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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 2012

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 2012 as follows:

CONSOLIDATED INCOME STATEMENT

	Notes	Year ended 31st March	
		2012 HK\$'000	2011 HK\$'000
Turnover	3	224,183	200,188
Cost of goods sold	4	(95,803)	(96,099)
Gross profit		128,380	104,089
Other income		4,254	2,955
Selling and distribution costs	4	(51,426)	(45,896)
Administrative expenses	4	(40,250)	(33,974)
Operating profit		40,958	27,174
Share of loss of associates		(822)	–
Profit before income tax		40,136	27,174
Income tax expense	9	(7,555)	(6,768)
Profit for the year		32,581	20,406
Profit attributable to:			
Equity holders of the Company		32,581	20,406
Earnings per share attributable to equity holders of the Company during the year (expressed in HK cents per share)			
— Basic and diluted	10	8.1	5.1
Dividends	11	16,000	11,000

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31st March	
	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the year	32,581	20,406
Other comprehensive income:		
Currency translation differences	1,459	1,397
Actuarial (losses)/gains on long service payment obligations	<u>(125)</u>	<u>5</u>
Total comprehensive income for the year	<u>33,915</u>	<u>21,808</u>
Attributable to:		
Equity holders of the Company	<u>33,915</u>	<u>21,808</u>

CONSOLIDATED BALANCE SHEET

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

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, Chapter 22 (Law 3 of 1961, as consolidated and revised) 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, and has been approved for issue by the Board of Directors on 30th May 2012.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements 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 statements of the Group have 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 Listing Rules. These consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group’s accounting policies.

(a) New and amended standards adopted by the Group

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

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

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

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

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

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 in order to allocate resources to segments and assess their performance.

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

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

The Group's turnover and results provided to the Executive Committee for the reporting segments for the year ended 31st March 2012 are as follows:

	Media Business		
	Hong Kong <i>HK\$'000</i>	Mainland China <i>HK\$'000</i>	Total <i>HK\$'000</i>
Turnover	<u>183,443</u>	<u>40,740</u>	<u>224,183</u>
Segment profit/(loss) before income tax	<u>62,957</u>	<u>(10,292)</u>	<u>52,665</u>
Unallocated expenses			<u>(11,707)</u>
Operating profit			<u>40,958</u>
Share of loss of associates			<u>(822)</u>
Profit before income tax			<u>40,136</u>
Income tax (expense)/credit	<u>(8,361)</u>	<u>806</u>	<u>(7,555)</u>
Profit for the year			<u>32,581</u>
Other information:			
Interest income	<u>552</u>	<u>337</u>	<u>889</u>
Depreciation of property, plant and equipment	<u>797</u>	<u>897</u>	<u>1,694</u>
Amortisation of intangible assets	<u>75</u>	<u>25</u>	<u>100</u>

The Group's turnover and results provided to the Executive Committee for the reporting segments for the year ended 31st March 2011 are as follows:

	Media Business		
	Hong Kong <i>HK\$'000</i>	Mainland China <i>HK\$'000</i>	Total <i>HK\$'000</i>
Turnover	<u>164,693</u>	<u>35,495</u>	<u>200,188</u>
Segment profit/(loss) before income tax	<u>50,528</u>	<u>(14,138)</u>	<u>36,390</u>
Unallocated expenses			<u>(9,216)</u>
Profit before income tax			<u>27,174</u>
Income tax expense	<u>(6,768)</u>	<u>–</u>	<u>(6,768)</u>
Profit for the year			<u>20,406</u>
Other information:			
Interest income	<u>336</u>	<u>50</u>	<u>386</u>
Depreciation of property, plant and equipment	<u>1,173</u>	<u>748</u>	<u>1,921</u>
Amortisation of intangible assets	<u>33</u>	<u>11</u>	<u>44</u>

The segment assets and liabilities as at 31st March 2012 are as follows:

	Hong Kong	Mainland			
	HK\$'000	China	Eliminations	Unallocated	Group
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Total assets	283,196	69,633	(154,924)	807	198,712
Total assets include:					
— Interests in associates	985	24,993	–	–	25,978
— Additions to non-current assets (other than deferred income tax assets and interests in associates)	1,996	963	–	–	2,959
Total liabilities	<u>(23,368)</u>	<u>(163,116)</u>	<u>154,924</u>	<u>(866)</u>	<u>(32,426)</u>

The segment assets and liabilities as at 31st March 2011 are as follows:

	Hong Kong	Mainland			
	HK\$'000	China	Eliminations	Unallocated	Group
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Total assets	249,145	58,347	(131,341)	51	176,202
Total assets include:					
— Additions to non-current assets (other than deferred income tax assets)	470	1,530	–	–	2,000
Total liabilities	<u>(16,537)</u>	<u>(144,273)</u>	<u>131,341</u>	<u>(2,762)</u>	<u>(32,231)</u>

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

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 Company is domiciled in the Cayman Islands while the Group mainly operates its business in Hong Kong and Mainland China. The breakdown of the total of revenue from external customers from these two places was disclosed above.

