

万 华 媒 体 ONEMEDIAGROUP

ONE MEDIA GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 426)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST MARCH 2007

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 2007 as follows:

CONSOLIDATED INCOME STATEMENT

		Year ended 31st March	
		2007	2006
		<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>Notes</i>		
Revenue	3	219,429	187,975
Cost of goods sold	4	<u>(125,096)</u>	<u>(108,309)</u>
Gross profit		94,333	79,666
Other income	3	3,299	1,645
Selling and distribution costs	4	(56,755)	(49,449)
Administrative expenses	4	<u>(35,419)</u>	<u>(26,447)</u>
Operating profit		5,458	5,415
Finance costs		<u>–</u>	<u>(306)</u>
Profit before income tax		5,458	5,109
Income tax (expense)/credit	7	<u>(2,381)</u>	<u>1,918</u>
Profit for the year		<u>3,077</u>	<u>7,027</u>
Attributable to:			
Equity holders of the Company		<u>3,077</u>	<u>7,027</u>
Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in HK cents per share)			
– Basic	8	<u>0.77</u>	<u>2.05</u>
– Diluted	8	<u>0.77</u>	<u>2.05</u>
Dividends	9	<u>1,500</u>	<u>1,500</u>

CONSOLIDATED BALANCE SHEET

		<u>As at 31st March</u>	
		2007	2006
<i>Notes</i>		<i>HK\$'000</i>	<i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		9,474	4,461
Goodwill		2,028	2,028
Financial asset at fair value through profit or loss		3,776	–
Deferred income tax assets		1,499	3,739
		<u>16,777</u>	<u>10,228</u>
Current assets			
Inventories		10,989	11,077
Trade and other receivables	5	58,176	52,015
Income tax recoverable		–	2,006
Cash and cash equivalents		91,357	94,120
		<u>160,522</u>	<u>159,218</u>
Total assets		<u><u>177,299</u></u>	<u><u>169,446</u></u>
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	10	400	400
Share premium	10	456,073	456,073
Other reserves		(329,794)	(332,697)
Retained earnings		17,681	16,104
Proposed final dividend		1,500	1,500
Total equity		<u>145,860</u>	<u>141,380</u>

		<u>As at 31st March</u>	
		2007	2006
<i>Notes</i>		<i>HK\$'000</i>	<i>HK\$'000</i>
LIABILITIES			
Non-current liability			
Long service payment liability		78	90
Current liabilities			
Trade and other payables	6	28,126	25,123
Amounts due to fellow subsidiaries		3,142	2,402
Income tax liabilities		93	83
Trust receipt loans, unsecured		–	338
Bank overdrafts		–	30
		<u>31,361</u>	<u>27,976</u>
Total liabilities		<u>31,439</u>	<u>28,066</u>
Total equity and liabilities		<u>177,299</u>	<u>169,446</u>
Net current assets		<u>129,161</u>	<u>131,242</u>
Total assets less current liabilities		<u>145,938</u>	<u>141,470</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

Pursuant to a group reorganisation (the “Reorganisation”) to rationalise the structure of the Group in preparation for the listing of the Company’s shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the Company became the holding company of the companies now comprising the Group on 26th September 2005. Following the completion of the public offering and placing of 100,000,000 shares as set out in the prospectus dated 30th September 2005 issued by the Company (the “Prospectus”), the shares of the Company were listed on the Main Board of the Stock Exchange on 18th October 2005.

The Company is an investment holding company. The principal activities of the Group are publication, marketing and distribution of Chinese language lifestyle magazines.

The Company's consolidated financial statements up to 31st March 2006 had been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). Pursuant to the proposed merger between Ming Pao Enterprise Corporation Limited ("MPE") (the ultimate parent of the Company), Sin Chew Media Corporation Berhad and Nanyang Press Holdings Berhad, MPE decided to prepare its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") for the financial year ended 31st March 2007. The Company prepared its consolidated financial statements in accordance with IFRS with effect from this financial year and convert the comparative financial information for the year ended 31st March 2006 to be in accordance with IFRS.

