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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 THREE MONTHS ENDED 30TH JUNE 2012

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 2012, together with the comparative unaudited consolidated figures for the corresponding period in 2011 as follows:

CONSOLIDATED INCOME STATEMENT

FOR THE THREE MONTHS ENDED 30TH JUNE 2012

		(Unaudited)	
		Three months ended	
		30th June	
		2012	2011
	Notes	HK\$'000	HK\$'000
Turnover	2	55,546	50,571
Cost of goods sold		<u>(22,421)</u>	<u>(23,219)</u>
Gross profit		33,125	27,352
Other income		1,003	809
Selling and distribution costs		(13,353)	(12,438)
Administrative expenses		<u>(8,659)</u>	<u>(8,952)</u>
Operating profit		12,116	6,771
Share of profit of associates	3	<u>6</u>	<u>-</u>
Profit before income tax		12,122	6,771
Income tax expense	5	<u>(2,207)</u>	<u>(1,594)</u>
Profit for the period		<u>9,915</u>	<u>5,177</u>
Profit attributable to:			
Equity holders of the Company		<u>9,915</u>	<u>5,177</u>
Earnings per share attributable to equity holders of the Company during the period (expressed in HK cent per share)			
- Basic and diluted	6	<u>2.48</u>	<u>1.29</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 30TH JUNE 2012

	(Unaudited)	
	Three months ended	
	30th June	
	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the period	9,915	5,177
Other comprehensive (expense)/income		
Currency translation differences	<u>(332)</u>	<u>539</u>
Total comprehensive income for the period	<u>9,583</u>	<u>5,716</u>
Attributable to:		
Equity holders of the Company	<u>9,583</u>	<u>5,716</u>

CONSOLIDATED BALANCE SHEET
AS AT 30TH JUNE 2012

	<i>Notes</i>	30th June 2012 HK\$'000	31st March 2012 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		5,908	5,231
Intangible assets		78,568	3,181
Interests in associates	3	25,984	25,978
Deferred income tax assets		807	807
		<u>111,267</u>	<u>35,197</u>
Current assets			
Inventories		8,366	8,473
Trade and other receivables		70,071	57,581
Cash and cash equivalents		95,923	97,461
		<u>174,360</u>	<u>163,515</u>
Total assets		<u>285,627</u>	<u>198,712</u>
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		400	400
Share premium		456,073	456,073
Other reserves		(325,452)	(330,334)
Retained earnings			
- Proposed dividends		16,000	16,000
- Others		34,062	24,147
Total equity		<u>181,083</u>	<u>166,286</u>
LIABILITIES			
Non-current liabilities			
Convertible bond		70,526	-
Deferred income tax liabilities		147	150
Long service payment obligations		117	117
		<u>70,790</u>	<u>267</u>
Current liabilities			
Trade and other payables		27,388	27,832
Amounts due to fellow subsidiaries	8	3,213	3,611
Current income tax liabilities		3,153	716
		<u>33,754</u>	<u>32,159</u>
Total liabilities		<u>104,544</u>	<u>32,426</u>
Total equity and liabilities		<u>285,627</u>	<u>198,712</u>
Net current assets		<u>140,606</u>	<u>131,356</u>
Total assets less current liabilities		<u>251,873</u>	<u>166,553</u>

NOTES

1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

(a) *Basis of preparation*

The financial information of the Company (the “Financial Information”) for the three months ended 30th June 2012 is unaudited and has 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

This Financial Information has been prepared under the historical cost convention.

This first quarter results announcement should be read in conjunction with the audited consolidated annual financial statements of the Group for the year ended 31st March 2012.

(b) *Accounting policies*

The preparation of this Financial Information in conformity with IFRSs 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.

These accounting policies applied are consistent with those of the annual financial statements for the year ended 31st March 2012.

Taxes on income during the period are accrued using the tax rate that would be applicable to expected total annual earnings.

