



One Media Group **Interim Report 2013/14**

媒体 2013至2014年度中期报告 万华

One Media Group Limited
萬華媒體集團有限公司

Stock Code 股份代號：426

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30TH SEPTEMBER 2013

	<i>Note</i>	(Unaudited) 30th September 2013 HK\$'000	(Audited) 31st March 2013 HK\$'000
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	17	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 dividend	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	17	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

The notes on pages 6 to 19 are an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2013

		(Unaudited)	
		Six months ended	
		30th September	
		2013	2012
	<i>Note</i>	HK\$'000	<i>HK\$'000</i>
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	6	(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

The notes on pages 6 to 19 are an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2013

	(Unaudited)	
	Six months ended	
	30th September	
	2013	2012
	HK\$'000	HK\$'000
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>

The notes on pages 6 to 19 are an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2013

		(Unaudited)				
		Attributable to equity holders of the Company				
Notes	Share capital HK\$'000	Share premium HK\$'000	Other reserves HK\$'000	Retained earnings HK\$'000	Total equity HK\$'000	
	At 1st April 2012	400	456,073	(330,334)	40,147	166,286
	Comprehensive income					
	Profit for the period	–	–	–	15,037	15,037
	Other comprehensive income:					
	Currency translation differences	–	–	(83)	–	(83)
	Total comprehensive income for the period	–	–	(83)	15,037	14,954
	Transactions with equity holders					
	Dividend paid relating to year ended 31st March 2012	–	–	–	(16,000)	(16,000)
16	Convertible bond – equity component	–	–	5,214	–	5,214
	Transactions with equity holders	–	–	5,214	(16,000)	(10,786)
	At 30th September 2012	400	456,073	(325,203)	39,184	170,454
	At 1st April 2013	400	456,073	(324,441)	52,029	184,061
	Comprehensive income					
	Profit for the period	–	–	–	10,172	10,172
	Other comprehensive income:					
	Currency translation differences	–	–	459	–	459
	Total comprehensive income for the period	–	–	459	10,172	10,631
	Transactions with equity holders					
	Dividend paid relating to year ended 31st March 2013	–	–	–	(14,000)	(14,000)
16	Transactions with equity holders	–	–	–	(14,000)	(14,000)
	At 30th September 2013	400	456,073	(323,982)	48,201	180,692

The notes on pages 6 to 19 are an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2013

	(Unaudited)	
	Six months ended	
	30th September	
	2013	2012
	HK\$'000	HK\$'000
Net cash generated from operating activities	6,808	9,791
Net cash used in investing activities	(717)	(816)
Net cash used in financing activities	(14,000)	(16,000)
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(7,909)	(7,025)
Net cash and cash equivalents at the beginning of the period	102,798	97,461
Currency translation difference on cash and cash equivalents	145	(26)
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	95,034	90,410
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The notes on pages 6 to 19 are an integral part of this condensed consolidated interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

One Media Group Limited (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 Company and its subsidiaries (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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Continued)

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Continued)

4 SEGMENT INFORMATION (Continued)

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

	(Unaudited)				
	Hong Kong HK\$'000	Mainland China HK\$'000	Elimination HK\$'000	Unallocated HK\$'000	Group HK\$'000
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 HK\$'000	Mainland China HK\$'000	Elimination HK\$'000	Unallocated HK\$'000	Group HK\$'000
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 interests 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).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Continued)

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")	<u>5,611</u>	<u>7,470</u>
	<u>32,088</u>	<u>32,982</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Continued)

6 INTERESTS IN ASSOCIATES AND JOINTLY CONTROLLED ENTITIES (Continued)

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

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

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%	note (i)
Blackpaper Limited	Hong Kong	10%	note (ii)

(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. 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Continued)

6 INTERESTS IN ASSOCIATES AND JOINTLY CONTROLLED ENTITIES (Continued)

Notes: (Continued)

(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%	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:

	Six months ended	
	30th September	2012
	2013	2012
	HK\$'000	HK\$'000
Revenue	1,871	732
Expenses	(3,395)	(739)
Loss for the period	<u>(1,524)</u>	<u>(7)</u>
	30th September	31st March
	2013	2013
	HK\$'000	HK\$'000
Non-current assets	1,508	956
Current assets	26,521	24,321
Current liabilities	<u>(6,278)</u>	<u>(3,143)</u>
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	31st March
	2013	2013
	HK\$'000	HK\$'000
Trade receivables	54,006	53,338
Other receivables	<u>10,383</u>	<u>5,826</u>
	<u>64,389</u>	<u>59,164</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Continued)