These consolidated financial statements are presented in thousands of units of Hong Kong dollars (HK\$'000), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 13th July 2007.

The Group resulting from the Reorganisation is regarded as a continuing entity and merger accounting has been adopted. Accordingly, the consolidated income statements and consolidated cash flow statements for the years ended 31st March 2007 and 2006 were prepared as if the current group structure had been in existence throughout the periods. The consolidated balance sheet of the Group as at 31st March 2006 has been prepared to present the assets and liabilities of the Group as at 31st March 2006 as if the current group structure had been in existence at that date.

2 Summary of significant accounting policies

(a) Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with IFRS. IFRS 1, First-time Adoption of IFRS, has been applied in preparing these consolidated financial statements. These consolidated financial statements are the Company's first financial statements to be prepared in accordance with IFRS.

IFRS 1 sets out the procedures that the Group must follow when it adopts IFRS for the first time as the basis for preparing its consolidated financial statements. The Group is required to establish its IFRS accounting policies for the year ended 31st March 2007 and, in general, apply these retrospectively to determine the IFRS opening balance sheet at its date of transition, 1st April 2005. This standard provides a number of optional exemptions to this general principle. Certain exemptions were adopted by the Group.

When preparing the consolidated financial statements, management has adopted the appropriate accounting, valuation and consolidation methods to comply with IFRS. Accordingly, the consolidated financial statements prepared under HKFRS for the year ended 31st March 2006 have been adjusted to reflect those differences between HKFRS and IFRS. The conversion from HKFRS to IFRS did not result in material impact on the Group's cash flows for the year ended 31st March 2006 while its impact on the Group's equity and its net income is disclosed in Note 11.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial asset at fair value through profit or loss.

The preparation of consolidated financial statements in conformity with IFRS 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.

Standards, amendments and interpretations that are not yet effective for the year ended 31st March 2007

The following new standards, amendments and interpretations to existing standards have been published but not yet effective for the year ended 31st March 2007 and which the Group has not early adopted.

IFRS 7, Financial instruments: Disclosures (effective for annual periods beginning on or after 1st January 2007). IFRS 7 introduces new disclosures relating to financial instruments. This standard does not have any material impact on the classification and valuation of the Group's financial instruments;

IFRS 8, Operating segments (effective for annual periods beginning on or after 1st January 2009). IFRS 8 sets out requirements for disclosure of information about an entity's operating segments and also about the entity's products and services, the geographical areas in which it operates and its major customers. The Company is in the process of assessing the impact.

Amendment to IAS 1, Presentation of financial statements - Capital disclosure (effective for annual periods beginning on or after 1st January 2007). The amendment introduces new disclosures for managing capital. This amendment does not have any material impact on the classification of the Group's consolidated financial statements;

IFRIC-Int 8, Scope of IFRS 2 (effective for annual periods beginning on or after 1st May 2006). IFRIC-Int 8 requires consideration of transactions involving the issuance of equity instruments - where the identifiable consideration received is less than the fair value of the equity instruments issued - to establish whether or not they fall within the scope of IFRS 2. IFRIC-Int 8 does not have any impact on the Group's consolidated financial statements;

IFRIC-Int 9, Reassessment of embedded derivatives (effective for annual periods beginning on or after 1st June 2006). IFRIC-Int 9 requires an entity to assess whether an embedded derivatives is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment is required. As the Group's entities have not changed the terms of their contracts. IFRIC-Int 9 does not have any material impact on the Group's consolidated financial statements;

IFRIC-Int 10, Interim financial reporting and impairment (effective for annual periods beginning on or after 1st November 2006). IFRIC-Int 10 prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and investments in financial assets carried at cost to be reversed at a subsequent balance sheet date. The Group will apply IFRIC-Int 10 from 1st April 2007, but it is not expected to have any significant impact on the Group's consolidated financial statements;

