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万 华 媒 体 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 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 six months ended 30th September 2013, together with the comparative unaudited consolidated figures for the corresponding period in 2012 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2013

		(Unaudited) Six months ended 30th September	
	Note	2013 HK\$'000	2012 HK\$'000
Turnover	4	96,184	105,760
Cost of goods sold		(47,227)	(46,030)
Gross profit		48,957	59,730
Other income	12	5,749	2,925
Selling and distribution expenses		(19,270)	(22,153)
Administrative expenses		(18,984)	(20,220)
Operating profit		16,452	20,282
Change in fair value of convertible bond	13	(1,322)	(1,275)
Share of loss of associates and jointly controlled entities		(1,524)	(7)
Profit before income tax		13,606	19,000
Income tax expense	14	(3,434)	(3,963)
Profit for the period		10,172	15,037
Profit attributable to: Equity holders of the Company		10,172	15,037
Earnings per share attributable to equity holders of the Company during the period (expressed in HK cents per share)			
— Basic and diluted	15	2.54	3.76
Dividends	16	6,000	8,000

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2013

	(Unaudited)	
	Six months ended	
	30th September	
	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the period	10,172	15,037
Other comprehensive income		
<i>Item that may be reclassified to profit or loss</i>		
Currency translation differences	<u>459</u>	<u>(83)</u>
Total comprehensive income for the period	<u>10,631</u>	<u>14,954</u>
Attributable to:		
Equity holders of the Company	<u>10,631</u>	<u>14,954</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30TH SEPTEMBER 2013

		(Unaudited) 30th September 2013 HK\$'000	(Audited) 31st March 2013 HK\$'000
	<i>Note</i>		
ASSETS			
Non-current assets			
Property, plant and equipment		5,626	5,483
Intangible assets	5	75,676	76,785
Interests in associates and jointly controlled entities	6	32,088	32,982
Deferred income tax assets		3,192	3,152
Total non-current assets		116,582	118,402
Current assets			
Inventories		9,745	8,694
Trade and other receivables	7	64,389	59,164
Amount due from a fellow subsidiary		364	–
Income tax recoverable		–	1,931
Cash and cash equivalents		95,034	102,798
Total current assets		169,532	172,587
Total assets		286,114	290,989
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	8	400	400
Share premium	8	456,073	456,073
Other reserves		(323,982)	(324,441)
Retained earnings			
— Proposed dividends	16	6,000	14,000
— Others		42,201	38,029
Total equity		180,692	184,061
LIABILITIES			
Non-current liabilities			
Convertible bond	10	73,417	72,474
Deferred income tax liabilities		345	288
Long service payment obligations		12	12
Total non-current liabilities		73,774	72,774
Current liabilities			
Trade and other payables	9	29,149	33,508
Amounts due to fellow subsidiaries		941	535
Income tax liabilities		1,558	111
Total current liabilities		31,648	34,154
Total liabilities		105,422	106,928
Total equity and liabilities		286,114	290,989
Net current assets		137,884	138,433
Total assets less current liabilities		254,466	256,835

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 Group is principally engaged in media business in the Greater China region, including but not limited to magazine publishing and digital media business.

This unaudited condensed consolidated interim financial information (“Financial Information”) is presented in Hong Kong dollars, unless otherwise stated.

2 BASIS OF PREPARATION

This Financial Information for the six months ended 30th September 2013 is unaudited and has been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” and the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

This Financial Information should be read in conjunction with the audited consolidated annual financial statements of the Group for the year ended 31st March 2013 and the accompanying explanatory notes attached to this Financial Information.

3 ACCOUNTING POLICIES

The preparation of this Financial Information in conformity with International Financial Reporting Standards (“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.

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31st March 2013, as described in those annual financial statements.

- (i) Amendments to IAS 1 “Presentation of financial statements” require grouping of items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently. The Group’s presentation of other comprehensive income in the consolidated financial statements has been modified accordingly with comparative information re-presented.
- (ii) IAS 19 (revised) “Employee benefits” amends the accounting for employment benefits. The Group has applied the standard retrospectively in accordance with the transition provisions of the standard. The impact on the Group has been in the following areas:

The standard replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost based on the net defined benefit asset or liability and the discount rate, measured at the beginning of the year. There is no change to determining the discount rate; this continues to reflect the yield on high-quality corporate bonds. This has increased the income statement charge as the discount rate applied to assets is lower than the expected return on assets. This has no effect on total comprehensive income as the increased charge in profit or loss is offset by a credit in other comprehensive income.

