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ONEMEDIAGROUP

One Media Group Limited

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

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 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 six months ended 30th September 2008, together with the comparative unaudited consolidated figures for the corresponding period in 2007 as follows:

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2008

		(Unaudited)	
		Six months ended	
		30th September	
	<i>Note</i>	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Turnover	4	102,068	101,189
Cost of goods sold		(52,444)	(60,420)
Gross profit		49,624	40,769
Other income	4	1,948	2,076
Selling and distribution costs		(23,673)	(23,356)
Administrative expenses		(20,819)	(16,148)
Profit before income tax	5	7,080	3,341
Income tax expense	6	(3,069)	(1,970)
Profit for the period		4,011	1,371
Attributable to:			
Equity holders of the Company		4,011	1,371
Earnings per share attributable to the equity holders of the Company during the period (expressed in HK cent per share)			
- Basic and diluted	7	1	0.34
Dividends	8	2,400	—

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET
AS AT 30TH SEPTEMBER 2008

		(Unaudited) 30th September 2008 HK\$'000	(Audited) 31st March 2008 HK\$'000
	<i>Note</i>		
ASSETS			
Non-current assets			
Property, plant and equipment		8,504	9,545
Intangible assets		2,073	2,028
Financial assets at fair value through profit or loss	9	—	4,409
		<u>10,577</u>	<u>15,982</u>
Current assets			
Inventories		13,075	10,082
Trade and other receivables	10	60,934	63,666
Cash and cash equivalents		111,768	106,239
		<u>185,777</u>	<u>179,987</u>
Total assets		<u>196,354</u>	<u>195,969</u>
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	12	400	400
Share premium		456,073	456,073
Other reserves		(334,452)	(335,562)
Retained earnings		37,312	35,701
Proposed dividend		2,400	4,000
Total equity		<u>161,733</u>	<u>160,612</u>
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		445	525
Long service payment liability		140	140
		<u>585</u>	<u>665</u>
Current liabilities			
Trade and other payables	11	23,007	28,176
Amounts due to fellow subsidiaries		3,821	2,456
Income tax liabilities		7,208	4,060
		<u>34,036</u>	<u>34,692</u>
Total liabilities		<u>34,621</u>	<u>35,357</u>
Total equity and liabilities		<u>196,354</u>	<u>195,969</u>
Net current assets		<u>151,741</u>	<u>145,295</u>
Total assets less current liabilities		<u>162,318</u>	<u>161,277</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM 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 principal activities of the Group are publication, marketing and distribution of Chinese language lifestyle magazines.

This unaudited condensed consolidated interim financial information (“Interim Financial Information”) is presented in thousand of units of Hong Kong dollars (HK\$’000) unless otherwise stated.

2 BASIS OF PREPARATION

This Interim Financial Information for the six months ended 30th September 2008 is unaudited and has been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” and Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

3 ACCOUNTING POLICIES

The preparation of this Interim Financial Information in conformity with International Financial Reporting Standards (“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 adopted are consistent with those used in the audited consolidated annual financial statements of the Group for the year ended 31st March 2008.

The adoption of the new IFRSs effective for the financial year beginning 1st April 2008 has no material effect on the financial position or performance of the Group.

3 ACCOUNTING POLICIES (Continued)

The Group has not yet early applied and adopted the following new and revised standards, amendments or interpretations that have been issued but are not yet effective. The Group is in the process of making an assessment of the impact of these new IFRSs in the period of the initial application.

		Effective for accounting periods beginning on or after
IFRIC - Int 13	Customer loyalty programmes	1st July 2008
IFRIC - Int 15	Agreements for the construction of real estate	1st January 2009
IFRIC - Int 16	Hedges of a net investment in a foreign operation	1st October 2008
IAS 1 (Revised)	Presentation of financial statements	1st January 2009
IAS 23 (Revised)	Borrowing costs	1st January 2009
IAS 32 and IAS 1 Amendment	Puttable financial instruments and obligations arising on liquidation	1st January 2009
Amendments to IFRS 1 and IAS 27	Cost of an investment in a subsidiary, jointly controlled entity or associate	1st January 2009
IFRS 2 Amendment	Share-based payment vesting conditions and cancellations	1st January 2009
IFRS 8	Operating segments	1st January 2009
IAS 27 (Revised)	Consolidated and separate financial statements	1st July 2009
IFRS 3 (Revised)	Business combinations	1st July 2009
Amendment to IAS 39	Financial instruments: Recognition and measurement – Amendments for eligible hedged items	1st July 2009
IFRS 3 - Appendix C	Impairment testing cash-generating units with goodwill and non-controlling interests	1st July 2009