IFRIC-Int 11, IFRS 2 – Group and treasury share transactions (effective for annual periods beginning on or after 1st March 2007). IFRIC-Int 11 requires a share-based payment arrangement in which an entity receives goods or services as consideration for its own equity-instruments to be accounted for as an equity-settled share-based payment transaction, regardless of how the equity instruments needed are obtained. IFRIC-Int 11 also provides guidance on whether share-based payment arrangements, in which suppliers of goods or services of an entity are provided with equity instruments of the entity's parent, should be accounted for as cash-settled or equity-settled in the entity's financial statements. IFRIC-Int 11 is not expected to have a material impact on the Group's consolidated financial statements;

IFRIC-Int 12, Service concession arrangements (effective for annual periods beginning on or after 1st January 2008). IFRIC-Int 12 provides guidance on the accounting by operations for public-to-private service concession arrangements. As the Group does not have any public-to-private service concession arrangements, IFRIC-Int 12 is not relevant to the Group's operations.

3 Segment information

Primary reporting format – geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets and capital expenditure are based on the geographical location of the assets.

The Group operates mainly in two geographical areas, Hong Kong and Mainland China. The segment results for the year ended 31st March 2007 are as follows:

	Hong Kong <i>HK\$'000</i>	Mainland China <i>HK\$'000</i>	Group <i>HK\$'000</i>
Revenue	<u>179,586</u>	<u>39,843</u>	<u>219,429</u>
Segment results	<u>27,985</u>	<u>(14,875)</u>	13,110
Other income			3,299
Unallocated expenses			<u>(10,951)</u>
Profit before income tax			5,458
Income tax expense (<i>Note 7</i>)			<u>(2,381)</u>
Profit for the year			<u>3,077</u>

The segment results for the year ended 31st March 2006 are as follows:

	Hong Kong <i>HK\$'000</i>	Mainland China <i>HK\$'000</i>	Group <i>HK\$'000</i>
Revenue	<u>171,882</u>	<u>16,093</u>	<u>187,975</u>
Segment results	<u>26,945</u>	<u>(14,959)</u>	11,986
Other income			1,645
Unallocated expenses			(8,216)
Finance costs			<u>(306)</u>
Profit before income tax			5,109
Income tax credit (<i>Note 7</i>)			<u>1,918</u>
Profit for the year			<u>7,027</u>

Other segment items included in the consolidated income statements are as follows:

	Year ended 31st March 2007			Year ended 31st March 2006		
		Mainland			Mainland	
	Hong Kong <i>HK\$'000</i>	China <i>HK\$'000</i>	Group <i>HK\$'000</i>	Hong Kong <i>HK\$'000</i>	China <i>HK\$'000</i>	Group <i>HK\$'000</i>
Depreciation	1,779	735	2,514	909	459	1,368
Impairment of trade receivables	423	266	689	417	187	604

The segment assets and liabilities at 31st March 2007 and capital expenditures for the year then ended are as follows:

	Hong Kong	Mainland	Eliminations	Unallocated	Group
	<i>HK\$'000</i>	China <i>HK\$'000</i>			
Assets	192,449	33,498	(50,147)	1,499	177,299
Liabilities	(22,934)	(58,559)	50,147	(93)	(31,439)
Capital expenditure	<u>6,020</u>	<u>1,391</u>	<u>-</u>	<u>-</u>	<u>7,411</u>

The segment assets and liabilities at 31st March 2006 and capital expenditures for the year then ended are as follows:

	Hong Kong	Mainland	Eliminations	Unallocated	Group
	<i>HK\$'000</i>	China <i>HK\$'000</i>			
Assets	169,506	19,685	(25,490)	5,745	169,446
Liabilities	(23,350)	(30,123)	25,490	(83)	(28,066)
Capital expenditure	<u>848</u>	<u>2,389</u>	<u>-</u>	<u>-</u>	<u>3,237</u>

Segment assets consist primarily of property, plant and equipment, goodwill, inventories, financial asset at fair value through profit or loss, 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 income tax liabilities.

Capital expenditure comprises additions to property, plant and equipment.

Secondary reporting format – business segments

No business segment analysis is presented as the Group has been operating in a single business segment, which is publication, marketing and distribution of Chinese language lifestyle magazines, throughout the years ended 31st March 2007 and 2006.