7 TRADE AND OTHER RECEIVABLES (Continued)

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 invoices 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 comprised 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Continued)

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 comprised 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>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Continued)

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 HK\$'000	(Audited) 31st March 2013 HK\$'000
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 (Note 17)	(379)	(630)
Change in fair value of the liability component of convertible bond (Note 13)	<u>1,322</u>	<u>2,718</u>
Fair value of liability component at end of the period/year	<u>73,417</u>	<u>72,474</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 HK\$'000	2012 HK\$'000
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	–	115

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Continued)

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
	<u>5,749</u>	<u>2,925</u>

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
	<u>1,322</u>	<u>1,275</u>

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
	<u>3,434</u>	<u>3,963</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Continued)

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	10,172	15,037
Number of ordinary shares in issue (<i>in thousands</i>)	400,000	400,000
Basic earnings per share (<i>HK cents per share</i>)	2.54	3.76

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	6,000	8,000

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, totaling 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	14,000	16,000

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Continued)

17 RELATED PARTY TRANSACTIONS

The immediate parent of the Company is Comwell Investment Limited. The intermediate holding company is Media Chinese International Limited ("Media Chinese"), a company incorporated in Bermuda. The ultimate controlling party of the Company is Tan Sri Datuk Sir TIONG Hiew King, who is the Executive Chairman and the controlling shareholder of Media Chinese.

The following transactions were carried out with related parties:

- (i) During the period ended 30th September 2013, the Group entered into the following transactions with fellow subsidiaries, an associate and a JCE:

	Note	2013 HK\$'000	2012 HK\$'000
Licence fees	a	–	1,921
Circulation support services	b	657	589
Library support fee	c	105	114
Administrative support services	d	2,672	2,729
Leasing of office space, storage space and parking spaces	e	1,264	1,044
Ticketing and accommodation expenses	f	317	367
Barter advertising expenses	g	644	1,025
Barter advertising income	h	(546)	(962)
Type-setting, color separation and film making expenses	i	1	1
Printing costs	j	–	1,446
Promotion expenses	k	10	138
Pension costs — defined contribution plans	l	998	888
Agency income	m	(1,016)	–
Sundry income	n	(362)	(110)
Dividend income	o	(20)	–
Acquisition of a subsidiary	p	–	75,600
Convertible bond interest	q	379	252
Content providing and video production income	r	(1,707)	–

Notes:

- (a) This represents licence fees of the right to use the trademark for the printing of "Ming Pao Weekly 明報周刊" and their past contents by a fellow subsidiary. It is charged at a pre-determined rate calculated by reference to the licence fees charged by third party licensors to the Group.
- (b) This represents recharge of circulation support services relating to the distribution, sale and promotion of the publications of the Group by a fellow subsidiary. It is charged on a cost reimbursement basis.
- (c) This represents recharge by a fellow subsidiary relating to provision of library support services including data classification, data indexing and filing, data storage management and retrieval, data provision and newspaper clipping. It is charged on a cost reimbursement basis.
- (d) This represents recharge of administrative support services, human resources, corporate communications, legal services, information system support services and depreciation on certain computers and office equipment leased from a fellow subsidiary. It is charged on a cost reimbursement basis.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Continued)

