



One Media Group **Interim Report 2014/15**

媒体 万华

二〇一四至一五年度中期報告

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 2014

	Note	(Unaudited) 30th September 2014 HK\$'000	(Audited) 31st March 2014 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		4,385	5,108
Intangible assets	5	73,064	74,291
Interests in associates and joint ventures	6	30,591	31,636
Deferred income tax assets		3,141	3,114
Total non-current assets		111,181	114,149
Current assets			
Inventories		9,013	10,018
Trade and other receivables	7	60,731	50,539
Amount due from fellow subsidiaries	17	435	365
Income tax recoverable		–	1,363
Cash and cash equivalents		113,630	123,476
Total current assets		183,809	185,761
Total assets		294,990	299,910
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		(324,202)	(324,492)
Retained earnings			
– Proposed dividend	16	2,400	12,000
– Others		50,447	48,675
Total equity		185,118	192,656
LIABILITIES			
Non-current liabilities			
Convertible bond	10	–	74,024
Deferred income tax liabilities		273	335
Long service payment obligations		16	16
Total non-current liabilities		289	74,375
Current liabilities			
Trade and other payables	9	31,376	31,416
Amounts due to fellow subsidiaries	17	2,411	1,178
Convertible bond	10	74,387	–
Income tax liabilities		1,409	285
Total current liabilities		109,583	32,879
Total liabilities		109,872	107,254
Total equity and liabilities		294,990	299,910
Net current assets		74,226	152,882
Total assets less current liabilities		185,407	267,031

The notes on pages 6 to 18 are an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2014

		(Unaudited)	
		Six months ended	
		30th September	
		2014	2013
	Note	HK\$'000	HK\$'000
Turnover	4	87,711	96,184
Cost of goods sold		<u>(43,586)</u>	<u>(47,227)</u>
Gross profit		44,125	48,957
Other income	12	4,427	5,749
Selling and distribution expenses		(19,567)	(19,270)
Administrative expenses		(20,639)	(18,984)
Operating profit		8,346	16,452
Change in fair value of convertible bond	13	(742)	(1,322)
Share of loss of associates and joint ventures	6	(1,007)	(1,524)
Profit before income tax		6,597	13,606
Income tax expense	14	(2,425)	(3,434)
Profit for the period		<u>4,172</u>	<u>10,172</u>
Profit attributable to:			
Equity holders of the Company		<u>4,172</u>	<u>10,172</u>
Earnings per share attributable to equity holders of the Company during the period (expressed in HK cents per share)			
— Basic and diluted	15	<u>1.04</u>	<u>2.54</u>
Dividend	16	<u>2,400</u>	<u>6,000</u>

The notes on pages 6 to 18 are an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2014

	(Unaudited)	
	Six months ended	
	30th September	
	2014	2013
	HK\$'000	HK\$'000
Profit for the period	4,172	10,172
Other comprehensive income		
<i>Item that may be reclassified to profit or loss</i>		
Currency translation differences	<u>290</u>	<u>459</u>
Total comprehensive income for the period	<u>4,462</u>	<u>10,631</u>
Attributable to:		
Equity holders of the Company	<u>4,462</u>	<u>10,631</u>

The notes on pages 6 to 18 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 2014

		(Unaudited)				
		Attributable to equity holders of the Company				
Note	Share capital HK\$'000	Share premium HK\$'000	Other reserves HK\$'000	Retained earnings HK\$'000	Total equity HK\$'000	
	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 shareholders					
	Dividend paid relating to year ended 31st March 2013	–	–	–	(14,000)	(14,000)
16		–	–	–	(14,000)	(14,000)
	Transactions with shareholders	–	–	–	(14,000)	(14,000)
	At 30th September 2013	400	456,073	(323,982)	48,201	180,692
	At 1st April 2014	400	456,073	(324,492)	60,675	192,656
	Comprehensive income					
	Profit for the period	–	–	–	4,172	4,172
	Other comprehensive income:					
	Currency translation differences	–	–	290	–	290
	Total comprehensive income for the period	–	–	290	4,172	4,462
	Transactions with shareholders					
	Dividend paid relating to year ended 31st March 2014	–	–	–	(12,000)	(12,000)
16		–	–	–	(12,000)	(12,000)
	Transactions with shareholders	–	–	–	(12,000)	(12,000)
	At 30th September 2014	400	456,073	(324,202)	52,847	185,118

The notes on pages 6 to 18 are an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2014