4 Expenses by nature

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

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Depreciation	2,514	1,368
Employee benefit expense (including Directors' emoluments)	63,337	53,855
Raw materials used	69,281	47,786
Loss on disposal of property, plant and equipment	30	34
Occupancy costs	3,867	2,993
Auditor's remuneration	795	802
Others	77,446	77,367
	<u>217,270</u>	<u>184,205</u>

5 Trade and other receivables

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

The Group allows in general a credit period ranging from 60 days to 120 days to its trade customers. At 31st March 2007 and 2006, the ageing analysis of the Group's net trade receivable, net of impairment provision, was as follows:

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
0 to 60 days	29,347	24,422
61 to 120 days	14,337	13,408
121 to 180 days	6,089	6,394
Over 180 days	3,015	984
	<u>52,788</u>	<u>45,208</u>

There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers.

The Group has recognised a loss of HK\$689,000 (2006: HK\$604,000) for the impairment of its trade receivables during the year ended 31st March 2007. The loss has been included in selling and distribution costs in the consolidated income statement.

6 Trade and other payables

At 31st March 2007 and 2006, the ageing analysis of the trade payables was as follows:

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
0 to 60 days	8,092	8,660
61 to 120 days	667	2,340
121 to 180 days	674	196
Over 180 days	274	128
	<u>9,707</u>	<u>11,324</u>

7 Income tax (expense)/credit

No provision for Hong Kong profits tax has been made as the Group has available tax losses brought forward from prior years to offset the assessable profits generated during the year (2006: 17.5%).

No provision for the People's Republic of China (the "PRC") enterprise income tax has been made as the Group has no assessable profits generated during the year ended 31st March 2007. The PRC enterprise income tax was provided at the applicable rates between 7.5% and 33% on the profit of the Group's operations in the PRC during the year ended 31st March 2006, in accordance with the income tax laws of the PRC for foreign-invested enterprises and domestic companies.

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Hong Kong profits tax		
– current income tax	–	(2,316)
– underprovisions in prior years	(132)	(35)
PRC enterprise income tax		
– current income tax	–	(83)
– (under)/over provisions in prior years	(8)	372
Deferred income tax		
– current deferred income tax (charge)/credit	<u>(2,241)</u>	<u>3,980</u>
	<u>(2,381)</u>	<u>1,918</u>

8 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Profit attributable to equity holders of the Company	<u>3,077</u>	<u>7,027</u>
Weighted average number of ordinary shares in issue (in thousands)	<u>400,000</u>	<u>343,011</u>
Basic earnings per share (HK cents per share)	<u>0.77</u>	<u>2.05</u>

The calculation of basic earnings per share for the year is based on the Group's profit attributable to the equity holders of the Company and the weighted average number of ordinary shares.

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

9 Dividends

No dividends were paid in 2007 and HK\$1,500,000 (HK0.375 cent per share) of dividend was paid in 2006. A dividend in respect of the year ended 31st March 2007 of HK0.375 cent per share, amounted to a total dividend of HK\$1,500,000 is to be proposed at the Annual General Meeting on 7th September 2007. Upon approval by the shareholders of the Company, the final dividend will be paid on 14th September 2007. These consolidated financial statements do not reflect this dividend payable but account for it as proposed dividend.

	2007 HK\$'000	2006 HK\$'000
Proposed final dividend of HK0.375 cent (2006: HK0.375 cent) per ordinary share	<u>1,500</u>	<u>1,500</u>

10 Share capital

	Number of shares <i>(in thousands)</i>	Ordinary shares HK\$'000	Share premium HK\$'000	Total HK\$'000
At 1st April 2005	1,000	1	–	1
Issuance of shares for				
Reorganisation (<i>Note (a)</i>)	299,000	299	353,106	353,405
Issuance of shares for IPO (<i>Note (b)</i>)	<u>100,000</u>	<u>100</u>	<u>102,967</u>	<u>103,067</u>
At 31st March 2006 and 2007	<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 (2006: 4,000 million shares) with a par value of HK\$0.001 per share (2006: HK\$0.001). All issued shares are fully paid.