There is a new term “remeasurements”. This is made up of actuarial gains and losses, the difference between actual investment returns and the return implied by the net interest cost.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The Group has not early adopted new or revised standards and amendments to standards that have been issued but are not yet effective for the accounting period beginning 1st April 2013. The Group is in the process of making an assessment of the impact of those new or revised standards and amendments to standards on the Group's results and financial position in the period of initial application.

4 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 geographical 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 expenses. 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 period ended 30th September 2013 are as follows:

	(Unaudited)					
	Six months ended 30th September					
	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	80,228	88,905	15,956	16,855	96,184	105,760
Segment profit/(loss) before income tax	25,254	28,439	(4,212)	(2,331)	21,042	26,108
Unallocated expenses					(4,590)	(5,826)
Operating profit					16,452	20,282
Change in fair value of convertible bond					(1,322)	(1,275)
Share of loss of associates and jointly controlled entities					(1,524)	(7)
Profit before income tax					13,606	19,000
Income tax expense	(3,434)	(3,812)	-	(151)	(3,434)	(3,963)
Profit for the period					10,172	15,037
Other information:						
Interest income	495	444	153	165	648	609
Depreciation of property, plant and equipment	685	494	359	470	1,044	964
Amortisation of intangible assets	1,350	907	10	13	1,360	920

The segment assets and liabilities as at 30th September 2013 are as follows:

	(Unaudited)				
	Hong Kong	Mainland		Unallocated	Group
	<i>HK\$'000</i>	China	Eliminations	<i>HK\$'000</i>	<i>HK\$'000</i>
		<i>HK\$'000</i>	<i>HK\$'000</i>		
Total assets	383,256	64,166	(164,500)	3,192	286,114
Total assets include:					
Interests in associates and jointly controlled entities	7,784	24,304	–	–	32,088
Additions to non-current assets (other than deferred income tax assets and interests in associates and jointly controlled entities)	1,385	1	–	–	1,386
Total liabilities	<u>(94,697)</u>	<u>(173,322)</u>	<u>164,500</u>	<u>(1,903)</u>	<u>(105,422)</u>

The segment assets and liabilities as at 31st March 2013 are as follows:

	(Audited)				
	Hong Kong	Mainland		Unallocated	Group
	<i>HK\$'000</i>	China	Eliminations	<i>HK\$'000</i>	<i>HK\$'000</i>
		<i>HK\$'000</i>	<i>HK\$'000</i>		
Total assets	378,593	70,466	(163,153)	5,083	290,989
Total assets include:					
Interests in associates and jointly controlled entities	8,579	24,403	–	–	32,982
Additions to non-current assets (other than deferred income tax assets and interest in associates and jointly controlled entities)	77,810	897	–	–	78,707
Total liabilities	<u>(94,117)</u>	<u>(175,565)</u>	<u>163,153</u>	<u>(399)</u>	<u>(106,928)</u>

Segment assets consist primarily of property, plant and equipment, intangible assets, interests in associates and jointly controlled entities, inventories, trade and other receivables and operating cash. They exclude deferred income tax assets and income tax recoverable.

Segment liabilities comprise operating liabilities. They exclude deferred income tax liabilities and current income tax liabilities.

The eliminations between the reportable segments are intercompany receivables and payables between the operating segments.

The total of non-current assets located in Hong Kong is HK\$87,836,000 (31st March 2013: HK\$89,247,000) and the total of these non-current assets located in Mainland China is HK\$28,746,000 (31st March 2013: HK\$26,002,000).

No revenue derived from a single customer is 10% or more of the combined revenue of all operating segments (2012: Nil).