		(Unaudited)	
		Six months ended	
		30th September	
		2014	2013
	<i>Note</i>	HK\$'000	HK\$'000
Cash flows from operating activities			
Cash generated from operations		2,688	7,185
Interest paid		(377)	(377)
		<hr/>	<hr/>
Net cash generated from operating activities		2,311	6,808
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Cash flows from investing activities			
Purchase of property, plant and equipment		(284)	(1,168)
Purchase of intangible assets		(116)	(217)
Interest received	12	910	648
Dividend received from an associate	17	40	20
Additional consideration for interests in an associate		(757)	–
		<hr/>	<hr/>
Net cash used in investing activities		(207)	(717)
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Cash flows from financing activities			
Dividend paid to Company's shareholders	16	(12,000)	(14,000)
		<hr/>	<hr/>
Net cash used in financing activities		(12,000)	(14,000)
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Net decrease in cash and cash equivalents			
Cash and cash equivalents at the beginning of period		123,476	102,798
Currency translation gain on cash and cash equivalents		50	145
		<hr/>	<hr/>
Cash and cash equivalents at end of period		113,630	95,034
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The notes on pages 6 to 18 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 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, and have been approved for issue by the Board of Directors on 26th November 2014.

2 BASIS OF PREPARATION

This Financial Information for the six months ended 30th September 2014 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 2014 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.

The accounting policies adopted for preparing this condensed consolidated interim financial information are consistent with those set out in the consolidated financial statements of the Company for the year ended 31st March 2014 as included in the Company’s annual report for the year ended 31st March 2014.

There are no amended standards or interpretations that are effective for the first time for this interim period that could be expected to have a material impact on the Group.

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 2014. 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 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 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 2014 and 2013 are as follows:

	(Unaudited)					
	Six months ended 30th September					
	Media business					
	Hong Kong		Mainland China		Total	
	2014	2013	2014	2013	2014	2013
	<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	74,909	80,228	12,802	15,956	87,711	96,184
Segment profit/(loss) before income tax	18,931	25,254	(6,134)	(4,212)	12,797	21,042
Unallocated expenses					(4,451)	(4,590)
Operating profit					8,346	16,452
Change in fair value of convertible bond					(742)	(1,322)
Share of loss of associates and joint ventures (“JVs”)					(1,007)	(1,524)
Profit before income tax					6,597	13,606
Income tax expense	(2,424)	(3,434)	(1)	–	(2,425)	(3,434)
Profit for the period					4,172	10,172
Other information:						
Interest income	756	495	154	153	910	648
Depreciation of property, plant and equipment	812	685	196	359	1,008	1,044
Amortisation of intangible assets	1,362	1,350	5	10	1,367	1,360

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Continued)

4 SEGMENT INFORMATION (Continued)

The segment assets and liabilities as at 30th September 2014 are as follows:

	(Unaudited)				
	Hong Kong	Mainland		Unallocated	Group
	HK\$'000	China	Eliminations	HK\$'000	HK\$'000
		HK\$'000	HK\$'000		
Total assets	412,911	46,303	(167,365)	3,141	294,990
Total assets include:					
Interests in associates and JVs	5,994	24,597	-	-	30,591
Additions to non-current assets (other than deferred income tax assets and interests in associates and JVs)	397	3	-	-	400
Total liabilities	<u>(108,183)</u>	<u>(167,372)</u>	<u>167,365</u>	<u>(1,682)</u>	<u>(109,872)</u>

The segment assets and liabilities as at 31st March 2014 are as follows:

	(Audited)				
	Hong Kong	Mainland		Unallocated	Group
	HK\$'000	China	Eliminations	HK\$'000	HK\$'000
		HK\$'000	HK\$'000		
Total assets	400,327	61,412	(166,308)	4,479	299,910
Total assets include:					
Interests in associates and JVs	6,744	24,892	-	-	31,636
Additions to non-current assets (other than deferred income tax assets and interests in associates and JVs)	2,035	241	-	-	2,276
Total liabilities	<u>(97,186)</u>	<u>(175,756)</u>	<u>166,308</u>	<u>(620)</u>	<u>(107,254)</u>

Segment assets consist primarily of property, plant and equipment, intangible assets, interests in associates and JVs, 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\$82,729,000 (31st March 2014: HK\$85,238,000) and the total of these non-current assets located in Mainland China is HK\$25,313,000 (31st March 2014: HK\$25,796,000).