17 RELATED PARTY TRANSACTIONS (Continued)

- (i) During the period ended 30th September 2013, the Group entered into the following transactions with fellow subsidiaries, an associate and a JCE: (Continued)
- (e) This represents rental to a fellow subsidiary for leasing of office space, storage space and parking spaces. The rentals are charged at a pre-determined rate calculated by reference to the prevailing market rates.
- (f) This represents ticketing and accommodation expenses paid to a fellow subsidiary. It is charged at a pre-determined rate calculated based on the rates charged to third party customers.
- (g) This represents advertising expenses on a barter basis in accordance with barter advertising agreement entered into with Media Chinese. It is charged at a pre-determined rate calculated based on the rates charged to third party customers.
- (h) This represents advertising income on a barter basis in accordance with barter advertising agreement entered into with Media Chinese. It is charged at a pre-determined rate calculated based on the rates charged to third party customers.
- (i) This represents type-setting, color separation and film making expenses charged by a fellow subsidiary. It is charged at a pre-determined rate calculated based on the costs incurred.
- (j) This represents printing costs charged by a fellow subsidiary. It is charged at a pre-determined rate calculated based on the rates charged to third party customers.
- (k) This represents promotion expenses paid to fellow subsidiaries. It is charged at a pre-determined rate calculated based on the rates charged to third party customers.
- (l) This represents defined contribution cost made to a fellow subsidiary for the Group's pension obligation. There is no stated policy or contractual agreement between the Group and the Media Chinese Group. It is charged based on a pre-determined rate of its employees' salaries.
- (m) This represents retainer fee less agency commission and profit sharing of an associate. It is charged at a pre-determined rate calculated based on the cost incurred.
- (n) This represents sub-lease rental income and accounting servicing income in accordance with agreements entered into with a related company of the controlling party of Media Chinese. It is charged at a pre-determined rate calculated by references to the prevailing market rates.
- (o) This represents dividend income received from an associate. It is calculated according to the equity interest held by the Group in the associate.
- (p) This represents the cost of acquiring 100% of the issued shares in Ming Pao Finance Limited from Ming Pao Holdings Limited, a fellow subsidiary of the Company.
- (q) This represents convertible bond interest at the rate of 1% per annum, calculated daily on the basis of 365 days per year and payable half-yearly in arrears to a fellow subsidiary.
- (r) This represents content providing income and video production income received from a JCE, Connect Media Company Limited, in accordance with the agreements entered into with it at arm's length basis.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Continued)

17 RELATED PARTY TRANSACTIONS (Continued)

(ii) Period/year end balances arising from the related party transactions as disclosed in Note 17(i) above are as follows:

	(Unaudited) 30th September 2013 HK\$'000	(Audited) 31st March 2013 HK\$'000
Amounts due from a fellow subsidiary	364	–
Amounts due to fellow subsidiaries	941	535
Amount due from a JCE (Note 7)	1,707	–
	<u>1,707</u>	<u>–</u>

The outstanding balances with fellow subsidiaries and a JCE are aged, by invoice dates, within 180 days and are unsecured, non-interest bearing and with normal credit terms from 30 days to 180 days.

(iii) Key management compensation

	(Unaudited) Six months ended 30th September 2013 HK\$'000	2012 HK\$'000
Salaries and other short-term employee benefits	2,798	2,708
Contributions to pension scheme	56	51
	<u>2,854</u>	<u>2,759</u>

18 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.

MANAGEMENT DISCUSSION & ANALYSIS (Continued)

Review of Operations (Continued)

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 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 the 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 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.

SHARE OPTIONS

The Company has two share option schemes. A pre-IPO share option scheme (“Pre-IPO Share Option Scheme”) was approved and adopted by shareholders on 26th September 2005. Another share option scheme, a post-IPO share option scheme (“Post-IPO Share Option Scheme”), was also approved on the same date, 26th September 2005 by the shareholders of the Company. The principal terms of the Pre-IPO Share Option Scheme are substantially the same as the terms of the Post-IPO Share Option Scheme (where applicable) except for the following principal terms: (a) the subscription price per share was the final Hong Kong dollar price per share at which shares were to be sold in an offer for sale in Hong Kong on 18th October 2005 (the “Listing Date”), being the date of the shares of the Company were listed on the main board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”); and (b) no options would be offered or granted upon the commencement of dealings in the shares of the Stock Exchange.

Under the Post-IPO Share Option Scheme, the subscription price per share is a price to be determined by the Board of Directors which shall be the highest of the closing price of the shares on the Stock Exchange on the relevant offer date, the average closing price of the shares on the Stock Exchange for the five trading days immediately preceding the relevant offer date or the nominal value of the shares. The Board of Directors may grant options to subscribe the shares of the Company to any full time employee, executive and non-executive directors (including the independent non-executive directors) of the Group or Media Chinese and its subsidiaries. No share option was granted under the Post-IPO Share Option Scheme during the six months ended 30th September 2013.