5 INTANGIBLE ASSETS

	Group			
	Computer softwares <i>HK\$'000</i>	Goodwill <i>HK\$'000</i>	Trademark <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31st March 2013				
Opening net book amount	523	2,658	–	3,181
Additions	229	–	–	229
Additions from acquisition	–	–	75,600	75,600
Amortisation expenses	(171)	–	(2,100)	(2,271)
Currency translation 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				
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>
Period ended 30th September 2013				
Opening net book amount	582	2,703	73,500	76,785
Additions	217	–	–	217
Amortisation expenses	(100)	–	(1,260)	(1,360)
Currency translation differences	–	34	–	34
Closing net book amount	<u>699</u>	<u>2,737</u>	<u>72,240</u>	<u>75,676</u>
At 30th September 2013				
Cost	1,167	2,737	75,600	79,504
Accumulated amortisation	(468)	–	(3,360)	(3,828)
Net book amount	<u>699</u>	<u>2,737</u>	<u>72,240</u>	<u>75,676</u>

6 INTERESTS IN ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

	(Unaudited) 30th September 2013 <i>HK\$'000</i>	(Audited) 31st March 2013 <i>HK\$'000</i>
Interests in associates	26,477	25,512
Interests in jointly controlled entities (“JCEs”)	5,611	7,470
	<u>32,088</u>	<u>32,982</u>

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

	(Unaudited) 30th September 2013 <i>HK\$'000</i>	(Audited) 31st March 2013 <i>HK\$'000</i>
Beginning of the period/year	32,982	25,978
Formation of JCEs	–	8,000
Contingent consideration of investment in an associate (<i>note (a)(ii)</i>)	650	–
Share of loss	(1,395)	(738)
Dividend income received from an associate	(20)	–
Amortisation of trademark and customer list	(129)	(258)
	<hr/> 32,088 <hr/>	<hr/> 32,982 <hr/>
End of the period/year	32,088	32,982

Notes:

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

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

- (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.

On 1st February 2012, the Group, through its indirect wholly-owned subsidiary (Top Plus Limited), entered into a subscription agreement with Blackpaper Limited (the "Subscription Agreement"), whereby Top Plus Limited subscribed for 10% of the entire issued share capital as enlarged by the subscription of the shares in Blackpaper Limited for a total consideration of HK\$2,000,000. According to the Subscription Agreement, the total consideration of HK\$2,000,000 would be paid in three separate payments. The first two payments totalling HK\$1,000,000 were made and accounted for on the date of acquisition. The remaining third installment of HK\$1,000,000 is payable subject to the fulfilment of certain conditions. In this respect, the management of the Group has assessed the performance of Blackpaper Limited and estimated that the remaining consideration would be HK\$650,000, and this amount had been accrued as part of the cost of investment in Blackpaper Limited.

Although the Group holds less than 20% of the equity shares of Blackpaper Limited, 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 Blackpaper Limited. The Group therefore regards Blackpaper Limited as its associate.

(b) Particulars of the Group's JCEs are as follows:

Name of jointly controlled entities	Place of incorporation	Effective equity interest	Principal activities
Chu Kong Culture Media Company Limited	British Virgin Islands	40%	<i>note (i)</i>
Connect Media Company Limited	Hong Kong	40%	<i>note (i)</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 amounts of assets (excluding goodwill) and liabilities are as follows:

	Six months ended 30th September	
	2013 HK\$'000	2012 HK\$'000
Revenue	1,871	732
Expenses	(3,395)	(739)
Loss for the period	<u>(1,524)</u>	<u>(7)</u>
	30th September 2013 HK\$'000	31st March 2013 HK\$'000
Non-current assets	1,508	956
Current assets	26,521	24,321
Current liabilities	(6,278)	(3,143)
Net assets	<u>21,751</u>	<u>22,134</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 30th September 2013 and 31st March 2013.

7 TRADE AND OTHER RECEIVABLES

	(Unaudited)	(Audited)
	30th September 2013 HK\$'000	31st March 2013 HK\$'000
Trade receivables	54,006	53,338
Other receivables	10,383	5,826
	<u>64,389</u>	<u>59,164</u>

The Group allows in general a credit period ranging from 30 days to 120 days to its trade customers. As at 30th September 2013 and 31st March 2013, the ageing analysis of the Group's trade receivables by invoice date, net of impairment provision is as follows:

	(Unaudited) 30th September 2013 HK\$'000	(Audited) 31st March 2013 HK\$'000
0 to 60 days	27,925	27,098
61 to 120 days	17,722	17,188
121 to 180 days	4,967	3,455
Over 180 days	3,392	5,597
	<u>54,006</u>	<u>53,338</u>

There is no concentration of credit risk with respect to trade receivables as the Group has a large customer base. As at 30th September 2013 and 31st March 2013, the fair values of trade and other receivables approximated their carrying values.

