	<b>2015</b> <i>HK\$'000</i> (Unaudited)	2014 <i>HK\$'000</i> (Audited)
Convertible bond held by a fellow subsidiary	<b>75,508</b>	74,024

The Company issued to a fellow subsidiary 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\$0.90 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 key unobservable input of the valuation is the discount rate adopted of approximately 4% which is based on 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:

	<i>HK\$'000</i>
<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 the convertible bond	<u>2,306</u>
<b>Liability component at 31st March 2014</b>	<b><u><u>74,024</u></u></b>
<b>For the year ended 31st March 2015</b>	
Liability component at 1st April 2014	74,024
Coupon interest	(756)
Change in fair value of the liability component of the convertible bond	<u>2,240</u>
<b>Liability component at 31st March 2015</b>	<b><u><u>75,508</u></u></b>

## 8 TRADE AND OTHER PAYABLES AND AMOUNTS DUE TO FELLOW SUBSIDIARIES

	<b>2015</b>	2014
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	(Audited)
Trade payables	<b>2,647</b>	5,700
Other payables	<b><u>24,293</u></b>	<u>25,716</u>
	<b>26,940</b>	31,416
Amounts due to fellow subsidiaries	<b><u>1,158</u></b>	<u>1,178</u>
	<b><u><u>28,098</u></u></b>	<u><u>32,594</u></u>

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.

At 31st March 2015 and 2014, the ageing analysis of the trade payables by invoice date is as follows:

	<b>2015</b> <i>HK\$'000</i> <b>(Unaudited)</b>	2014 <i>HK\$'000</i> (Audited)
0 to 60 days	<b>2,399</b>	4,510
61 to 120 days	<b>242</b>	1,080
121 to 180 days	<b>3</b>	6
Over 180 days	<b>3</b>	104
	<u><b>2,647</b></u>	<u>5,700</u>

## 9 DEFERRED INCOME TAX ASSETS/(LIABILITIES)

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	<b>2015</b> <i>HK\$'000</i> <b>(Unaudited)</b>	2014 <i>HK\$'000</i> (Audited)
Deferred income tax assets		
to be recovered within 12 months	<b>1,575</b>	1,557
to be recovered after 12 months	<b>1,574</b>	1,557
	<u><b>3,149</b></u>	<u>3,114</u>

	<b>2015</b> <i>HK\$'000</i> <b>(Unaudited)</b>	2014 <i>HK\$'000</i> (Audited)
Deferred income tax liabilities		
to be realised within 12 months	<b>(195)</b>	(335)

The movements in deferred income tax during the year is as follows:

	<b>Group</b>		
	<b>Accelerated tax depreciation <i>HK\$'000</i></b>	<b>Tax losses <i>HK\$'000</i></b>	<b>Total <i>HK\$'000</i></b>
Balance at 1st April 2013 (Audited)	(288)	3,152	2,864
Charged to the consolidated income statement	(47)	(27)	(74)
Currency translation differences	–	(11)	(11)
	<u>(335)</u>	<u>3,114</u>	<u>2,779</u>
Balance at 31st March 2014 (Audited)			
Balance at 1st April 2014 (Audited)	(335)	3,114	2,779
Credit to the consolidated income statement	140	–	140
Currency translation differences	–	35	35
	<u>(195)</u>	<u>3,149</u>	<u>2,954</u>
Balance at 31st March 2015 (Unaudited)			

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through the future taxable profits is probable. The Group has unrecognised tax losses of HK\$27,463,000 (2014: HK\$27,003,000) to carry forward against future taxable income. These tax losses have not been recognised due to uncertainty of their future recoverability.

## 10 SHARE CAPITAL AND PREMIUM

	Number of issued shares <i>(in thousands)</i>	Ordinary shares <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 31st March 2013, 2014 (Audited) and 2015 (Unaudited)	400,000	400	456,073	456,473

The total authorised number of ordinary shares is 4,000 million shares (2014: 4,000 million shares) with a par value of HK\$0.001 per share (2014: HK\$0.001). All issued shares are fully paid.

## 11 EXPENSES BY NATURE

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

	2015 <i>HK\$'000</i> (Unaudited)	2014 <i>HK\$'000</i> (Audited)
Paper consumed	14,379	17,332
Depreciation of property, plant and equipment	2,020	2,344
Amortisation of intangible assets	2,734	2,729
Employee benefit expense (including directors' emoluments)	68,132	72,061
Occupancy costs	5,549	6,359
(Gain)/loss on disposal of property, plant and equipment	(90)	54
Auditor's remuneration	1,223	1,174

## 12 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2014:16.5%) on the estimated assessable profit during the year ended 31st March 2015.