The total of non-current assets located in Hong Kong is HK\$4,379,000 (2011: HK\$4,976,000) and the total of these non-current assets located in Mainland China is HK\$30,012,000 (2011: HK\$2,119,000).

No revenue derived from a single customer is 10% or more of the combined revenue of all operating segments (2011: Nil).

4 EXPENSES BY NATURE

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

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Depreciation of property, plant and equipment	1,694	1,921
Amortisation of intangible assets	100	44
Employee benefit expense (including directors' emoluments)	66,330	61,740
Paper consumed	20,034	19,676
Occupancy costs	4,352	3,953
Auditor's remuneration	1,098	951
	<u>1,098</u>	<u>951</u>

5 INTERESTS IN ASSOCIATES

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

Notes:

- (a) On 30th September 2011, the Group acquired all the shares in Media Connect Investment Limited from a fellow subsidiary, which in turn holds approximately 24.97% interest in ByRead Inc., for a cash consideration of HK\$25,800,000.
- (b) On 1st February 2012, the Group subscribed for 10% of the entire issued share capital as enlarged by the subscription of the shares in Blackpaper Limited at the investment cost of HK\$1,000,000. Although the Group holds less than 20% of the equity shares of this company, the Group exercises significant influence by virtue of its contractual right to nominate and remove one director out of the four directors, all having equal voting rights, which form the board of directors of this company. In addition, the Group has the power to participate in the financial and operating policy decisions of this company.
- (c) As at 31st March 2012, interest in ByRead Inc. included goodwill, trademark and customer list identified from the acquisition of ByRead Inc. of HK\$20,822,000, HK\$2,940,000 and HK\$711,000 respectively. The useful lives for trademark and customer list are 30 years and 5 years respectively.

Particulars of the Group's associates are as follows:

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

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

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

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

6 TRADE AND OTHER RECEIVABLES

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Trade receivables	53,022	45,418
Less: provision for impairment of trade receivables	<u>(66)</u>	<u>–</u>
Trade receivables — net	52,956	45,418
Prepayments and deposits — net	<u>4,625</u>	<u>4,850</u>
	<u>57,581</u>	<u>50,268</u>

The carrying amounts of trade and other receivables approximate their fair values.

The Group allows in general a credit period ranging from 30 days to 120 days to its trade customers. At 31st March 2012 and 2011, the ageing analysis of the Group's trade receivables by invoice date, net of impairment provision, is as follows:

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
0 to 60 days	31,090	25,571
61 to 120 days	13,506	11,890
121 to 180 days	6,254	4,942
Over 180 days	<u>2,106</u>	<u>3,015</u>
	<u>52,956</u>	<u>45,418</u>

7 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 2010, 2011 and 2012	<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 (2011: 4,000 million shares) with a par value of HK\$0.001 per share (2011: HK\$0.001). All issued shares are fully paid.

8 TRADE AND OTHER PAYABLES AND AMOUNTS DUE TO FELLOW SUBSIDIARIES

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Trade payables	7,114	6,375
Accrued expenses and receipts in advance	<u>20,718</u>	<u>17,055</u>
	27,832	23,430
Amounts due to fellow subsidiaries	<u>3,611</u>	<u>6,039</u>
	<u>31,443</u>	<u>29,469</u>

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

At 31st March 2012 and 2011, the ageing analysis of the trade payables by invoice date is as follows:

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
0 to 60 days	6,438	5,927
61 to 120 days	638	413
121 to 180 days	27	14
Over 180 days	<u>11</u>	<u>21</u>
	<u>7,114</u>	<u>6,375</u>

9 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2011: 16.5%) on the estimated assessable profit during the year ended 31st March 2012.

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

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Hong Kong profits tax		
— Current income tax	(8,161)	(6,860)
Deferred income tax		
— Current deferred income tax credit	<u>606</u>	<u>92</u>
	<u>(7,555)</u>	<u>(6,768)</u>

10 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 year.