2 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 geographic 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 three months ended 30th June 2012 and 30th June 2011 are as follows:

2 SEGMENT INFORMATION (Continued)

	(Unaudited)					
	Three months ended 30th June					
	Media business					
	Hong Kong		Mainland China		Total	
2012	2011	2012	2011	2012	2011	
<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	45,990	39,755	9,556	10,816	55,546	50,571
Segment profit/(loss) before income tax	15,507	11,879	(950)	(3,070)	14,557	8,809
Unallocated expenses					(2,441)	(2,038)
Operating profit					12,116	6,771
Share of profit of associates					6	-
Profit before income tax					12,122	6,771
Income tax expense	(2,207)	(1,594)	-	-	(2,207)	(1,594)
Profit for the period					9,915	5,177
Other information:						
Interest income	233	87	85	100	318	187
Depreciation of property, plant and equipment	228	218	237	220	465	438
Amortisation of intangible assets	243	11	7	3	250	14

3 INTERESTS IN ASSOCIATES

	30th June 2012 <i>HK\$'000</i>	31st March 2011 <i>HK\$'000</i>
Beginning of the period / year	25,978	-
Acquisition of associates	-	26,800
Share of profit (including amortisation of trademark and customer list)	6	(822)
End of the period / year	25,984	25,978

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.

3 INTERESTS IN ASSOCIATES (Continued)

Notes (Continued):

- (c) As at 30th June 2012, interest in ByRead Inc. included goodwill, trademark and customer list identified from the acquisition of ByRead Inc. of HK\$20,822,000, HK\$3,886,000 and HK\$895,000 respectively, excluding the effect of deferred tax liability. 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 the gross amount of assets (excluding goodwill) and liabilities, are as follows:

	<u>Assets</u> <i>HK\$'000</i>	<u>Liabilities</u> <i>HK\$'000</i>	<u>Revenues</u> <i>HK\$'000</i>	<u>Profit</u> <i>HK\$'000</i>
Period ended 30th June 2012	<u>5,629</u>	<u>1,444</u>	<u>430</u>	<u>6</u>

4 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	
	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Paper consumed	5,001	4,648
Depreciation of property, plant and equipment	466	438
Amortisation of intangible assets	250	14
Employee benefit expenses (including directors' emoluments)	16,088	14,695
Occupancy costs	<u>1,344</u>	<u>1,193</u>

5 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% (2011: 16.5%) 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 unutilized tax losses to offset the assessable profits generated in the PRC during the three months ended 30th June 2012 and 2011.

	(Unaudited)	
	Three months ended 30th June	
	2012	2011
	HK\$'000	HK\$'000
Hong Kong profits tax		
- Current income tax	(2,210)	(1,608)
Deferred income tax		
- Current deferred income tax credit	<u>3</u>	<u>14</u>
	<u>(2,207)</u>	<u>(1,594)</u>

6 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the Group's unaudited consolidated profit attributable to equity holders of the Company by the number of ordinary shares in issue during the period.

	(Unaudited)	
	Three months ended 30th June	
	2012	2011
	HK\$'000	HK\$'000
Profit attributable to equity holders of the Company	<u>9,915</u>	<u>5,177</u>
Number of ordinary shares in issue (in thousands)	<u>400,000</u>	<u>400,000</u>
Basic earnings per share (HK cent per share)	<u>2.48</u>	<u>1.29</u>

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

7 DIVIDENDS

No dividend has been declared by the Directors during the three months ended 30th June 2012 (2011: Nil).

The final dividend of HK4 cents per share (2011: HK2 cents per share), totalling HK\$16,000,000 (2011: HK\$8,000,000) for the year ended 31st March 2012 was approved by the shareholders at the Annual General Meeting held on 28th August 2012 and this final dividend will be paid on 14th September 2012.

8 AMOUNTS DUE TO FELLOW SUBSIDIARIES

The amounts due to fellow subsidiaries were arisen from related-party transactions.

9 CONTINGENT LIABILITIES

As at 30th June 2012, the Group did not have any material contingent liabilities or guarantees (30th June 2011: Nil).

10 REVIEW OF OPERATION

During the quarter under review, the Group recorded a consolidated turnover of HK\$55,546,000 (2011: HK\$50,571,000), an increase of 10% from the same quarter of last year. The Group's profit before income tax for this quarter increased 79% to HK\$12,122,000 (2011: HK\$6,771,000). For Hong Kong operation, turnover increased 16% mainly because of the strong advertising revenue growth of "Ming Pao Weekly 明報周刊" and advertising revenue contributed by the new magazine, "MING Watch 明鏡". For Mainland China operation, the turnover decreased 12% as the Group terminated the operation of "MING 明日風尚" in March 2012 with a view to better reallocating its resources to focus on existing businesses and new products with greater potential.

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

Hong Kong, 28th August 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.