No revenue derived from a single customer is 10% or more of the combined revenue of all operating segments (2013: Nil).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Continued)

5 INTANGIBLE ASSETS

	Group			Total HK\$'000
	Computer softwares HK\$'000	Goodwill HK\$'000	Trademark HK\$'000	
Year ended 31st March 2014				
Opening net book amount	582	2,703	73,500	76,785
Additions	243	–	–	243
Amortisation expenses	(209)	–	(2,520)	(2,729)
Currency translation differences	–	(8)	–	(8)
Closing net book amount	<u>616</u>	<u>2,695</u>	<u>70,980</u>	<u>74,291</u>
At 31st March 2014				
Cost	1,158	2,695	75,600	79,453
Accumulated amortisation	(542)	–	(4,620)	(5,162)
Net book amount	<u>616</u>	<u>2,695</u>	<u>70,980</u>	<u>74,291</u>
Period ended 30th September 2014				
Opening net book amount	616	2,695	70,980	74,291
Additions	116	–	–	116
Amortisation expenses	(107)	–	(1,260)	(1,367)
Currency translation differences	–	24	–	24
Closing net book amount	<u>625</u>	<u>2,719</u>	<u>69,720</u>	<u>73,064</u>
At 30th September 2014				
Cost	1,274	2,719	75,600	79,593
Accumulated amortisation	(649)	–	(5,880)	(6,529)
Net book amount	<u>625</u>	<u>2,719</u>	<u>69,720</u>	<u>73,064</u>

6 INTERESTS IN ASSOCIATES AND JOINT VENTURES

The amounts recognised in the condensed consolidated statement of financial position are as follows:

	(Unaudited) 30th September 2014 HK\$'000	(Audited) 31st March 2014 HK\$'000
Interests in associates	27,247	27,313
Interests in JVs	3,344	4,323
	<u>30,591</u>	<u>31,636</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Continued)

6 INTERESTS IN ASSOCIATES AND JOINT VENTURES (Continued)

The amounts of share of loss recognised in the condensed consolidated income statement for the period are as follows:

	(Unaudited)	
	Six months ended 30th September	
	2014	2013
	HK\$'000	HK\$'000
Associates	(28)	335
JVs	(979)	(1,859)
	<u>(1,007)</u>	<u>(1,524)</u>

(a) Interests in associates

Set out below are the associates of the Group as at 30th September 2014.

Name of associates	Place of incorporation	Effective equity interest	Principal activities	Measurement method
ByRead Inc. ("ByRead")	The Cayman Islands	24.97%	Note (i)	Equity
Blackpaper Limited ("Blackpaper")	Hong Kong	10%	Note (ii)	Equity
Guangzhou Tangde Advertising Company Limited ("Tangde")	People's Republic of China ("PRC")	10%	Note (iii)	Equity

(i) ByRead is an investment holding company and the principal activities of its subsidiaries include the provision of mobile value-added services such as entertainment and online reading for individuals and enterprises in Mainland China.

(ii) Blackpaper is engaged in providing creative multimedia services and advertising campaigns.

(iii) Tangde is engaged in providing public relations events organising services for enterprises in Mainland China

ByRead, Blackpaper and Tangde are private companies with no quoted market prices available for their shares.

There are no commitments and contingent liabilities relating to the Group's interests in the associates.

(b) Interests in JVs

Set out below are the JVs of the Group as at 30th September 2014.

Name of JVs	Place of incorporation	Effective equity interest	Principal activities	Measurement method
Chu Kong Culture Media Company Limited ("Chu Kong")	British Virgin Islands	40%	Note (i)	Equity
Connect Media Company Limited ("Connect Media")	Hong Kong	40%	Note (i)	Equity

(i) Chu Kong is an investment holding company and the principal activities of its wholly-owned subsidiary, Connect Media 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.

Chu Kong and Connect Media are private companies with no quoted market prices available for their shares.

There are no commitments and contingent liabilities relating to the Group's interests in the JVs.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Continued)

7 TRADE AND OTHER RECEIVABLES

	(Unaudited) 30th September 2014 HK\$'000	(Audited) 31st March 2014 HK\$'000
Trade receivables	50,984	43,469
Other receivables	9,747	7,070
	<u>60,731</u>	<u>50,539</u>

The Group allows in general a credit period ranging from 30 days to 120 days to its trade customers. As at 30th September 2014 and 31st March 2014, the ageing analysis of the Group's trade receivables by invoice date, net of impairment provision, is as follows:

	(Unaudited) 30th September 2014 HK\$'000	(Audited) 31st March 2014 HK\$'000
0 to 60 days	26,192	23,592
61 to 120 days	13,979	13,620
121 to 180 days	8,395	2,996
Over 180 days	2,418	3,261
	<u>50,984</u>	<u>43,469</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 2014 and 31st March 2014, the fair values of trade and other receivables approximated their carrying values.