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Profit attributable to equity holders of the Company	<u>32,581</u>	<u>20,406</u>
Number of ordinary shares in issue (<i>in thousands</i>)	<u>400,000</u>	<u>400,000</u>
Basic earnings per share (<i>HK cents per share</i>)	<u><u>8.1</u></u>	<u><u>5.1</u></u>

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

11 DIVIDENDS

Dividends paid during the year:

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

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

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Interim dividend of HK0.9 cent (2011: HK0.75 cent) per ordinary share	3,600	3,000
Proposed final dividend of HK4 cents (2011: HK2 cents) per ordinary share	<u>16,000</u>	<u>8,000</u>
	<u>19,600</u>	<u>11,000</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Results Summary

The Group's turnover and profit attained record highs for the financial year ended 31st March 2012 since the Company's IPO. Advertising spending, especially by the illustrious brands and purveyors of luxury goods, continued to rise driven by the steady economic growth in Hong Kong and Mainland China. This year's satisfactory results also reflected the success in adopting a new corporate strategy and reallocating corporate resources to business with greater potential during the year.

Turnover of the Group for the year ended 31st March 2012 amounted to HK\$224,183,000, representing a 12% increase from that of the previous financial year. Gross profit rose by 23% year-on-year to HK\$128,380,000, with gross profit margin improved to 57% from 52% in the previous financial year. Profit attributable to equity holders of the Company for the year under review amounted to HK\$32,581,000, representing an upsurge of 60% from that of the previous financial year. The significant growth in profit attributable to equity holders was mainly due to the increase in advertising income, particularly in the third quarter which is traditionally the best season for the entire financial year.

Review of Operations

Hong Kong

The turnover of the Group's operations in Hong Kong was able to maintain a healthy growth of 11% to HK\$183,443,000, contributed by the satisfactory growth in "*Ming Pao Weekly 明報周刊*" ("MP Weekly") and "*Top Gear 極速誌*" ("Top Gear Hong Kong"), despite the discontinued publication of "*Hi-Tech Weekly 數碼誌尚*" since 1st March 2011 as part of the Group's operations restructuring process. The profit of the Group's operations in Hong Kong rose by 25% to HK\$62,957,000, reflecting the success in adopting a new corporate strategy and reallocating corporate resources with greater potential during the year.

During the year under review, the Group continued to strengthen MP Weekly's position as a lifestyle and entertainment magazine targeting the high-income group, and Top Gear Hong Kong as a popular automobile magazine with international editorial backing. This coupled with the Group's successful tapping into the retail sales boom in Hong Kong elevated the advertising revenue of MP Weekly and Top Gear Hong Kong. Moreover, Top Gear Hong Kong, being a branded international automobile magazine for the local market, continued to attract advertisers of up-market products in addition to motor-related goods and maintain contract publishing services to premium brands. Under contract publishing, the Group produces publications covering specific topics meeting the requirements of its clients.

The Group launched its first watch magazine — "*MING Watch 明錶*" ("MING Watch") during the year under review. Supported by a strong editorial team, MING Watch is a professional bimonthly watch magazine offering feature stories as well as the latest development trend of the industry. Leveraging its unique positioning, MING Watch has secured a number of prestigious brands as advertisers and started to contribute to the Group's profit for the year ended 31st March 2012. In addition to print format, MING Watch is also available via

multimedia platforms including the Internet and other electronic devices such as iPad. The Group expects this watch magazine will be popular and continue to contribute profit to the Group.

“*Travel Planner* 港澳台自由行專輯” (“Travel Planner”), a new travel guide under the Group made its debut in November 2011. This new bimonthly guidebook caters for travellers who want to explore and get a real taste of Hong Kong, Macau and Taiwan. It introduces indigenous culture, heritage sites and exotic food, in addition to being a shopping guide with special features. Travel Planner is geared towards the mass market, thus complementing “*Hong Kong Voyage* 優遊香港”, another guidebook of the Group which targets the high-end market and is published in February, May and October for the three main holiday seasons of Mainland China. With these two travel guides, the Group is able to tap into the entire spectrum of the retail continuum, thereby attracting a wide range of advertisers.

Mainland China

The Group’s Mainland China operations made a remarkable improvement in its operating results for the year ended 31st March 2012. Turnover rose by 15% year-on-year to HK\$40,740,000, while segment loss was significantly lowered by 27% to HK\$10,292,000.

The encouraging results were mainly attributable to the outstanding performance of “*Top Gear* 汽車測試報告” (“Top Gear China”), which recorded substantial increase in advertising revenue driven by a robust automobile industry in Mainland China as well as tailor-made advertising packages that combine innovative designs and advertorials. Readership and advertising income of “*Popular Science* 科技新時代”, a science and technology magazine, remained stable during the year under review. Starting from March 2012, the Group ceased the operation of “*MING* 明日風尚”, with a view to better reallocating its resources to focus on existing businesses and new products with greater potential.