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 years ended 31st March 2015 and 2014.

	2015 <i>HK\$'000</i> (Unaudited)	2014 <i>HK\$'000</i> (Audited)
Hong Kong profits tax		
— Current income tax	(6,151)	(8,708)
— Over provision in prior year	20	20
Deferred income tax		
— Current deferred income tax credit/(charge)	140	(74)
	<u>(5,991)</u>	<u>(8,762)</u>

### 13 (LOSS)/EARNINGS PER SHARE

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

	<b>2015</b> <i>HK\$'000</i> <b>(Unaudited)</b>	2014 <i>HK\$'000</i> (Audited)
(Loss)/profit attributable to equity holders of the Company	<u><b>(11,072)</b></u>	<u>28,646</u>
Number of ordinary shares in issue (in thousands)	<u><b>400,000</b></u>	<u>400,000</u>
Basic (loss)/earnings per share (HK cents per share)	<u><b>(2.8)</b></u>	<u>7.2</u>

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

### 14 DIVIDENDS

Dividends attributable to the year:

	<b>2015</b> <i>HK\$'000</i> <b>(Unaudited)</b>	2014 <i>HK\$'000</i> (Audited)
Interim dividend, paid, HK0.6 cent (2014: HK1.5 cents) per ordinary share	<b>2,400</b>	6,000
Final dividend, proposed after the end of the reporting period, HK1 cent (2014: HK3 cents) per ordinary share	<u><b>4,000</b></u>	<u>12,000</u>
	<u><b>6,400</b></u>	<u>18,000</u>

Dividends paid during the year:

	<b>2015</b> <i>HK\$'000</i> <b>(Unaudited)</b>	2014 <i>HK\$'000</i> (Audited)
Interim dividend, 2015, HK0.6 cent (2014: HK1.5 cents) per ordinary share	<b>2,400</b>	6,000
Final dividend, 2014, HK3 cents (2013: HK3.5 cents) per ordinary share	<u><b>12,000</b></u>	<u>14,000</u>
	<u><b>14,400</b></u>	<u>20,000</u>

On 28th May 2015, the Board of Directors proposed a final dividend of HK1 cent per share, totalling HK\$4,000,000. Such dividend is to be approved by the shareholders at the annual general meeting of the Company to be held on 5th August 2015. Upon approval by the shareholders of the Company, this final dividend will be paid on 21st August 2015 to shareholders whose names appear on the register of members of the Company at the close of the business on 14th August 2015. These consolidated financial statements do not reflect this dividend payable but accounted for it as proposed dividends.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Results Summary

During the financial year under review, Hong Kong was impacted by the economic slowdown. According to the “2014 Economic Background and 2015 Prospects” published by the Government of HKSAR, the city’s economy grew only modestly in 2014 by 2.3%, down from 2.9% in 2013. The advertising market was inevitably affected under this economic situation. According to admanGo, total advertising spending of all Hong Kong magazines recorded a decline of 6.9%, compared with the previous financial year. During the financial year, advertisers have tightened their advertising and promotion spending and the Group’s performance was therefore adversely impacted during the year under review.

Turnover of the Group for the year ended 31st March 2015 decreased by 12% to HK\$179,248,000, causing the gross profit of the Group fell by 15% to HK\$94,532,000 compared with the previous financial year. Adding to the difficult market conditions, the Group has made allowance for impairment on its interest in an associate and goodwill impairment loss arising from the acquisition of the Group’s subsidiaries in Mainland China in 2004 of HK\$23,467,000 and HK\$2,725,000 respectively. As a result, the Group reported a loss of HK\$11,072,000, compared with profit attributable to equity holders of the Company of HK\$28,646,000 in the previous financial year. However, these provisions had no impact on the cash flow of the Group as they were non-cash expenses. The results of the Group before the impairment charges realised a profit of HK\$15,120,000, representing a 47% drop compared with the previous financial year.

### Review of Operations

#### *Hong Kong*

Turnover of Hong Kong operations, which accounted for 89% of the Group’s total turnover for the year, recorded a decline of 10% to HK\$160,242,000. Segment profit from Hong Kong operations was reduced by 29% to HK\$45,469,000 compared with the previous financial year.

“*Ming Pao Weekly* 明報周刊” (“MP Weekly”) is the Group’s main turnover contributing business for the Hong Kong segment. During the year, MP Weekly suffered from a setback in the retail market of luxury products, which caused advertisers in general tightening their advertising and promotion spending. However, through various marketing strategies, MP Weekly was able to maintain its existing advertisers’ base. Moreover it has been exploring new revenue channels by diversifying business categories such as organising market events and investment seminars.