Other receivables are comprised of the following:

	(Unaudited) 30th September 2013 HK\$'000	(Audited) 31st March 2013 HK\$'000
Amounts due from third parties	8,676	5,826
Amount due from a JCE	1,707	–
	<u>10,383</u>	<u>5,826</u>

8 SHARE CAPITAL AND PREMIUM

	Number of issued shares (in thousands)	Ordinary shares HK\$'000	Share premium HK\$'000	Total HK\$'000
Balance at				
30th September 2012,				
31st March 2013,				
1st April 2013 and				
30th September 2013	<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 (2012: 4,000 million shares) with a par value of HK\$0.001 per share (2012: HK\$0.001). All issued shares are fully paid.

9 TRADE AND OTHER PAYABLES

	(Unaudited) 30th September 2013 HK\$'000	(Audited) 31st March 2013 HK\$'000
Trade payables	7,807	4,740
Other payables	21,342	28,768
	<u>29,149</u>	<u>33,508</u>

As at 30th September 2013, the ageing analysis of trade payables by invoice date is as follows:

	(Unaudited) 30th September 2013 HK\$'000	(Audited) 31st March 2013 HK\$'000
0 to 60 days	5,012	4,460
61 to 120 days	2,670	152
121 to 180 days	22	–
Over 180 days	103	128
	<u>7,807</u>	<u>4,740</u>

As at 30th September 2013 and 31st March 2013, the fair values of trade and other payables approximated their carrying amounts.

Other payables are comprised of the following:

	(Unaudited) 30th September 2013 HK\$'000	(Audited) 31st March 2013 HK\$'000
Amounts due to third parties	18,821	28,768
Amount due to an associate	2,521	–
	<u>21,342</u>	<u>28,768</u>

10 CONVERTIBLE BOND

	(Unaudited) 30th September 2013 HK\$'000	(Audited) 31st March 2013 HK\$'000
Non-current		
Convertible bond	<u>73,417</u>	<u>72,474</u>

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 in whole or part of the principal amount of the bond into shares at a conversion price of HK\$0.9 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 for an equivalent non-convertible bond. The equity component is recognised initially as the difference between the net proceeds from the bond and the fair value of the liability component and is included in other reserves in equity.

Movements on the liability component of the convertible bond are as follows:

	(Unaudited) 30th September 2013 <i>HK\$'000</i>	(Audited) 31st March 2013 <i>HK\$'000</i>
Face value of liability component at beginning of the period/year	72,474	–
Face value of convertible bond issued	–	75,600
Equity component	–	(5,214)
Coupon interest	(379)	(630)
Change in fair value of the liability component of the convertible bond (<i>Note 13</i>)	<u>1,322</u>	<u>2,718</u>
Fair value of liability component at end of the period/year	<u><u>73,417</u></u>	<u><u>72,474</u></u>

11 EXPENSES BY NATURE

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

	(Unaudited) Six months ended 30th September 2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Paper consumed	8,547	10,100
Depreciation of property, plant and equipment	1,044	964
Amortisation of intangible assets	1,360	920
Employee benefit expense (including directors' emoluments)	35,558	34,785
Occupancy costs	3,340	3,036
Loss on disposal of property, plant and equipment	<u>–</u>	<u>115</u>

12 OTHER INCOME

	(Unaudited)	
	Six months ended 30th September	
	2013	2012
	HK\$'000	HK\$'000
Bank interest income	648	609
Licence fee income	293	279
Other media business income	4,808	2,037
	<hr/>	<hr/>
	5,749	2,925
	<hr/> <hr/>	<hr/> <hr/>

13 CHANGE IN FAIR VALUE OF CONVERTIBLE BOND

	(Unaudited)	
	Six months ended 30th September	
	2013	2012
	HK\$'000	HK\$'000
Financial assets at fair value through profit or loss		
— Change in fair value of convertible bond	1,322	1,275
	<hr/>	<hr/>
	1,322	1,275
	<hr/> <hr/>	<hr/> <hr/>

14 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% (2012: 16.5%) on the estimated assessable profit for the period.

