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ONEMEDIAGROUP

One Media Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 426)

FIRST QUARTER RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30TH JUNE 2009

The directors (the “Directors”) of One Media Group Limited (the “Company”) announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the three months ended 30th June 2009, together with the comparative unaudited consolidated figures for the corresponding period in 2008 as follows:

UNAUDITED CONSOLIDATED INCOME STATEMENT

FOR THE THREE MONTHS ENDED 30TH JUNE 2009

		(Unaudited) Three months ended 30th June	
	<i>Notes</i>	2009 HK\$'000	2008 <i>HK\$'000</i>
Turnover	2	39,873	53,577
Cost of goods sold		<u>(23,390)</u>	<u>(26,717)</u>
Gross profit		16,483	26,860
Other income		835	477
Selling and distribution costs		(11,050)	(11,428)
Administrative expenses		<u>(8,260)</u>	<u>(8,180)</u>
(Loss)/profit before income tax	3	(1,992)	7,729
Income tax expense	4	<u>(403)</u>	<u>(1,883)</u>
(Loss)/profit for the period		<u>(2,395)</u>	<u>5,846</u>
Attributable to:			
Equity holders of the Company		<u>(2,395)</u>	<u>5,846</u>
(Loss)/earnings per share attributable to the equity holders of the Company during the period (expressed in HK cents per share)			
- Basic and diluted	5	<u>(0.60)</u>	<u>1.46</u>

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 30TH JUNE 2009

	(Unaudited)	
	Three months ended	
	30th June	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
(Loss)/profit for the period	(2,395)	5,846
Other comprehensive income, net of tax		
Currency translation differences	(321)	737
Total comprehensive (expenses)/income for the period	<u>(2,716)</u>	<u>6,583</u>
Attributable to:		
Equity holders of the Company	<u>(2,716)</u>	<u>6,583</u>

UNAUDITED CONSOLIDATED BALANCE SHEET
AS AT 30TH JUNE 2009

	(Unaudited) 30th June 2009 HK\$'000	(Audited) 31st March 2009 HK\$'000
<i>Notes</i>		
ASSETS		
Non-current assets		
Property, plant and equipment	6,278	7,008
Intangible assets	2,157	2,165
Financial assets at fair value through profit or loss	-	-
	8,435	9,173
Current assets		
Inventories	13,250	11,910
Trade and other receivables	47,004	44,147
Cash and cash equivalents	121,966	125,951
	182,220	182,008
Total assets	190,655	191,181
EQUITY		
Capital and reserves attributable to the Company's equity holders		
Share capital	400	400
Share premium	456,073	456,073
Other reserves	(335,012)	(334,809)
Retained earnings		
- Proposed dividend	6 4,600	4,600
- Others	37,703	40,098
	163,764	166,362
Total equity	163,764	166,362
LIABILITIES		
Non-current liabilities		
Deferred income tax liabilities	221	303
Long service payment liability	649	649
	870	952
Current liabilities		
Trade and other payables	22,624	21,108
Amounts due to fellow subsidiaries	1,659	1,508
Income tax liabilities	1,738	1,251
	26,021	23,867
Total liabilities	26,891	24,819
Total equity and liabilities	190,655	191,181
Net current assets	156,199	158,141
Total assets less current liabilities	164,634	167,314

NOTES

1 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

(a) Basic of preparation

The unaudited consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRSs”). 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 IFRSs 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.

This first quarter results announcement should be read in conjunction with the audited annual financial statements for the year ended 31st March 2009.

(b) Accounting policies

The accounting policies adopted are consistent with those used in the consolidated financial statements of the Group for the year ended 31st March 2009 with the addition of the following standards, amendments and interpretations which are relevant to the Group’s operations and are mandatory for the financial year ending 31st March 2010:

IFRS 8 Operating Segments (effective for annual periods beginning on or after 1st January 2009) - IFRS 8 replaces IAS 14 Segment Reporting. It requires a management approach under which segment information is presented on the same basis as that used for internal reporting purpose and in a consistent manner with the internal reporting provided to the chief operating decision maker. This has resulted in a redesignation of the Group’s reportable segments, but has had no impact on the reported results or financial position of the Group.

IAS 1 (revised 2007) Presentation of Financial Statements (effective for annual periods beginning on or after 1st January 2009) - The revised standard prohibits the presentation of items of income and expenses (that is ‘non-owner changes in equity’) in the statement of changes in equity, and requires ‘non-owner changes in equity’ to be presented separately from owner changes in equity. All ‘non-owner changes in equity’ are required to be shown in a performance statement. The Group has elected to present both the consolidated income statement and consolidated statement of comprehensive income. This unaudited consolidated financial statements have been prepared under the revised disclosure requirement. However, the revised standard has had no impact on the reported results or financial position of the Group.