Details of the share options outstanding and movements during the six months ended 30th September 2013 are as follows:

Grantee	Number of shares involved in share options				Balance at 30th September 2013	Percentage of issued ordinary shares at 30th September 2013	Exercise price per share HK\$	Date of grant	Exercisable period
	Balance at 1st April 2013	Granted during the period (Note 3)	Exercised during the period (Note 3)	Lapsed during the period (Note 4)					
Directors:									
Tan Sri Datuk Sir TIONG Hiew King (Note 1)	1,250,000	-	-	-	1,250,000	0.31%	1.200	27/9/2005	18/10/2005-25/9/2015
Mr. TIONG Kiew Chiong (Note 1)	1,250,000	-	-	-	1,250,000	0.31%	1.200	27/9/2005	18/10/2005-25/9/2015
Mr. LAM Pak Cheong (Note 1)	1,000,000	-	-	-	1,000,000	0.25%	1.200	27/9/2005	18/10/2005-25/9/2015
Mr. YU Hon To, David (Note 1)	150,000	-	-	-	150,000	0.04%	1.200	27/9/2005	18/10/2005-25/9/2015
Mr. SIT Kien Ping, Peter (Note 1)	150,000	-	-	-	150,000	0.04%	1.200	27/9/2005	18/10/2005-25/9/2015
Mr. TAN Hock Seng, Peter (Note 1)	150,000	-	-	-	150,000	0.04%	1.200	27/9/2005	18/10/2005-25/9/2015
	3,950,000	-	-	-	3,950,000	0.99%			
Media Chinese's directors:									
Dato' Sri Dr. TIONG Ik King (Note 1)	1,000,000	-	-	-	1,000,000	0.25%	1.200	27/9/2005	18/10/2005-25/9/2015
Full time employees (Note 1)	2,200,000	-	-	(50,000)	2,150,000	0.54%	1.200	27/9/2005	18/10/2005-25/9/2015
Full time employees (Note 2)	776,000	-	-	(8,000)	768,000	0.19%	1.200	27/9/2005	18/10/2005-25/9/2015
Total	7,926,000	-	-	(58,000)	7,868,000	1.97%			

SHARE OPTIONS *(Continued)*

Notes:

In relation to the options granted to the grantees, either of the following two vesting scales has been applied:

- 20% of the Company's shares comprised in the option will vest on each of the five anniversaries of the Listing Date from the first anniversary of the Listing Date to the fifth anniversary of the Listing Date; or
- 100% of the Company's shares comprised in each of the option will fully vest on the first anniversary of the Listing Date,

as the case may be, which has been specified in the offer letters to the grantees. Subject to the relevant vesting period, each option has a 10-year exercisable period from the date of the offer of the option. As evidenced by the vesting periods of the options granted under the Pre-IPO Share Option Scheme, no option granted under the Pre-IPO Share Option Scheme was exercisable within six months from the Listing Date.

- No share option was granted, exercised or cancelled during the period.
- During the period, 58,000 share options have been lapsed by reason of the grantees ceased to be full time employees of the Group.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN THE SHARE CAPITAL AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30th September 2013, the interests and short positions of the directors, chief executives and their associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified or as required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 of the Listing Rules are as follows:

(a) Interests in the Company's shares

Name of Director	Number of shares/underlying shares held					Percentage of issued ordinary shares as at 30th September 2013
	Personal interest	Corporate interest	Total interests in shares	Interests in underlying shares pursuant to share options <i>(Note)</i>	Aggregate interests	
Tan Sri Datuk Sir TIONG Hiew King	–	292,700,000	292,700,000	1,250,000	293,950,000	73.49%
Mr. TIONG Kiew Chiong	4,000,000	–	4,000,000	1,250,000	5,250,000	1.31%
Mr. LAM Pak Cheong	–	3,000,000	3,000,000	1,000,000	4,000,000	1.00%
Mr. YU Hon To, David	–	–	–	150,000	150,000	0.04%
Mr. SIT Kien Ping, Peter	–	–	–	150,000	150,000	0.04%
Mr. TAN Hock Seng, Peter	200,000	–	200,000	150,000	350,000	0.09%

All the interests stated above represent long positions in the share of the Company.

Note: For further details on the share options, please refer to the paragraph "Share Options".

