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万 华 媒 体 ONEMEDIAGROUP

One Media Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 426)

FOURTH QUARTER RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31ST MARCH 2013

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 31st March 2013, together with the comparative unaudited consolidated figures for the corresponding period in 2012 as follows:

CONSOLIDATED INCOME STATEMENT THREE MONTHS ENDED 31ST MARCH 2013

	Note	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Turnover	2	41,936	49,726
Cost of goods sold		<u>(23,063)</u>	<u>(22,901)</u>
Gross profit		18,873	26,825
Other income		2,025	1,082
Selling and distribution costs		(8,995)	(12,176)
Administrative expenses		<u>(11,680)</u>	<u>(10,630)</u>
Operating profit		223	5,101
Change in fair value of convertible bond		(1,443)	-
Share of loss of associates and jointly controlled entities	4	<u>(664)</u>	<u>(280)</u>
(Loss)/profit before income tax		(1,884)	4,821
Income tax credit/(expense)	9	<u>858</u>	<u>(943)</u>
(Loss)/profit for the period		<u><u>(1,026)</u></u>	<u><u>3,878</u></u>
(Loss)/profit attributable to:			
Equity holders of the Company		<u><u>(1,026)</u></u>	<u><u>3,878</u></u>
(Loss)/earnings per share attributable to equity holders of the Company during the period (expressed in HK cents per share)			
- Basic and diluted	10	<u><u>(0.26)</u></u>	<u><u>0.97</u></u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
THREE MONTHS ENDED 31ST MARCH 2013

	2013 <i>HK\$'000</i> (Unaudited)	2012 <i>HK\$'000</i> (Unaudited)
(Loss)/profit for the period	(1,026)	3,878
Other comprehensive income/(losses)		
Currency translation differences	271	43
Actuarial gains/(losses) on long service payment obligations	108	(125)
Total comprehensive (loss)/income for the period	(647)	3,796
Attributable to:		
Equity holders of the Company	(647)	3,796

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH 2013

	<i>Note</i>	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		5,483	5,231
Intangible assets	3	76,785	3,181
Interests in associates and jointly controlled entities	4	32,982	25,978
Deferred income tax assets	7	3,152	807
Total non-current assets		118,402	35,197
Current assets			
Inventories		8,694	8,473
Trade and other receivables		59,164	57,581
Income tax recoverable		1,931	-
Cash and cash equivalents		102,798	97,461
Total current assets		172,587	163,515
Total assets		290,989	198,712
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		400	400
Share premium		456,073	456,073
Other reserves		(324,441)	(330,334)
Retained earnings			
- Proposed dividends		14,000	16,000
- Others		38,029	24,147
Total equity		184,061	166,286
LIABILITIES			
Non-current liabilities			
Convertible bond	6	72,474	-
Deferred income tax liabilities	7	288	150
Long service payment obligations		12	117
Total non-current liabilities		72,774	267
Current liabilities			
Trade and other payables		33,508	27,832
Amounts due to fellow subsidiaries	12	535	3,611
Income tax liabilities		111	716
Total current liabilities		34,154	32,159
Total liabilities		106,928	32,426
Total equity and liabilities		290,989	198,712
Net current assets		138,433	131,356
Total assets less current liabilities		256,835	166,553

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 31st March 2013 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.

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 judgment in the process of applying the Group’s accounting policies.

This fourth 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, the interim results announcement for the six months ended 30th September 2012 and the third quarter results announcement for the three months ended 31st December 2012.

(b) Accounting policies

(i) New and amended standards adopted by the Group

There are no new and amended standards to existing IFRSs that are effective for the Group’s accounting year commencing 1st April 2012 that could be expected to have a material impact on the Group.