Other receivables comprised the following:

	(Unaudited) 30th September 2014 HK\$'000	(Audited) 31st March 2014 HK\$'000
Amounts due from third parties	9,517	6,710
Amount due from an associate	150	–
Amount due from a JV	80	360
	<u>9,747</u>	<u>7,070</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Continued)

8 SHARE CAPITAL AND PREMIUM

	Number of issued shares <i>(in thousands)</i>	Ordinary shares <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Total <i>HK\$'000</i>
Balance at				
30th September 2013, 31st March 2014, 1st April 2014 and 30th September 2014	400,000	400	456,073	456,473

The total authorised number of ordinary shares is 4,000 million shares (2013: 4,000 million shares) with a par value of HK\$0.001 per share (2013: HK\$0.001). All issued shares are fully paid.

9 TRADE AND OTHER PAYABLES

	(Unaudited) 30th September 2014 <i>HK\$'000</i>	(Audited) 31st March 2014 <i>HK\$'000</i>
Trade payables	6,498	5,700
Other payables	24,878	25,716
	31,376	31,416

As at 30th September 2014, the ageing analysis of trade payables by invoice date is as follows:

	(Unaudited) 30th September 2014 <i>HK\$'000</i>	(Audited) 31st March 2014 <i>HK\$'000</i>
0 to 60 days	4,033	4,510
61 to 120 days	2,358	1,080
121 to 180 days	4	6
Over 180 days	103	104
	6,498	5,700

As at 30th September 2014 and 31st March 2014, the fair values of trade and other payables approximated their carrying amounts.

Other payables comprised the following:

	(Unaudited) 30th September 2014 <i>HK\$'000</i>	(Audited) 31st March 2014 <i>HK\$'000</i>
Amounts due to third parties	21,875	24,308
Amount due to an associate	3,003	1,408
	24,878	25,716

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Continued)

10 CONVERTIBLE BOND

	(Unaudited) 30th September 2014 HK\$'000	(Audited) 31st March 2014 HK\$'000
Convertible bond	<u>74,387</u>	<u>74,024</u>

The Company issued a convertible bond on 1st June 2012, bearing 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 on 31st May 2015, 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 was calculated using a discounted cash flow approach and is within level 3 of the fair value hierarchy. The key unobservable input of the valuation is the discount rate adopted of approximately 4% which is based on 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:

	<i>HK\$'000</i>
For the year ended 31st March 2014	
Liability component at 1st April 2013	72,474
Coupon interest	(756)
Change in fair value of the liability component of the convertible bond	<u>2,306</u>
Liability component at 31st March 2014	<u>74,024</u>
For the period ended 30th September 2014	
Liability component at 1st April 2014	74,024
Coupon interest	(379)
Change in fair value of the liability component of the convertible bond	<u>742</u>
Liability component at 30th September 2014	<u>74,387</u>

Of the change in fair value of the liability component of the convertible bond recognised in profit and loss in these periods, all amounts are attributable to the change in unrealised loss relating to the liabilities held at the end of the reporting period.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Continued)

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	
	2014	2013
	HK\$'000	HK\$'000
Paper consumed	7,157	8,547
Depreciation of property, plant and equipment	1,008	1,044
Amortisation of intangible assets	1,367	1,360
Employee benefit expense (including directors' emoluments)	34,639	35,558
Occupancy costs	2,807	3,340
Loss on disposal of property, plant and equipment	6	–
	<u>6</u>	<u>–</u>

12 OTHER INCOME

	(Unaudited)	
	Six months ended 30th September	
	2014	2013
	HK\$'000	HK\$'000
Bank interest income	910	648
Licence fee income	393	293
Other media business income	3,124	4,808
	<u>4,427</u>	<u>5,749</u>

13 CHANGE IN FAIR VALUE OF CONVERTIBLE BOND

	(Unaudited)	
	Six months ended 30th September	
	2014	2013
	HK\$'000	HK\$'000
Financial liability at fair value through profit or loss		
– Change in fair value of convertible bond	742	1,322
	<u>742</u>	<u>1,322</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% (2013: 16.5%) on the estimated assessable profit for the period.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Continued)

14 INCOME TAX EXPENSE (Continued)

No provision for the 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 six months ended 30th September 2014 and 2013.