DIRECTORS' INTERESTS AND SHORT POSITIONS IN THE SHARE CAPITAL AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

(Continued)

(b) Interests in shares in Media Chinese

Name of Director	Number of shares held				Percentage of issued ordinary shares as at 30th September 2013
	Personal interest	Family interest	Corporate interest	Aggregate interests	
Tan Sri Datuk Sir TIONG Hiew King	87,109,058	234,566	796,734,373	884,077,997	52.40%
Mr. TIONG Kiew Chiong	1,489,039	-	-	1,489,039	0.09%

All the interests stated above represent long positions in the share of Media Chinese.

Save as disclosed above and those disclosed under the paragraph "Share Options", as at 30th September 2013, none of the Directors, chief executives and their associates had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified or as required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS AND PERSONS WHO HAVE AN INTEREST OR SHORT POSITIONS DISCLOSEABLE UNDER DIVISIONS 2 AND 3 OF PART XV OF THE SFO

The register of interests in shares and short positions maintained under Section 336 of the SFO shows that as at 30th September 2013, the Company had been notified of the following interests in shares representing 5% or more of the Company's issued share capital:

Name of shareholder	Number of ordinary shares held	Capacity	Percentage of issued ordinary shares as at 30th September 2013
Comwell Investment Limited (Note)	292,700,000	Beneficial owner	73.18%

All the interests stated above represent long positions in the shares of the Company.

Note:

Comwell Investment Limited is an indirect wholly-owned subsidiary of Media Chinese. Tan Sri Datuk Sir TIONG Hiew King, a director of Media Chinese, is deemed interested in Media Chinese in an aggregate of 52.40% by virtue of his personal interests, family interests and corporate interests. Dato' Sri Dr. TIONG Ik King, a director of Media Chinese, is deemed interested in Media Chinese in an aggregate of 15.63% by virtue of his personal interests and corporate interests.

Save as disclosed above, the Company had not been notified of any other interests representing 5% or more of the issued share capital of the Company as at 30th September 2013.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

The Company has not redeemed any of its share 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, 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.

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, set out below are the changes in information of Directors since the date of the 2012/13 Annual Report:

With effect from 14th June 2013, Mr. YU Hon To, David, an independent non-executive Director, the Chairman of the Audit Committee and a member of each of the Remuneration Committee and Nomination Committee of the Company, was appointed as an independent non-executive director of New Century Asset Management Limited, the manager of New Century Real Estate Investment Trust (stock code: 1275) which is listed on the Stock Exchange. In addition, he retired from the position of independent non-executive director of China Datang Corporation Renewable Power Co., Limited (stock code: 1798) and TeleEye Holdings Limited (stock code: 8051) with effect from 20th August 2013 and 25th October 2013 respectively.

By Order of the Board
One Media Group Limited

TIONG Kiew Chiong

Director

Hong Kong, 27th November 2013

As at the date of this report, the Board of Directors 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.

HONG KONG 香港

16/F, Block A, Ming Pao Industrial Centre,
18 Ka Yip Street, Chai Wan, Hong Kong
香港柴灣嘉業街18號明報工業中心A座16樓
Tel: (852) 3605 3705 Fax: (852) 2898 2527

BEIJING 北京

Suites 1007-1010, Tower 3, China Overseas
Plaza, 8 Guang Hua Dong Li, Jianguo Menwai
Ave., Chaoyang District, Beijing, China 100020
北京市朝陽區建國門外大街光華東里8號
中海廣場3號樓1007-1010室(郵編: 100020)
Tel: (86 10) 5281 3888 Fax: (86 10) 5281 3800

SHANGHAI 上海

Rooms G-H, 7/F, Jing Cai Century Building,
567 Wei Hai Road, Jingan District, Shanghai,
China 200041
上海市靜安區威海路567號晶采世紀大廈7樓
G-H室(郵編: 200041) Tel: (86 21) 6141 9111
Fax: (86 21) 6141 9100

GUANGZHOU 廣州

Unit C, 30/F, Zhongqiao Mansion,
76 Xianlie Zhonglu, Guangzhou, China 510095
廣州市先烈中路76號中僑大廈30樓
C單元(郵編: 510095) Tel: (86 20) 2237 0256
Fax: (86 20) 2237 0258

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