In September 2014, the Group successfully launched “*Ming’s*” (“Ming’s”) as a new channel 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.

MP Weekly always adheres to high standard of quality of journalism and continues to gain public recognition. During the financial year, MP Weekly received the following awards:

- Winner in the Photo Essay category in the “Focus at the Frontline 2014” Photo Contest organised by Hong Kong Press Photographers Association
- No. 1 in the Entertainment category in the Magazine of the Year 2014 and No. 3 in the Top 10 Overall Magazine of the Year organised by Marketing Magazine in Hong Kong

“*Top Gear 極速誌*” (“Top Gear Hong Kong”), being a popular automobile magazine with international editorial backing, continuously enriches its content and expands its business and coverage from print format to multi-media format through online video platforms which generated a positive response from readers. During the year, Top Gear Hong Kong performed well and recorded a 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 a stable performance for the year under review. As the title has been well accepted by the market in Hong Kong, the Group has officially expanded this publishing business from Hong Kong to Mainland China. The first Mainland China edition was launched in June 2014.

#### *Mainland China*

During the year, the turnover of the Group’s Mainland China operations amounted to HK\$19,006,000, reflecting a drop of turnover of 27% from HK\$26,052,000 in the previous financial year. Segment loss during the year was HK\$14,041,000 compared with a loss of HK\$9,258,000 in the previous financial year. The increase in segment loss was mainly due to goodwill impairment loss arising from the acquisition of the Group’s subsidiaries in Mainland China in 2004 of HK\$2,725,000 and certain one-off restructuring expenses of approximately HK\$2,000,000 resulting from the optimisation of the Mainland China business, which included the streamlining 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*” maintained a relatively stable performance during the year and continues to attract Mainland Chinese readers with infotainment, automobile news and trends.

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

#### **Performance of Other Media Investments**

The Group’s joint venture, Connect Media Company Limited, showed improvement in terms of business and financial performance. It has continued to focus on the advertising business through the platform of travelers in the Pearl River Delta region.

Blackpaper Limited is engaged in the publication of “*BlackPaper*,” “*100 Most*” and books as well as the provision of creative multimedia services and advertising campaigns. It recorded a satisfactory performance during the year.

For the investment in ByRead, based on the pre-tax cash flow projection, the return of the investment in ByRead will be an immaterial value. Therefore, the Group recognised an allowance for impairment of HK\$23,467,000 for this investment during the financial year.

## **Outlook**

The near-term outlook for the Hong Kong economy in 2015 will largely depend on the external environment, which is challenging and fraught with uncertainties. Going forward, with years of experience in the media industry, the Group plans to expand its business based on the strengths of the existing publications and is set to explore new investment opportunities that have synergies with the Group’s existing operation. In addition, the management is committed to improving the operational and financial efficiency in all business units, in particular stays cautious and continuously keep tight control on costs.

## **LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO**

As at 31st March 2015, the Group’s net current assets amounted to HK\$85,734,000 (2014: HK\$152,882,000) and the total equity attributable to the equity holders of the Company was HK\$167,495,000 (2014: HK\$192,656,000). The Group had no bank borrowings (2014: Nil) and the gearing ratios, which is defined as the ratio of net debt, calculated as total borrowings (including the liability component of convertible bond) less cash and cash equivalents, to total capital, calculated as total equity attributable to the Company’s equity holders plus net debt, was zero at 31st March 2015 and 2014.

## **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.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S SECURITIES**

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

## **CONTINGENT LIABILITIES**

As at 31st March 2015, the Group did not have any material contingent liabilities or guarantees (2014: Nil).

## **CLOSURE OF THE REGISTER OF THE MEMBERS**

The registers of the Company will be closed from Monday, 3rd August 2015 to Wednesday, 5th August 2015, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending the forthcoming annual general meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch 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 Friday, 31st July 2015.

The register of members will also be closed from Wednesday, 12th August 2015 to Friday, 14th August 2015, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the final dividend of HK1 cent per ordinary share, all completed transfer forms accompanied by the relevant share certificates must be lodged with the aforesaid branch for registration no later than 4:30 p.m. Tuesday, 11th August 2015.

## **EMPLOYEES**

As at 31st March 2015, the Group had approximately 194 employees (2014: 215 employees), of which 158 and 36 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and complied with the CG Code throughout the year. A detailed Corporate Governance Report setting out the Group's framework and explanations about how the provisions of the CG Code have been applied will be included in the Company's Annual Report 2014/15.

## **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 year.

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 consolidated financial statements for the year ended 31st March 2015 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, 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, 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, 28th May 2015

*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 Annual 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 July 2015.*