4 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 six months ended 30th September 2008 and 2007 are as follows:

	(Unaudited)					
	Six months ended 30th September					
	Hong Kong		Mainland China		Group	
2008	2007	2008	2007	2008	2007	
<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	
Segment turnover	<u>88,109</u>	<u>85,310</u>	<u>13,959</u>	<u>15,879</u>	<u>102,068</u>	<u>101,189</u>
Segment results	<u>18,316</u>	<u>15,355</u>	<u>(7,590)</u>	<u>(7,690)</u>	<u>10,726</u>	<u>7,665</u>
Other income					<u>1,948</u>	<u>2,076</u>
Unallocated expenses (<i>Note</i>)					<u>(5,594)</u>	<u>(6,400)</u>
Profit before income tax					<u>7,080</u>	<u>3,341</u>
Income tax expense					<u>(3,069)</u>	<u>(1,970)</u>
Profit for the period					<u>4,011</u>	<u>1,371</u>

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 six months ended 30th September 2008 and 2007.

5 PROFIT BEFORE INCOME TAX

The following items have been charged to the profit before income tax during the six months ended 30th September 2008:

	(Unaudited)	
	Six months ended 30th September	
	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Raw materials used	26,779	31,934
Depreciation	1,699	1,565
Employee benefit expenses (including directors' emoluments)	30,188	32,259
Loss on disposal of property, plant and equipment	45	40
	<u>26,779</u>	<u>32,259</u>

6 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% (2007: 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 during the six months ended 30th September 2008.

	(Unaudited)	
	Six months ended 30th September	
	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong profits tax		
- current income tax charge	3,148	291
Deferred income tax		
- current deferred income tax (credit)/charge	(79)	1,679
	<u>3,069</u>	<u>1,970</u>

7 EARNINGS PER SHARE

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

	(Unaudited)	
	Six months ended 30th September	
	2008	2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit attributable to the equity holders of the Company	<u>4,011</u>	<u>1,371</u>
Weighted average number of ordinary shares in issue (in thousands)	<u>400,000</u>	<u>400,000</u>
Earnings per share (HK cent per share)	<u><u>1</u></u>	<u><u>0.34</u></u>

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

8 DIVIDENDS

The Directors have declared an interim dividend of HK0.6 cent (2007: Nil) per ordinary share, totalling HK\$2,400,000 payable on 15th January 2009 to shareholders whose names appear on the register of members of the Company on 5th January 2009.

A final dividend of HK1 cent per share for the year ended 31st March 2008 (2007: HK0.375 cent), totalling HK\$4,000,000 was paid on 10th September 2008 (2007: HK\$1,500,000).

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	(Unaudited)	(Audited)
	30th September	31st March
	2008	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Unlisted securities:		
- Equity linked notes	<u>–</u>	<u>4,409</u>
Market value of unlisted securities	<u>–</u>	<u>4,409</u>

The instruments were designated by management as financial assets at fair value through profit or loss on initial recognition as the management was not able to measure the embedded derivative separately either at acquisition or at a subsequent financial reporting date and the embedded derivatives of the instruments could significantly modify the cash flows that would otherwise be required by the instruments.

The principal amount of the equity linked notes is US\$750,000 (equivalent to HK\$5,850,000) with maturity date in November 2009.

The equity linked notes are interest bearing with interest rate stated at 16.75% per annum, subject to the market prices of the underlying securities at certain pre-determined price levels.