NOTES

1 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

(b) Accounting policies (Continued)

(ii) New accounting standards, amendments to standards and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The following new standards, amendments and interpretations are effective for annual periods beginning after 1st April 2012, and have not been early adopted in preparing these consolidated financial statements:

		Effective for annual period beginning on or after
IAS 19 (Revised 2011)	Employee benefits	1st January 2013
IAS 27 (Revised 2011)	Separate financial statements	1st January 2013
IAS 28 (Revised 2011)	Associates and joint ventures	1st January 2013
IFRS 9	Financial instruments	1st January 2015
IFRS 10	Consolidated financial statements	1st January 2013
IFRS 11	Joint arrangements	1st January 2013
IFRS 12	Disclosure of interests in other entities	1st January 2013
IFRS 13	Fair value measurements	1st January 2013
IFRIC – Int 20	Stripping costs in the production phase of a surface mine (November 2011)	1st January 2013
Amendments to IAS 1	Presentation of financial statements on other comprehensive income	1st July 2012
Amendments to IAS 32	Financial instruments: Presentation – Offsetting financial assets and financial liabilities	1st January 2014
Amendments to IFRS 1	First time adoption on government grants	1st January 2013
Amendments to IFRS 7	Financial instruments: Disclosures – Offsetting financial assets and financial liabilities	1st January 2013
Amendments to IFRS 10, IFRS 12 and IAS 27 (Revised 2011)	Investment entities	1st January 2014
Amendments to IFRS 10,11 and 12	Transition guidance	1st January 2013
Improvements to IFRSs 2011	Several IFRS standards	1st January 2013

The new standards, amendments to standards and interpretations that are most relevant to the Group's operations are explained in more detail below.

IFRS 10, "Consolidated financial statements", builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.

The Group has assessed that the adoption of IFRS 10 does not have any financial impact on the Group as all subsidiaries within the Group satisfy the requirements for control under IFRS 10 and there are no new subsidiaries identified under the new guidance.

Apart from IFRS 10, management is in the process of making an assessment of the impact of the above new standards, amendments to standards and interpretations. Management is not yet in a position to state what impact they would have, if any, on the Group's results of operations and financial positions.

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 being responsible for allocating resources to segments and assessing their performance.

The Executive Committee considers the business from geographic perspective. Geographically, management considers the performance of the 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 mainly operates its business in Hong Kong and Mainland China. The breakdown of total revenue from external customers from these two places and the Group’s turnover and results provided to the Executive Committee for the reporting segments for the three months ended 31st March 2013 and 31st March 2012 are as follows:

	(Unaudited)					
	Three months ended 31st March					
	Media business					
	Hong Kong		Mainland China		Total	
	2013	2012	2013	2012	2013	2012
	<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	38,727	44,184	3,209	5,542	41,936	49,726
Segment profit/(loss) before income tax	10,086	13,165	(7,406)	(5,777)	2,680	7,388
Unallocated expenses					(2,457)	(2,287)
Operating profit					223	5,101
Change in fair value of convertible bond					(1,443)	-
Share of loss of associates and jointly controlled entities					(664)	(280)
(Loss)/profit before income tax					(1,884)	4,821
Income tax (expenses)/credit	(1,474)	(1,749)	2,332	806	858	(943)
(Loss)/profit for the period					(1,026)	3,878
Other information:						
Interest income	189	203	77	82	266	285
Depreciation of property, plant and equipment	319	204	187	230	506	434
Amortisation of intangible assets	672	30	5	7	677	37

