

万 华 媒 体 ONEMEDIAGROUP

One Media Group Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 426)

First quarter results announcement For the period ended 30th June 2008

The directors (the “Directors”) of One Media Group Limited (the “Company”) are pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the three months ended 30th June 2008 as follows:

UNAUDITED CONSOLIDATED INCOME STATEMENT

	Notes	(Unaudited) For the three months ended 30th June	
		2008 HK\$'000	2007 HK\$'000
Turnover	2	53,577	51,938
Cost of goods sold		(26,717)	(30,927)
Gross profit		26,860	21,011
Other income	2	477	906
Selling and distribution costs	3	(11,428)	(12,008)
Administrative expenses	3	(8,180)	(7,459)
Profit before income tax		7,729	2,450
Income tax expense	4	(1,883)	(1,113)
Profit for the period		5,846	1,337
Attributable to:			
Equity holders of the Company		5,846	1,337
Earnings per share for profit attributable to the equity holders of the Company during the period (expressed in HK cents per share)			
- Basic and diluted	5	1.46	0.33

UNAUDITED CONSOLIDATED BALANCE SHEET

	(Unaudited) 30th June 2008 HK\$'000	(Audited) 31st March 2008 HK\$'000
ASSETS		
Non-current assets		
Property, plant and equipment	8,988	9,545
Goodwill	2,028	2,028
Financial assets at fair value through profit or loss	4,409	4,409
	15,425	15,982
	15,425	15,982
Current assets		
Inventories	11,609	10,082
Trade and other receivables	58,992	63,666
Cash and cash equivalents	115,914	106,239
	186,515	179,987
	186,515	179,987
Total assets	201,940	195,969
EQUITY		
Capital and reserves attributable to the Company's equity holders		
Share capital	400	400
Share premium	456,073	456,073
Other reserves	(334,599)	(335,562)
Retained earnings	41,547	35,701
Proposed final dividend	4,000	4,000
	167,421	160,612
	167,421	160,612
LIABILITIES		
Non-current liabilities		
Deferred income tax liabilities	474	525
Long service payment liability	140	140
	614	665
	614	665
Current liabilities		
Trade and other payables	23,904	28,176
Amounts due to fellow subsidiaries	4,007	2,456
Income tax liabilities	5,994	4,060
	33,905	34,692
	33,905	34,692
Total liabilities	34,519	35,357
	34,519	35,357
Total equity and liabilities	201,940	195,969
	201,940	195,969
Net current assets	152,610	145,295
	152,610	145,295
Total assets less current liabilities	168,035	161,277
	168,035	161,277

NOTES

1 Basis of preparation

The unaudited consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”). The unaudited consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss.

The preparation of unaudited 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.

The accounting policies used in preparing the unaudited consolidated financial statements are consistent with those used in the Group’s annual financial statements for the year ended 31st March 2008.

2 Segment information

Primary reporting format – geographical segments

The Group operates mainly in two geographical areas, Hong Kong and Mainland China. The segment results for the three months ended 30th June 2008 and 2007 are as follows:

	(Unaudited) Three months ended 30th June					
	Hong Kong		Mainland China		Group	
	2008	2007	2008	2007	2008	2007
	HK\$’000	HK\$’000	HK\$’000	HK\$’000	HK\$’000	HK\$’000
Segment turnover	46,593	43,618	6,984	8,320	53,577	51,938
Segment results	13,881	7,835	(3,904)	(3,123)	9,977	4,712
Other income					477	906
Unallocated expenses (<i>Note</i>)					(2,725)	(3,168)
Profit before income tax					7,729	2,450
Income tax expense					(1,883)	(1,113)
Profit for the period					5,846	1,337

Note: Corporate expenses incurred by the Group in the current period are classified as unallocated expenses.

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 three months ended 30th June 2008 and 2007.

3 Expenses by nature

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

	(Unaudited)	
	Three months ended	
	30th June	
	2008	2007
	HK\$'000	HK\$'000
Depreciation	846	779
Employee benefit expense (including directors' emoluments)	14,902	15,995
Raw materials used	13,549	16,243
Loss on disposal of property, plant and equipment	44	51
Occupancy costs	990	968
Auditor's remuneration	232	216
Others	15,762	16,142
	46,325	50,394

4 Income tax expense

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

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the period ended 30th June 2008. For the period ended 30th June 2007, 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 period ended 30th June 2007.

No provision for the People's Republic of China ("PRC") enterprise income tax has been made as the Group has no assessable profits generated during the period ended 30th June 2008.

	(Unaudited)	
	Three months ended	
	30th June	
	2008	2007
	HK\$'000	HK\$'000
Hong Kong profits tax		
- current income tax charge	(1,934)	-
Deferred income tax		
- current deferred income tax credit/(charge)	51	(1,113)
	(1,883)	(1,113)

5 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 three months ended 30th June 2008.

	(Unaudited)	
	Three months ended	
	30th June	
	2008	2007
	HK\$'000	HK\$'000
Profit attributable to equity holders of the Company	5,846	1,337
Weighted average number of ordinary shares in issue (in thousands)	400,000	400,000
Basic earnings per share (HK cents per share)	1.46	0.33

The calculation of basic earnings per share for the three months ended 30th June 2008 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.

6 Dividends

No dividend has been declared by the board of directors of the Company for the three months ended 30th June 2008 (2007: Nil).

The proposed final dividend of HK1 cent per share, totalling HK\$4,000,000 for the year ended 31st March 2008 was approved by the shareholders at the Annual General Meeting held on 26th August 2008 and this final dividend will be paid on 10th September 2008.

7 Contingent liabilities

As at 30th June 2008, the Group did not have any contingent liabilities or guarantees (2007: Nil).

By Order of the Board
TIONG Kiu King
Director

Hong Kong, 27th August 2008

As at the date of this announcement, Mr. TIONG Kiu King, Mr. TIONG Kiew Chiong and Mr. TUNG Siu Ho, Terence are executive directors of the Company. Mr. Peter Bush BRACK is non-executive director 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.