Digital Media Investment

With the continued roll-out and increasing popularity of innovative electronic media devices, digital media will become an important product to attract and secure advertising spending in future. To leverage the growing trend of digital media to expand its advertising revenue and to position itself as a multimedia provider in the Greater China region, the Group made several related investments during the year.

On 30th September 2011, the Group completed the acquisition of 24.97% equity interest in ByRead group of companies (“ByRead Group”) for HK\$25,800,000 from its parent company, Media Chinese International Limited. ByRead Group is one of the leading mobile reading platform providers in Mainland China, with registered users increasing to approximately 46 million up to end of March 2012. ByRead Group has been granted various awards including the fifteenth ranking in “The 7th China Mobile Internet Application Top 50 Corporates Awards” hosted by SF Forum, Great Wall Club and CSDN. It was also ranked the fifth under Network Application Category and tenth under General Application Category in “2011 China Mobile Internet of the Year Awards” hosted by Sohu.com Inc. These achievements represent the recognition of the technologies and services of ByRead Group among the industry and the public.

The Group has also acquired from its parent company *hihoku*, an online platform providing quality entertainment content. With 500,000 views a day, *hihoku* is currently targeting at the Chinese communities in Mainland China. The Group intends to expand *hihoku*'s target audience to Hong Kong and Taiwan in the future. Through *hihoku*, the Group aims to develop a multimedia entertainment platform in the Greater China region.

In November 2011, the Group launched *Partyline*, a social networking application providing live coverage of the hottest events in town, including fashion show parties of illustrious brands and private parties of well-known celebrities etc. Powered by MP Weekly, *Partyline* is one of the latest products the Group introduced under the MP Weekly brand as part of its initiative to establish MP Weekly as a multimedia platform, through which the Group can cross-market its various editorial products.

Outlook

The operating environment in 2012 remains challenging, as the markets in which the Group operates will continue to be affected by inflation and global economic uncertainties.

Despite the market uncertainty, the Group is cautiously optimistic about its business performance. With the completion of its operations restructuring, the Group will continue to improve the operation efficiency and will also consider acquisition of related business that will complement or create synergistic benefits with the new products or investments.

The Group aims to create multimedia platforms, catering to the needs of different market segments through the effective use of its resources and quality contents in the Greater China region. By doing so, the Group intends to develop into a major multimedia provider of news, lifestyle and infotainment content in the Greater China region as well as broaden its source of revenue and improve its bottom line.

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, 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 2012, the Group did not have any material contingent liabilities or guarantees (2011: Nil).

CLOSURE OF THE REGISTER OF THE MEMBERS

The registers of the Company will be closed from Friday, 24th August 2012 to Tuesday, 28th August 2012, 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 transfer of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 23rd August 2012.

The register of members will also be closed from Monday, 3rd September 2012 to Wednesday, 5th September 2012, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the final dividend of HK4 cents 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. Friday, 31st August 2012.

EMPLOYEES

As at 31st March 2012, the Group has approximately 225 employees (2011: 226 employees), of which 143 and 82 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

As at 31st March 2012, the Company has adopted the code provisions set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on the HK Stock Exchange (the "Listing Rules") and complied with the CG Code throughout the year, except for the deviation from code provision E.1.2 of the CG Code.

Code provision E.1.2 stipulates that the chairman of the board should attend the annual general meeting. Due to other commitment, Mr. TIONG Kiu King, the late Chairman of the Board of Directors, was unable to attend the annual general meeting of the Company held on 23rd August 2011. In his absence, Mr. TIONG Kiew Chiong, the executive director and Deputy Chairman of the Company attended and took the chair of the said annual general meeting and ensured that proceedings of the meeting were conducted in order. The Company considers that sufficient measures have been taken to ensure that Company's corporate governance practices are no less exacting than those in the CG Code.

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 2011/12.

COMPLIANCE OF THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

As at 31st March 2012, 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 price sensitive 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. SIT Kien Ping, Peter and Mr. TAN Hock Seng, Peter. The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31st March 2012 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. SIT Kien Ping, Peter and Mr. TAN Hock Seng, Peter 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. SIT Kien Ping, Peter and Mr. TAN Hock Seng, Peter and one executive Director, namely, Mr. TIONG Kiew Chiong.

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

Hong Kong, 30th May 2012

As at the date of this announcement, the board of the Company comprises Tan Sri Datuk Sir TIONG Hiew King, being non-executive director; Mr. TIONG Kiew Chiong and Mr. LAM Pak Cheong, being executive directors; and Mr. YU Hon To, David, Mr. SIT Kien Ping, Peter and Mr. TAN Hock Seng, Peter, being independent non-executive directors.