3 INTANGIBLE ASSETS

	Group			
	Computer softwares HK\$'000	Goodwill HK\$'000	Trademark HK\$'000	Total HK\$'000
Year ended 31st March 2012(Audited)				
Opening net book amount	149	2,570	-	2,719
Additions	474	-	-	474
Amortisation expenses	(100)	-	-	(100)
Currency exchange differences	-	88	-	88
Closing net book amount	<u>523</u>	<u>2,658</u>	<u>-</u>	<u>3,181</u>
At 31st March 2012(Audited)				
Cost	720	2,658	-	3,378
Accumulated amortisation	(197)	-	-	(197)
Net book amount	<u>523</u>	<u>2,658</u>	<u>-</u>	<u>3,181</u>
Year ended 31st March 2013(Unaudited)				
Opening net book amount	523	2,658	-	3,181
Additions	229	-	-	229
Additions from acquisition (Note 5)	-	-	75,600	75,600
Amortisation expenses	(171)	-	(2,100)	(2,271)
Currency exchange differences	1	45	-	46
Closing net book amount	<u>582</u>	<u>2,703</u>	<u>73,500</u>	<u>76,785</u>
At 31st March 2013(Unaudited)				
Cost	950	2,703	75,600	79,253
Accumulated amortisation	(368)	-	(2,100)	(2,468)
Net book amount	<u>582</u>	<u>2,703</u>	<u>73,500</u>	<u>76,785</u>

4 INTERESTS IN ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

	2013 <i>HK\$'000</i> (Unaudited)	2012 <i>HK\$'000</i> (Audited)
Interests in associates	25,512	25,978
Interests in jointly controlled entities ("JCEs")	7,470	-
	<u>32,982</u>	<u>25,978</u>

Movements on the interests in associates and JCEs are as follows:

	2013 <i>HK\$'000</i> (Unaudited)	2012 <i>HK\$'000</i> (Audited)
At 1st April	25,978	-
Acquisition of associates (<i>notes (a) and (b)</i>)	-	26,800
Formation of JCEs (<i>note (d)</i>)	8,000	-
Share of loss	(738)	(693)
Amortisation of trademark and customer list	(258)	(129)
At 31st March	<u>32,982</u>	<u>25,978</u>

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. As at 31st March 2013, interest in ByRead Inc. included goodwill, trademark and customer list identified from the acquisition of ByRead Inc. of HK\$20,822,000, HK\$3,787,000 and HK\$737,000 respectively. The useful lives for trademark and customer list are 30 years and 5 years respectively.

ByRead Inc. is determined to be the corresponding cash-generating units ("CGU") for the goodwill acquired and the recoverable amount of this CGU is determined based on fair value less cost to sell. With reference to the advice obtained from an independent and professionally qualified valuer, the recoverable amount is higher than the carrying amount and no impairment of interest in ByRead Inc. was recognised during the year ended 31st March 2013 (2012: Nil).

(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 making the financial and operating policy decisions of this company.

(c) Particulars of the Group's associates are as follows:

Name of associates	Place of incorporation	Effective equity interest	Principal activities
ByRead Inc.	Cayman Islands	24.97%	Note (i)
Blackpaper Limited	Hong Kong	10%	Note (ii)

4 INTERESTS IN ASSOCIATES AND JOINTLY CONTROLLED ENTITIES (Continued)

Notes (Continued):

- (i) ByRead Inc. is an investment holding company and the principal activities of its subsidiaries include the 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) On 26th November 2012, the Company's subsidiary entered into an agreement with Chu Kong Passenger Transport Company Limited, a wholly-owned subsidiary of Chu Kong Shipping Enterprises (Group) Company Limited (Stock code: 0560) to form a jointly controlled entity, Chu Kong Culture Media Company Limited, whereby the Company's subsidiary subscribed for 40,000 shares in the jointly controlled entity, which represents 40% of the issued share capital of the new company.

Name of jointly controlled entities	Place of incorporation	Effective equity interest	Principal activities
Chu Kong Culture Media Company Limited	British Virgin Islands	40%	Note (i)
Connect Media Company Limited	Hong Kong	40%	Note (i)

- (i) Chu Kong Culture Media Company Limited is an investment holding company and the principal activities of its wholly-owned subsidiary, Connect Media Company Limited include but not limited to video programs, posters, seat covers, magazine racks, magazines, hull advertising, light box advertisement and e-commerce at the transportation vehicles and also their terminals.