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

As these instruments are not publicly traded and in the absence of readily available information to determine the fair values of these instruments, the Group has adopted the quotation provided by the issuer's agent as its best estimate of the fair values of these instruments. Accordingly, a loss of the fair value on equity linked notes of HK\$4,409,000 (2007: a gain of HK\$113,000) is recognised in the administrative expenses in the condensed consolidated interim income statement.

10 TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade receivables and their ageing analysis is as follows:

	(Unaudited) 30th September 2008 <i>HK\$'000</i>	(Audited) 31st March 2008 <i>HK\$'000</i>
0 to 60 days	32,237	30,525
61 to 120 days	12,110	14,866
121 to 180 days	4,439	9,770
Over 180 days	<u>3,223</u>	<u>3,011</u>
	<u>52,009</u>	<u>58,172</u>

The Group allows in general a credit period ranging from 60 days to 120 days to its trade customers.

There is no concentration of credit risk with respect to trade receivables, as it is mitigated by the Group's large customer base.

The creation and release of provision for impaired receivables have been included in selling and distribution costs in the condensed consolidated interim income statement. Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.

11 TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables and their ageing analysis is as follows:

	(Unaudited) 30th September 2008 <i>HK\$'000</i>	(Audited) 31st March 2008 <i>HK\$'000</i>
0 to 60 days	4,854	7,152
61 to 120 days	1,413	548
121 to 180 days	232	340
Over 180 days	<u>17</u>	<u>37</u>
	<u>6,516</u>	<u>8,077</u>

12 SHARE CAPITAL

	Number of ordinary shares issued <i>(in thousands)</i>	Ordinary shares issued <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Total <i>HK\$'000</i>
Balance at 30th September 2007, 31st March 2008, 1st April 2008 and 30th September 2008	<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 (2007: 4,000 million shares) with a par value of HK\$0.001 per share (2007: HK\$0.001). All issued shares are fully paid.

MANAGEMENT DISCUSSION AND ANALYSIS

Results Summary

Despite the volatile operating environment, the Group had been able to maintain a consolidated turnover at HK\$102,068,000 for the six months ended 30th September 2008 (2007: HK\$101,189,000). The results show the Group's magazines continue to be well received by advertisers and readers.

As noted in the annual results for the last fiscal year, the Group continues with its efforts as in previous years, which are beginning to yield benefits. Ongoing efforts to strengthen the established core businesses and improve efficiency have contributed to an encouraging increase of 193% in profit for the period to HK\$4,011,000 (2007: HK\$1,371,000). During the period under review, the Group has experienced a one-time loss of fair value on equity linked notes of HK\$4,409,000. The profit for the period before this one-time loss of fair value was HK\$8,420,000, representing an increase by 514% when compared to the same period last year. Earnings per share improved by 194% to HK1 cent (2007: HK0.34 cent) and the net asset value per share slightly increased by 0.5% to HK40.4 cents (31st March 2008: HK40.2 cents).

Review of Operations

Hong Kong

During the period under review, the Group published two magazines in Hong Kong, namely *Ming Pao Weekly* and *Hi-Tech Weekly*. These titles contributed a combined revenue of HK\$88,109,000 (2007: HK\$85,310,000), representing a modest 3% increase when compared to the same period last year, while operating profit increased by 19% to HK\$18,316,000 (2007: HK\$15,355,000), as a result of the increase in advertising income and tight control over operating costs, especially production cost of *Ming Pao Weekly*.

Ming Pao Weekly, the Group's premier entertainment/celebrity/fashion title, reported record high advertising revenue during the period due to a combination of intensive promotion efforts in the run-up to the title's 40th anniversary and a generally positive environment for consumption of branded consumer products in the city during the period. *Ming Pao Weekly's* market positioning continues to be recognised by advertisers of major branded products, and they continue to use the magazine as one of their major promotion channels to inform their customers about their latest product offerings.

Hi-Tech Weekly experienced a significant jump in its circulation by almost 200% since May 2008 simultaneous with reduction on its cover price by half to HK\$5 starting from the 500th issue. *Hi-Tech Weekly* continues to strengthen its content. This higher circulation puts the title in a better position to attract more advertising business in the electronics and consumer products category.