Notes:

- (a) On 26th September 2005, the Company allotted and issued 294,500,000 shares to its immediate holding company credited as fully paid in consideration of the transfer of the entire issued share capital of its subsidiary to the Company. On the same date, the Company allotted and issued 3,000,000 shares to Venture Logic Investments Limited and 1,500,000 shares to Alpha Media Consultants Limited for cash at par pursuant to the exercise of the options granted.
- (b) The Company issued 100,000,000 shares at HK\$1.2 per share by way of public offer and placing in October 2005. The shares of the Company were listed on the Main Board of the Stock Exchange on 18th October 2005. Share issuance costs of HK\$17,088,000 were offset against the share premium at the date of listing.

11 Reconciliation of equity and profit from HKFRS to IFRS

(a) Reconciliation of equity as at 31st March 2005 (Date of transition to IFRS) – Group

	<i>Notes</i>	HKFRS <i>HK\$'000</i>	Effects of conversion to IFRS <i>HK\$'000</i>	IFRS <i>HK\$'000</i>
ASSETS				
Non-current assets				
Property, plant and equipment		2,626	–	2,626
Goodwill		2,028	–	2,028
Defined benefit plan's assets	(i)	924	(924)	–
		<u>5,578</u>	<u>(924)</u>	<u>4,654</u>
Current assets				
Inventories		2,059	–	2,059
Trade and other receivables		49,220	–	49,220
Cash and cash equivalents		8,175	–	8,175
		<u>59,454</u>	<u>–</u>	<u>59,454</u>
Total assets		<u><u>65,032</u></u>	<u><u>(924)</u></u>	<u><u>64,108</u></u>
EQUITY				
Capital and reserves attributable to the Company's equity holders				
Share capital		1	–	1
Other reserves		11,221	–	11,221
Retained earnings	(i)	11,501	(924)	10,577
Total equity		<u>22,723</u>	<u>(924)</u>	<u>21,799</u>
LIABILITIES				
Non-current liabilities				
Long service payment liability		9	–	9
Deferred income tax liabilities		241	–	241
		<u>250</u>	<u>–</u>	<u>250</u>
Current liabilities				
Trade and other payables		12,397	–	12,397
Amount due to the immediate holding company		3,339	–	3,339
Amounts due to fellow subsidiaries		1,838	–	1,838
Dividend payable		22,000	–	22,000
Income tax liabilities		2,485	–	2,485
		<u>42,059</u>	<u>–</u>	<u>42,059</u>
Total liabilities		<u>42,309</u>	<u>–</u>	<u>42,309</u>
Total equity and liabilities		<u><u>65,032</u></u>	<u><u>(924)</u></u>	<u><u>64,108</u></u>
Net current assets		<u>17,395</u>	<u>–</u>	<u>17,395</u>
Total assets less current liabilities		<u><u>22,973</u></u>	<u><u>(924)</u></u>	<u><u>22,049</u></u>