No provision for the People's Republic of China ("PRC") current income tax has been made as the Group has unutilised tax losses to offset the assessable profits generated in the PRC during the six months ended 30th September 2013 (2012: Nil).

	(Unaudited)	
	Six months ended 30th September	
	2013	2012
	HK\$'000	HK\$'000
Hong Kong profits tax		
— Current income tax	3,376	3,792
Deferred income tax		
— Current deferred income tax expense	58	171
	<hr/>	<hr/>
	3,434	3,963
	<hr/> <hr/>	<hr/> <hr/>

15 EARNINGS PER SHARE

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

	(Unaudited)	
	Six months ended 30th September	
	2013	2012
	HK\$'000	HK\$'000
Profit attributable to equity holders of the Company	<u>10,172</u>	<u>15,037</u>
Number of ordinary shares in issue (in thousands)	<u>400,000</u>	<u>400,000</u>
Basic earnings per share (HK cents per share)	<u>2.54</u>	<u>3.76</u>

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

16 DIVIDENDS

Dividends attributable to the period:

	(Unaudited)	
	Six months ended 30th September	
	2013	2012
	HK\$'000	HK\$'000
Interim dividend of HK1.5 cents (2012: HK2 cents) per ordinary share	<u>6,000</u>	<u>8,000</u>

On 27th November 2013, the Board of Directors declared an interim dividend for the six months ended 30th September 2013 of HK1.5 cents (2012: HK2 cents) per ordinary share, totalling HK\$6,000,000 (2012: HK\$8,000,000) payable on 31st December 2013 to shareholders whose names appear on the register of members of the Company on 18th December 2013. This condensed consolidated financial information does not reflect this dividend payable but accounts for it as proposed dividend.

Dividends paid during the period:

	(Unaudited)	
	Six months ended 30th September	
	2013	2012
	HK\$'000	HK\$'000
Dividends paid relating to the year ended 31st March 2013: Final dividend of HK3.5 cents (2012: HK4 cents) per ordinary share	<u>14,000</u>	<u>16,000</u>

17 CONTINGENT LIABILITIES

As at 30th September 2013, the Group did not have any material contingent liabilities or guarantees (31st March 2013: Nil).

MANAGEMENT DISCUSSION & ANALYSIS

Results Summary

The business environment of the media industry in Hong Kong was difficult in the first half of 2013. The Group's performance was therefore directly affected by advertisers' cautious spending on advertising and promotion.

Turnover of the Group for the six-month period decreased by 9.1% to HK\$96,184,000 due primarily to unfavorable advertising market conditions. Gross profit of the Group therefore dropped by 18% to HK\$48,957,000 compared with the corresponding prior-year period. Profit attributable to equity holders of the Company for the interim period under review was HK\$10,172,000, representing a 32.4% decrease from the corresponding prior-year period.

Review of Operations

Hong Kong

The turnover of the Group's operation in Hong Kong representing 83.4% of the Group's total turnover for the six months ended 30th September 2013 decreased by 9.8% to HK\$80,228,000. Segment profit from Hong Kong operations decreased by 11.2% to HK\$25,254,000 compared with the corresponding prior-year period reflecting unfavorable advertising market conditions.

"*Ming Pao Weekly* 明報周刊" ("MP Weekly"), "*Top Gear* 極速誌" ("Top Gear Hong Kong") and "*MING Watch* 明錶" ("MING Watch") are the Group's main turnover contributing businesses. During the period under review, advertisers tightened their advertising spending which in turn affected the Group's advertising income, especially that of MP Weekly. On the other hand, Top Gear Hong Kong, a high-end automobile magazine, has maintained its performance on not only automobile-related goods, but also up-market products. MING Watch saw stable growth during the period under review.