Mainland China

The operation in Mainland China contributed a turnover of HK\$13,959,000 (2007: HK\$15,879,000) to the Group, representing a 12% decline when compared to the same period last year, while operating loss slightly decreased by 1% to HK\$7,590,000 (2007: HK\$7,690,000). Despite the 12% decline in turnover over the period, the operating loss was slightly reduced as a result of tight control over operating costs.

The Group has implemented a revamp on “*MING 明日風尚*” (“MING”) in October 2008 to reinforce its positioning as a window of information for affluent local Chinese to gain knowledge on cutting-edge foreign lifestyle. The revamp not only involved the strengthening of the contents but also dramatically cutting the cover price to RMB10. Regarding the first issue after the revamp, newsstands had reported significantly better sales. Advertisers had given positive feedbacks. The Group believes that the revamp will be positive on advertising sales and the positive impact will start to be reflected in the second half of the fiscal year.

“*Top Gear 汽車測試報告*” (“TGChina”) continues to gain benefit from its prestigious positioning as being the official Chinese version of the top-notch United Kingdom motor magazine in Mainland China, gathering stable support from both advertisers and readers. In view of the success of TGChina, the Group launched a Hong Kong version “*Top Gear 極速誌*” (“TGHK”) in September 2008.

“*Popular Science 科技新時代*” (“PS”) remains the leading magazine in the science infotainment category and continues to have the sustaining support from its loyal readership and advertiser clientele.

New Businesses

The Group extended its footprint to Taiwan during the interim period by launching a Taiwan edition of its proprietary flagship magazine *Ming Pao Weekly* in Taiwan in June 2008 through a licensing arrangement. *Ming Pao Weekly* Taiwan edition has received positive market feedback and is building a strong momentum for going forward. This magazine will hopefully ride on *Ming Pao Weekly*'s successful market positioning.

The Group has also decided to revamp *Ming Pao Weekly*'s website to offer an online version of the magazine in portable document format in order to cater for readers in overseas markets. This online delivery model has proven success in *Hi-Tech Weekly*, attracting more than 10,000 subscribers.

In addition, the Group has established a dedicated team based in China in charge of exploring opportunities sourcing and distributing multi-media contents via mobile handsets and other electronic means. This is intended to evolve as one of the many ways the Group wishes to pursue to commercialise its print contents.

Outlook

In review of the recent global financial crisis across the world, the Group believes that there will be a significant “flight to quality” in the advertising market during this difficult time when advertisers will cutback their spending on exposures in peripheral publications while keeping or even concentrating their budgets on certain core publications in the market. The Group will take necessary precautions and measures to prepare for the difficult period going ahead and continue to devote more efforts as it has made in the previous years for the benefit of the Group.

The Group believes that its positive financial position enables it to continue exploring acquisitions opportunities of media assets which will assist the Group in creating more value for its stakeholders.

CAPITAL EXPENDITURE

The Group’s total capital expenditure for property, plant and equipment for the six months ended 30th September 2008 amounted to HK\$711,000.

EXPOSURE TO FLUCTUATION 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 the 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.

CONTINGENT LIABILITIES

As at 30th September 2008, the Group did not have any material contingent liabilities or guarantees (31st March 2008: Nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s shares during the six months ended 30th September 2008.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members will be closed from Tuesday, 30th December 2008 to Monday, 5th January 2009, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend of HK0.6 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 Monday, 29th December 2008.

EMPLOYEES

As at 30th September 2008, the Group had approximately 244 employees (31st March 2008: approximately 243 employees), of which 161 and 83 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 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 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 code provisions in the CG Code for the six months ended 30th September 2008.

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 as set out in the Model Code for the six months ended 30th September 2008.

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 unaudited condensed consolidated interim results for the six months ended 30th September 2008.

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, 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, Mr. TIONG Kiew Chiong.

By Order of the Board
TIONG Kiu King
Director

Hong Kong, 27th November 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.

The Company's Interim Report 2008 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 December 2008.