(b) Reconciliation of equity as at 31st March 2006 – Group

		HKFRS	Effects of	IFRS
	<i>Notes</i>	<i>HK\$'000</i>	<i>conversion</i>	<i>HK\$'000</i>
			to IFRS	HK\$'000
			<i>HK\$'000</i>	
ASSETS				
Non-current assets				
Property, plant and equipment		4,461	–	4,461
Goodwill		2,028	–	2,028
Defined benefit plan's assets	(i)	919	(919)	–
Long service payment assets	(ii)	13	(13)	–
Deferred income tax assets		3,739	–	3,739
		<u>11,160</u>	<u>(932)</u>	<u>10,228</u>
Current assets				
Inventories		11,077	–	11,077
Trade and other receivables		52,015	–	52,015
Income tax recoverable		2,006	–	2,006
Cash and cash equivalents		94,120	–	94,120
		<u>159,218</u>	<u>–</u>	<u>159,218</u>
Total assets		<u>170,378</u>	<u>(932)</u>	<u>169,446</u>
EQUITY				
Capital and reserves attributable to the Company's equity holders				
Share capital		400	–	400
Share premium	(iii)	111,373	344,700	456,073
Other reserves	(ii), (iii)	12,106	(344,803)	(332,697)
Retained earnings	(i)	17,023	(919)	16,104
Proposed final dividend		1,500	–	1,500
		<u>142,402</u>	<u>(1,022)</u>	<u>141,380</u>
Total equity		<u>142,402</u>	<u>(1,022)</u>	<u>141,380</u>
LIABILITIES				
Non-current liability				
Long service payment liability	(ii)	–	90	90
		<u>–</u>	<u>90</u>	<u>90</u>
Current liabilities				
Trade and other payables		25,123	–	25,123
Amounts due to fellow subsidiaries		2,402	–	2,402
Income tax liabilities		83	–	83
Trust receipt loans, unsecured		338	–	338
Bank overdrafts		30	–	30
		<u>27,976</u>	<u>–</u>	<u>27,976</u>
Total liabilities		<u>27,976</u>	<u>90</u>	<u>28,066</u>
Total equity and liabilities		<u>170,378</u>	<u>(932)</u>	<u>169,446</u>
Net current assets		<u>131,242</u>	<u>–</u>	<u>131,242</u>
Total assets less current liabilities		<u>142,402</u>	<u>(932)</u>	<u>141,470</u>

(c) Reconciliation of profit for the year ended at 31st March 2006 – Group

	<i>Notes</i>	HKFRS <i>HK\$'000</i>	Effects of conversion to IFRS <i>HK\$'000</i>	IFRS <i>HK\$'000</i>
Revenue		187,975	–	187,975
Cost of goods sold		<u>(108,309)</u>	<u>–</u>	<u>(108,309)</u>
Gross profit		79,666	–	79,666
Other income		1,645	–	1,645
Selling and distribution costs		(49,449)	–	(49,449)
Administrative expenses	(i)	<u>(26,452)</u>	<u>5</u>	<u>(26,447)</u>
Operating profit		5,410	5	5,415
Finance costs		<u>(306)</u>	<u>–</u>	<u>(306)</u>
Profit before income tax		5,104	5	5,109
Income tax credit		<u>1,918</u>	<u>–</u>	<u>1,918</u>
Profit for the year		<u><u>7,022</u></u>	<u><u>5</u></u>	<u><u>7,027</u></u>
Attributable to:				
Equity holders of the Company		<u><u>7,022</u></u>	<u><u>5</u></u>	<u><u>7,027</u></u>
Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in HK cents per share)				
– Basic		<u><u>2.05</u></u>	<u><u>–</u></u>	<u><u>2.05</u></u>
– Diluted		<u><u>2.05</u></u>	<u><u>–</u></u>	<u><u>2.05</u></u>
Dividends		<u><u>1,500</u></u>	<u><u>–</u></u>	<u><u>1,500</u></u>

(d) Reconciliation of equity as at 31st March 2006 (Date of transition to IFRS) – Company

		HKFRS	Effects of	IFRS
	<i>Notes</i>	<i>HK\$'000</i>	<i>conversion</i>	<i>HK\$'000</i>
			to IFRS	HK\$'000
			<i>HK\$'000</i>	
ASSETS				
Non-current assets				
Interests in subsidiaries	(iii)	<u>38,208</u>	<u>344,700</u>	<u>382,908</u>
Current assets				
Other receivables		79	–	79
Cash and cash equivalents		<u>76,287</u>	<u>–</u>	<u>76,287</u>
		<u>76,366</u>	<u>–</u>	<u>76,366</u>
Total assets		<u>114,574</u>	<u>344,700</u>	<u>459,274</u>
EQUITY				
Capital and reserves attributable to the Company's equity holders				
Share capital		400	–	400
Share premium	(iii)	111,373	344,700	456,073
Accumulated losses		(403)	–	(403)
Proposed final dividend		<u>1,500</u>	<u>–</u>	<u>1,500</u>
Total equity		<u>112,870</u>	<u>344,700</u>	<u>457,570</u>
LIABILITIES				
Current liabilities				
Other payables		<u>1,704</u>	<u>–</u>	<u>1,704</u>
Total liabilities		<u>1,704</u>	<u>–</u>	<u>1,704</u>
Total equity and liabilities		<u>114,574</u>	<u>344,700</u>	<u>459,274</u>
Net current assets		<u>74,662</u>	<u>–</u>	<u>74,662</u>
Total assets less current liabilities		<u>112,870</u>	<u>344,700</u>	<u>457,570</u>