The Group's share of the results of its principal associates and JCEs and the gross amount of assets (excluding goodwill) and liabilities are as follows:

	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Audited)
Revenue	190	251
Expenses	(854)	(531)
Loss for the year	<u>(664)</u>	<u>(280)</u>
Non-current assets	956	722
Current assets	24,321	3,944
Current liabilities	<u>(3,143)</u>	<u>(1,555)</u>
Net assets	<u>22,134</u>	<u>3,111</u>

There were no contingent liabilities relating to the Group's interests in the associates and JCEs and no significant contingent liabilities of the associates and JCEs themselves as at 31st March 2013 and 2012.

5 ACQUISITION OF MING PAO FINANCE LIMITED

On 1st June 2012, the Group acquired 100% of the issued share capital in Ming Pao Finance Limited (“MP Finance”), which had no business activity except holding of publishing titles and past contents, for a consideration of HK\$75,600,000 from Ming Pao Holdings Limited, a fellow subsidiary of the Company. MP Finance’s activities did not constitute a business and the Group’s intention of such acquisition was to acquire the publishing titles and past contents held by MP Finance for further development. Accordingly, such acquisition was accounted for as if it was acquisition of the underlying assets of MP Finance, which was recognised as acquisition of trademark during the year and included in intangible assets (Note 3). The consideration was fully satisfied by the issue of a convertible bond (Note 6) by the Company to Ming Pao Holdings Limited.

6 CONVERTIBLE BOND

	2013 <i>HK\$’000</i> (Unaudited)	2012 <i>HK\$’000</i> (Audited)
Non-current		
Convertible bond	72,474	-

As the consideration for the Group’s acquisition of 100% of the issued shares in MP Finance from Ming Pao Holdings Limited, a fellow subsidiary of the Company (Note 5), the Company issued a convertible bond on 1st June 2012, bearing an interest at the rate of 1% per annum payable half-yearly in arrears, in the principal amount of HK\$75,600,000. The maturity date of the convertible bond will be the third anniversary of the date of the issue. The holder has the right to convert whole or part of the principal amount of the bond into shares at conversion price of HK\$0.90 per conversion share at any time following the issue of the convertible bond and up to the close of business on the maturity date. The values of the liability component and the equity conversion component were determined at issuance of the convertible bond.

The fair value of the liability component, included in non-current liabilities, was calculated using a market interest rate (3.02% to 3.17%) for an equivalent non-convertible bond. The equity component is recognised initially at the difference between the fair value of the acquired asset and the fair value of the liability component, which is included in other reserves in equity.

	2013 <i>HK\$’000</i> (Unaudited)	2012 <i>HK\$’000</i> (Audited)
Face value of convertible bond issued	75,600	-
Equity component	(5,214)	-
Coupon interest	(630)	-
Change in fair value of the liability component of convertible bond	2,718	-
Fair value of liability component	72,474	-

7 DEFERRED INCOME TAX ASSETS/(LIABILITIES)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off and that the deferred income taxes relate to the same tax jurisdiction. The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Group	
	2013	2012
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Deferred income tax assets		
- to be recovered after more than 12 months	1,576	-
- to be recovered within 12 months	1,576	807
	3,152	807
	3,152	807
Deferred income tax liabilities		
- to be realised within 12 months	(288)	(150)
	(288)	(150)

The movement in deferred income tax during the year is as follows:

	Group		
	Accelerate tax depreciation HK\$'000	Tax losses HK\$'000	Total HK\$'000
At 1st April 2011(Audited)	51	-	51
(Charged)/credited to the consolidated income statement	(201)	807	606
At 31st March 2012(Audited)	(150)	807	657
At 1st April 2012 (Audited)	(150)	807	657
(Charged)/credited to the consolidated income statement	(138)	2,332	2,194
Exchange differences	-	13	13
At 31st March 2013 (Unaudited)	(288)	3,152	2,864

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through the future taxable profits is probable. The Group has unrecognised tax losses of HK\$30,112,000 (2012: HK\$36,506,000) to carry forward against future taxable income. These tax losses have not been recognised due to uncertainty of their future recoverability.