The following amendments and interpretations are or have become effective for the year ending 31st March 2010, but do not have any material impact on the accounting policies of the Group.

IFRSs (Amendments)	Improvements to IFRSs
IAS 23 (Revised)	Borrowing costs
IAS 32 & 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation
IAS 39 (Amendment)	Financial instruments: recognition and measurement
IFRS 1 and IAS 27(Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or associate
IFRS 2 (Amendment)	Share-based payment – vesting conditions and cancellations
Amendment to IFRS 7	Financial instruments : Disclosures
IFRIC – INT 13	Customer loyalty programmes
IFRIC – INT 15	Agreements for the construction of real estate
IFRIC – INT 16	Hedges of a net investment in a foreign operation

2 SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision-makers that are used to make the strategic decisions.

Management considers the business from both a business and geographical perspective. From a business perspective, management assesses the performance based on one major business segment - publication, marketing and distribution of lifestyle magazines. The business segment is further evaluated on a geographical basis. This is the main measure reported to management for the purposes of resources allocation and assessment of segment performance.

	(Unaudited)					
	Three months ended 30th June					
	Publication, marketing and distribution of lifestyle magazines					
	Hong Kong		Mainland China		Group	
	2009	2008	2009	2008	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	<u>32,174</u>	46,593	<u>7,699</u>	6,984	<u>39,873</u>	<u>53,577</u>
Segment results	<u>4,216</u>	13,881	<u>(4,355)</u>	(3,904)	(139)	9,977
Interest income					103	477
License fee income					724	-
Unallocated expenses					(2,680)	(2,725)
(Loss)/profit before income tax					(1,992)	7,729
Income tax expense					(403)	(1,883)
(Loss)/profit for the period					<u>(2,395)</u>	<u>5,846</u>

The segment results reported above represent profit/(loss) for each segment without allocation of interest income, unallocated expenses and income tax expense. Corporate expenses incurred by the Group during the period are classified as unallocated expenses.

3 (LOSS)/PROFIT BEFORE INCOME TAX

The following items have been charged to the (loss)/profit before income tax during the three months ended 30th June 2009:

	(Unaudited)	
	Three months ended 30th June	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Raw materials used	11,422	13,549
Depreciation	824	846
Employee benefit expenses (including directors' emoluments)	14,629	14,902
Loss on disposal of property, plant and equipment	-	44
	<u> </u>	<u> </u>

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% (2008: 17.5%) on the estimated assessable profit for the period.

No provision for the People's Republic of China ("PRC") enterprise income tax has been made as the Group has no assessable profits generated in PRC during the three months ended 30th June 2009.

	(Unaudited)	
	Three months ended 30th June	
	2009	2008
	HK\$'000	HK\$'000
Hong Kong profits tax		
- current income tax charge	485	1,934
Deferred income tax		
- current deferred income tax credit	(82)	(51)
	403	1,883

5 (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 weighted average number of ordinary shares in issue during the period.

	(Unaudited)	
	Three months ended 30th June	
	2009	2008
	HK\$'000	HK\$'000
(Loss)/profit attributable to the equity holders of the Company	(2,395)	5,846
Weighted average number of ordinary shares in issue (in thousands)	400,000	400,000
Basic (loss)/earnings per share (HK cents per share)	(0.60)	1.46

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 2009 (2008: Nil).

The proposed dividend of HK1.15 cents per share, totalling HK\$4,600,000 for the year ended 31st March 2009 was approved by the shareholders at the Annual General Meeting held on 25th August 2009 and this final dividend will be paid on 10th September 2009.

7 CONTINGENT LIABILITIES

As at 30th June 2009, the Group did not have any material contingent liabilities or guarantees (31st March 2009: Nil).

8 REVIEW OF OPERATION

For the quarter under review, the Group recorded a consolidated turnover of HK\$39,873,000 (2008: HK\$53,577,000), representing a decrease of 26% as compared to that in the corresponding period in 2008. The consolidated loss before income tax was HK\$1,992,000 (2008: Profit before income tax of HK\$7,729,000). The decrease in the Group's consolidated turnover was mainly due to the significant reduction in advertising spending from advertisers because of the adverse global financial conditions across the world. As a result, the Group recorded a loss for the first quarter. The Group also wishes to inform that given the difficult trading environment, based on the preliminary assessment by management of the Company and the information available, the interim results of the Group for the six months ending 30th September 2009 is not expected to be optimistic. We shall endeavor our efforts in containing costs and improving efficiency in all business divisions.

By Order of the Board
TIONG Kiu King
Director

Hong Kong, 26th August 2009

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.