Note:

- (i) Under IAS 19 (Amendment) – Employee Benefits, the Group changed from recognising its contributions made to the Defined Benefit Plan as detailed in annual report 2007 from a defined benefit plan to a defined contribution plan since it is sharing the risks associated with the Scheme with the MPE Group. It resulted in a decrease in opening retained earning by HK\$924,000 and HK\$919,000 as at 1st April 2005 and 1st April 2006 respectively. The employee benefit expense also decreased by HK\$5,000 for the year ended 31st March 2006.
- (ii) The adoption of IAS 19 also resulted in a change of recognising the actuarial losses related to the long service payment by HK\$103,000. A change from a long service payment asset amounted to HK\$13,000 to a long service payment liability amounted to HK\$90,000 was also resulted.
- (iii) Under IAS 27 – Consolidated and Separate Financial Statements, the Company measures the cost of its investments in subsidiaries at fair value of shares issued in acquiring the subsidiaries. Previously under HKFRS, the Company recorded its investments in subsidiaries at deemed cost based on the book value of subsidiaries acquired under group reorganisation.

MANAGEMENT DISCUSSION AND ANALYSIS

Results Summary

For the year ended 31st March 2007, the Group reported a consolidated revenue of HK\$219,429,000 (2006: HK\$187,975,000), representing an increase of 17% compared to last year. The result was mainly attributable to an increase in advertising revenue from *Ming Pao Weekly* and “*MING 明日風尚*” (formerly known as “*MING 青春之星*”). The profit before income tax amounted to HK\$5,458,000 (2006: HK\$5,109,000), representing an increase of 7% compared to last year, and the profit after income tax amounted to HK\$3,077,000 (2006: HK\$7,027,000). The decrease in the profit after income tax was mainly due to a one-time deferred tax credit of HK\$3,980,000 recognised last year.

Review of Operations

Hong Kong

The Group currently publishes three titles in Hong Kong, namely *Ming Pao Weekly*, *Hi-Tech Weekly* and *City Children's Weekly*. These titles contributed a combined revenue of HK\$179,586,000 (2006: HK\$171,882,000), representing an increase of 4% compared to last year, while the operating profit increased to HK\$27,985,000 (2006:HK\$26,945,000) as a result of the growth in the combined revenue of the magazines in Hong Kong.

Ming Pao Weekly, the Group's premier entertainment/celebrity/fashion title, achieved one of the highest advertising revenues on record in its thirty nine year history. With the distribution of both the compact and the classic editions of the magazine stable a year after the introduction of the former, it is poised to enjoy unprecedented successes. For the fifth consecutive year, *Ming Pao Weekly* garnered a number of awards given by the Society of Publishers in Asia (SOPA) in recognition of its outstanding editorial quality in the industry.

The Group has successfully introduced new innovative channels to attract additional readers in Hong Kong. For instance, in November 2006, the Group launched the eMag version of *Hi-Tech Weekly*, allowing the magazine's cyber-savvy readership to subscribe to a purely digital version of the title over the Internet. The Group will continue to pursue similar endeavors as they prove to be popular among consumers, broaden our advertiser's reach, and contribute to the financial performance of the Group.

Mainland China

During the year, the Group had the right to sell advertising space in and provide content to magazines in Mainland China, including: “*Popular Science 科技新時代*” (“PopSci”), “*T3 科技新時代*” (“T3”), “*Top Gear 汽車測試報告*” (“TopGear”), “*MING 明日風尚*” (“MING”) and “*Rolling Stone 音樂時空*” (formerly known as “*Rolling Stone 音像世界*”) (“RS”). These titles contributed a revenue of HK\$39,843,000 (2006: HK\$16,093,000) to the Group, representing a 148% increase compared to last year while the operating loss slightly decreased to HK\$14,875,000 (2006:HK\$14,959,000). The loss was mainly attributable to initial start-up costs relating to MING and RS and increasing competitive pressure in the technology publishing sector.