The Group's publications maintain their contents at high quality and achieved remarkable brand awareness. MP Weekly received two awards in Magazine of the Year 2013 organised by Marketing Magazine in Hong Kong. It won Silver Prize in the Entertainment category and ranked 4th in Top 10 Overall Magazines Of The Year 2013. Meanwhile, Top Gear Hong Kong was awarded Silver Prize in the Motoring category. It also received First Prize in the Motor Vehicles category of Digital Media Of The Year 2013.

MING Watch is a professional bimonthly watch magazine offering feature stories and the latest development trends in the industry and has secured a number of prestigious brands as advertisers. It has expanded its publishing from Hong Kong to Mainland China market recently.

"*Travel Planner* 港澳台自由行專輯" ("Travel Planner") is a bimonthly guidebook providing information to travellers visiting Hong Kong, Macau and Taiwan. It introduces indigenous culture, heritage sites and exotic food, in addition to being a shopping guide with special features. Compared with the same period of the previous financial year, its turnover for the period under review has significantly improved.

Travel Planner is geared towards the mass market, thus complementing “*Hong Kong Voyage 優遊香港*”, another guidebook of the Group which targets the high-end market and is published in February, May and October which coincides with major holiday seasons in Mainland China. With these two travel guides, the Group is able to tap into a wider spectrum of the retail continuum, thereby attracting more advertisers and generating income for the Group.

Mainland China

The Group’s Mainland China turnover recorded a slight drop from HK\$16,855,000 for the corresponding prior-year period to HK\$15,956,000 for the period under review. Segment loss during the period was HK\$4,212,000 compared with HK\$2,331,000 in the same period last year.

“*Top Gear 汽車測試報告*” and “*Popular Science 科技新時代*” continue to attract Mainland Chinese readers with infotainment, automobile news and trends as well as science news and the latest updates from the technology sector.

Hihoku, an online platform providing quality entertainment contents to Chinese communities, continues to develop in Mainland China and Hong Kong. The Group, through Hihoku, was building a production platform of mini-movies, a recent popular trend in promotion. It is expected that this would strengthen the Group’s competitiveness in multimedia operation in long run.

New Business

In November 2012, the Group and Chu Kong Shipping Enterprises (Group) Company Limited (HK stock code: 0560) (“Chu Kong Shipping”), jointly formed a new media company, namely, Connect Media Company Limited, focusing on the Pearl River Delta region. It also represents an opportunity for the Group to expand its advertiser base, promoting products to the passengers of Chu Kong Shipping travelling in the Pearl River Delta region.

Associates’ Performance

ByRead Group is one of the leading mobile reading platform providers in Mainland China, with registered users increasing to approximately 63.7 million up to the end of September 2013, and added more than 11.8 million users compared with the corresponding prior-year period.

Blackpaper Limited has successfully expanded its business to have a new weekly magazine, namely, “*100 Most*” and also book publishing.

Outlook

Going forwards, the Group may face a weak advertising demand situation and cost pressures. The Group will continue to enhance the contents of its existing magazines in order to maintain reader loyalty. It will also continue to develop new businesses to attract new client bases. In addition, the Group will still stay cautious and continuously adopt cost control measures in the coming future and also explore acquisition or investment opportunities that could create values for shareholders.

CAPITAL EXPENDITURE

The Group's total capital expenditure for property, plant and equipment for the six months ended 30th September 2013 amounted to HK\$1,386,000.

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.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

The Company has not redeemed any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members will be closed from Friday, 13th December 2013 to Wednesday, 18th December 2013, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend of HK1.5 cents 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, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 12th December 2013.

EMPLOYEES

As at 30th September 2013, the Group has approximately 229 employees (31st March 2013: approximately 232 employees), of which 159 and 70 were stationed in Hong Kong and in the 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 Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules and complied with the CG Code throughout the period.

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 set out in the Model Code throughout the period.

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 financial information for the six months ended 30th September 2013 and discussed matters relating to auditing, internal controls and financial reporting.

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, namely, 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, namely, Mr. TIONG Kiew Chiong.

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

Hong Kong, 27th November 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.

The Company's Interim Report 2013/14 containing all the information required by the Listing Rules will be published on The Stock Exchange of Hong Kong Limited's website in due course and will be dispatched to shareholders before end of December 2013.