8 EXPENSES BY NATURE

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

	Three months ended 31st March	
	2013 <i>HK\$'000</i> (Unaudited)	2012 <i>HK\$'000</i> (Unaudited)
Paper consumed	4,584	4,524
Depreciation of property, plant and equipment	506	434
Amortisation of intangible assets	677	37
Employee benefit expenses (including directors' emoluments)	18,829	16,783
Occupancy costs	1,219	1,363
Loss on disposal of property, plant and equipment	159	-

9 INCOME TAX CREDIT/(EXPENSE)

Income tax credit/(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% (2012: 16.5%) on the estimated assessable profit for the period.

No provision for the People's Republic of China ("PRC") current enterprise income tax has been made as the Group has unutilised tax losses to offset the assessable profits generated in the PRC during the three months ended 31st March 2013 (2012: Nil).

	Three months ended 31st March	
	2013 <i>HK\$'000</i> (Unaudited)	2012 <i>HK\$'000</i> (Unaudited)
Hong Kong profits tax		
- Current income tax	(1,494)	(1,565)
- Over provision in prior year	24	-
Deferred income tax		
- Current deferred income tax credit	2,328	622
	<u>858</u>	<u>(943)</u>

10 (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 number of ordinary shares in issue during the period.

	Three months ended 31th March	
	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
(Loss)/profit attributable to equity holders of the Company	<u>(1,026)</u>	<u>3,878</u>
Number of ordinary shares in issue (in thousands)	<u>400,000</u>	<u>400,000</u>
Basic (loss)/earnings per share (HK cent per share)	<u><u>(0.26)</u></u>	<u><u>0.97</u></u>

There is no dilutive effect arising from the assumed conversion of the convertible bond and share options granted by the Company.

11 DIVIDENDS

No dividend has been declared by the Directors during the three months ended 31st March 2013 (2012: Nil).

Dividends paid during the year:

	2013	2012
	HK\$'000 (Unaudited)	HK\$'000 (Audited)
Interim dividend, 2013, HK2 cents (2012: HK0.9 cent) per ordinary share	8,000	3,600
Final dividend, 2012, HK4 cents (2011: HK2 cents) per ordinary share	<u>16,000</u>	<u>8,000</u>
	<u><u>24,000</u></u>	<u><u>11,600</u></u>

On 29th May 2013, the Board of Directors proposed a final dividend of HK3.5 cents per share, totalling HK\$14,000,000. Such dividend is to be approved by the shareholders at the annual general meeting of the Company on 5th August 2013. Upon approval by the shareholders of the Company, this final dividend will be paid on 23rd August 2013 to shareholders whose names appear on the register of members of the Company at the close of the business on 13th August 2013. These consolidated financial statements do not reflect this dividend payable but accounted for it as proposed dividend.

12 AMOUNTS DUE TO FELLOW SUBSIDIARIES

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

13 CONTINGENT LIABILITIES

As at 31st March 2013, the Group did not have any material contingent liabilities or guarantees (31st March 2012: Nil).

14 REVIEW OF OPERATION

During the quarter under review, the Group recorded a consolidated turnover of HK\$41,936,000 (2012: HK\$49,726,000), a decrease of 16% from the same quarter of last year. The Group's operating profit was HK\$223,000 compared to HK\$5,101,000 for the same quarter of last year. The decrease in operating profit was mainly due to the decrease in turnover. For Hong Kong operation, turnover decreased 12% mainly because this quarter was traditionally the slack season, For Mainland China operation, the turnover decreased 42% was mainly due to the termination of the operation of "MING 明日風尚" in March 2012.

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

Hong Kong, 29th May 2013

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.