While TopGear and MING enjoyed good years in terms of both advertising revenue and distribution, T3 and RS did not achieve the same levels of success. The Group has made the difficult business decision to discontinue the operation of both T3 and RS. Despite strong readership loyalty, they did not meet the financial expectations of the Group. It is expected that this move will add to overall profitability while freeing up resources to focus on further developing current titles, namely PopSci, TopGear and MING, and seeking new additions to the Group's portfolio.

Outlook

Driven by a robust economy and a solid operating platform, the outlook for the Group is positive and firmly concentrated on growth. Acquisitions remain a central focus for the Group in terms of further expansion in China. The Group will continue to pursue opportunities through acquisition at a fair market value and consider those targets that are China based, media related, earnings positive, synergistic and a compliment to the current business. In addition to actively seeking acquisitions, the Group will also consider licensing its existing titles to other Chinese speaking markets to further enhance its revenue stream and profit contribution.

Exposure to fluctuations in exchange rates

The Group's revenues and costs are mainly denominated in HK dollars, US dollars and Renminbi. Since HK dollars remain pegged to the US dollars and Renminbi has been pegged to a basket of currencies, the Group does not foresee substantial risks from exposure to US dollars and Renminbi in this regard.

Purchase, sale or redemption of 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 2007, the Group did not have any material contingent liabilities or guarantees (2006: Nil).

Closure of the Register of the Members

The register of members will be closed from Monday, 3rd September 2007 to Friday, 7th September 2007, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the final dividend of HK0.375 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 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Friday, 31st August 2007.

Employees

As at 31st March 2007, the Group has approximately 277 employees (2006: 270 employees) of which 157 and 120 were stationed in Hong Kong and in 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 contribution to the local social insurance authorities in accordance with relevant laws and regulations in Mainland China.

Use of proceeds from the Company's initial public offering

The Company issued 100 million shares of HK\$0.001 each at HK\$1.2 per share by way of placing and public offer on 18th October 2005 (as set out in detail in the Prospectus). The net proceeds, after deduction of related issuance expenses, amounted to approximately HK\$102,968,000 ("Net Proceeds"). The Net Proceeds were partially applied during the year ended 31st March 2007 in accordance with the proposed applications set out in the Prospectus as follows:

	Proposed application of Net Proceeds <i>HK\$'000</i>	Actual amount used up to 31st March 2007 <i>HK\$'000</i>
Acquisition of magazine business in the PRC	50,000	–
Sales and marketing activities for new magazines	24,000	6,818
Circulation-related activities of new magazines	12,000	8,097
Repayment of short-term loan	10,000	10,000
General working capital	6,968	5,000
	<u>102,968</u>	<u>29,915</u>

Corporate Governance

As at 31st March 2007, 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 Stock Exchange (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 2007.

Compliance of the Model Code for Directors' Securities Transactions

As at 31st March 2007, 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 enquiry 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 relevant employees 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 has 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 2007 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 two executive Directors, namely, Mr. TIONG Kiew Chiong and Mr. Peter Bush BRACK.

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 two executive Directors, namely, Mr. TIONG Kiew Chiong and Mr. Peter Bush BRACK.

By Order of the Board
TIONG Kiu King
Director

Hong Kong, 13th July 2007

As at the date of this announcement, Mr. TIONG Kiu King, Mr. TIONG Kiew Chiong, Mr. Peter Bush BRACK, Mr. TUNG Siu Ho, Terence and Mr. Robert William Hong-San YUNG are executive directors of the Company. Mr. YU Hon To, David, Mr. SIT Kien Ping, Peter and Mr. TAN Hock Seng, Peter are independent non-executive directors of the Company.

The Company's Annual Report 2007 containing all the information required by the Listing Rules will be published on the Stock Exchange's website in due course and will be dispatched to shareholders before end of July 2007.