	(Unaudited)	
	Six months ended 30th September	
	2014	2013
	HK\$'000	HK\$'000
Hong Kong profits tax		
— Current income tax	2,487	3,376
Deferred income tax		
— Current deferred income tax (credit)/charge	(62)	58
	2,425	3,434
	2,425	3,434

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	
	2014	2013
	HK\$'000	HK\$'000
Profit attributable to equity holders of the Company	4,172	10,172
Number of ordinary shares in issue (<i>in thousands</i>)	400,000	400,000
Basic earnings per share (<i>HK cents per share</i>)	1.04	2.54

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

16 DIVIDEND

Dividend attributable to the period:

	(Unaudited)	
	Six months ended 30th September	
	2014	2013
	HK\$'000	HK\$'000
Interim dividend of HK0.6 cent (2013: HK1.5 cents) per ordinary share	2,400	6,000

On 26th November 2014, the Board of Directors declared an interim dividend for the six months ended 30th September 2014 of HK0.6 cent (2013: HK1.5 cents) per ordinary share, totaling HK\$2,400,000 (2013: HK\$6,000,000) payable on 31st December 2014 to shareholders whose names appear on the register of members of the Company on 17th December 2014. This condensed consolidated financial information does not reflect this dividend payable but accounts for it as proposed dividend.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Continued)

16 DIVIDEND (Continued)

Dividend paid during the period:

	(Unaudited)	
	Six months ended 30th September	
	2014	2013
	HK\$'000	HK\$'000
Relating to the year ended 31st March 2014		
Final dividend of HK3 cents (2013: HK3.5 cents) per ordinary share	<u>12,000</u>	<u>14,000</u>

17 RELATED PARTY TRANSACTIONS

The ultimate parent of the Company is Media Chinese International Limited ("Media Chinese"), a company incorporated in Bermuda.

The following transactions were carried out with related parties:

- (i) During the period ended 30th September 2014, the Group entered into the following transactions with fellow subsidiaries, an associate and a JV:

	Note	2014 HK\$'000	2013 HK\$'000
Circulation support services charges	<i>a</i>	624	657
Library services charges	<i>b</i>	85	105
Administrative support and IS programming support services charges	<i>c</i>	4,208	2,672
Charges for leasing and licensing of office space, storage space and parking spaces	<i>d</i>	1,295	1,264
Ticketing and accommodation expenses	<i>e</i>	345	317
Barter advertising expenses	<i>f</i>	772	644
Barter advertising income	<i>g</i>	(501)	(546)
Type-setting, colour separation and film making expenses	<i>h</i>	23	1
Promotion expenses	<i>i</i>	10	10
Pension costs — defined contribution plans	<i>j</i>	977	998
Agency income	<i>k</i>	(1,030)	(1,016)
Sundry income	<i>l</i>	(103)	(362)
Dividend income	<i>m</i>	(40)	(20)
Convertible bond interest	<i>n</i>	379	379
Content providing and video production income	<i>o</i>	<u>(480)</u>	<u>(1,707)</u>

Notes:

- (a) 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.
- (b) This represents recharge by a fellow subsidiary relating to provision of library 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.
- (c) This represents recharge of administrative, human resources, corporate communications, legal services, information system support services and depreciation on certain computers and office equipment leased from fellow subsidiaries. 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 2014, the Group entered into the following transactions with fellow subsidiaries, an associate and a JV (Continued):
- (d) This represents charges to a fellow subsidiary for the leasing and licensing of office space, storage space and parking spaces. The rentals and licence fees are charged at a pre-determined rate calculated by reference to the prevailing market rates.
 - (e) 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.
 - (f) 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.
 - (g) 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.
 - (h) This represents type-setting, colour separation and film making expenses charged by a fellow subsidiary. It is charged at a pre-determined rate calculated based on the cost incurred.
 - (i) This represents promotion expenses paid to a fellow subsidiary. It is charged at a pre-determined rate calculated based on the rates charged to third party customers.
 - (j) 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.
 - (k) This represents agency commission and profit sharing of an associate. It is charged at a pre-determined rate calculated based on the rates charged to third party customers.
 - (l) This represents sub-lease rental income and accounting servicing income in accordance with agreements entered into with related companies of the controlling party of Media Chinese. It is charged at a pre-determined rate calculated by references to the prevailing market rates and a cost reimbursement basis respectively.
 - (m) This represents dividend income received from an associate. It is calculated according to the equity interest held by the Group in the associate.
 - (n) 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.
 - (o) This represents content providing income and video production income received from a JV, 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) The balances at 30th September 2014 and 31st March 2014 arising from the related party transactions as disclosed in Note 17(i) above are as follows:

	(Unaudited) 30th September 2014 HK\$'000	(Audited) 31st March 2014 HK\$'000
Amounts due from fellow subsidiaries	435	365
Amounts due to fellow subsidiaries	(2,411)	(1,178)
Amount due from a JV (Note 7)	80	360
Amount due from an associate (Note 7)	150	–
Amount due to an associate (Note 9)	<u>(3,003)</u>	<u>(1,408)</u>

The outstanding balances with fellow subsidiaries 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 2014 HK\$'000	2013 HK\$'000
Salaries and other short-term employee benefits	2,872	2,798
Contributions to pension scheme	<u>26</u>	<u>56</u>
	<u>2,898</u>	<u>2,854</u>

18 CONTINGENT LIABILITIES

As at 30th September 2014, the Group did not have any material contingent liabilities or guarantees (31st March 2014: Nil).

MANAGEMENT DISCUSSION & ANALYSIS

Results Summary

During the financial period under review, the local economy in the second quarter of 2014 marked the slowest growth since the third quarter of 2012, according to the half-yearly Economic Report 2014 by the Hong Kong Government. The weak economic performance was basically due to a fall-off in tourist spending and a concurrent slowdown in domestic demand. Advertisers have tightened their promotion budgets and the Group's performance was therefore adversely impacted during the period under review.

Turnover of the Group for the period ended 30th September 2014 decreased by 9% to HK\$87,711,000 largely due to the above factors. Gross profit of the Group therefore fell by 10% to HK\$44,125,000 compared with the previous financial period. Profit attributable to equity holders of the Company was HK\$4,172,000, representing a 59% drop compared with the previous financial period.

Review of Operations

Hong Kong

Turnover of Hong Kong operations, which accounted for 85% of the Group's total turnover for the period, recorded a decline of 7% to HK\$74,909,000. Segment profit from Hong Kong operations reduced by 25% to HK\$18,931,000 compared with the previous financial period.

"*Ming Pao Weekly 明報周刊*" ("MP Weekly") is the Group's main turnover contributing business for Hong Kong segment. During the period, MP Weekly's advertising revenue was affected by the soft tourist spending on the luxury and branded labels that has dragged down the local advertising market of these categories. Some promotional campaigns and advertising events were held back or cancelled by the advertisers.

The Group however continues to seek opportunities to expand its business. In September 2014, the Group successfully launched "*Ming's*" ("Ming's") to generate additional advertising revenue. Ming's is a monthly title published complimentary with MP Weekly, which offers photographs, in-depth articles and quality features covering five major categories — fashion, beauty, luxuries, arts and sports.

"*Top Gear 極速誌*" ("Top Gear Hong Kong") is a popular automobile magazine with international editorial backing. It continuously expanded its business and coverage from print format to multi-media format through online video platform which generated positive response from readers. In the first half year, Top Gear Hong Kong recorded healthy growth.

"*MING Watch 明錶*" is a professional high-end watch magazine offering feature stories and the latest trends in the watch industry. It maintained stable performance for the interim period under review. As the title has been well accepted by the market in Hong Kong, the Group has officially expanded this magazine from Hong Kong to Mainland China. The first Mainland China edition was launched in June 2014.

"*Travel Planner 港澳台自由行專輯*" ("Travel Planner") is a monthly guidebook that caters to travelers who want to explore and get a real taste of Hong Kong, Macau and Taiwan. During the period, Travel Planner was also affected by the decline of tourist spending and therefore reported a decrease in revenue.

The Group has launched a new mobile application SOBA 掃吧! ("SOBA") in March 2014, using "Augmented Reality" technology to integrate print content with multi-media. During the period, SOBA has stayed on pace to develop advertising, technology and multi-media functionality to create synergies with the Group's publications.

MANAGEMENT DISCUSSION & ANALYSIS (Continued)

Review of Operations (Continued)

Mainland China

During the period, the Group's Mainland China operations recorded a drop in of turnover of 20% to HK\$12,802,000. Segment loss during the period was HK\$6,134,000 compared with HK\$4,212,000 in the previous financial period. The increase in segment loss was mainly due to certain one-off expenses of approximately HK\$1,500,000 resulting from the optimisation of the Mainland China business, which included the scaled down of the organisational structure of this segment and the discontinuation of the operation of "Popular Science 科技新時代" starting from September 2014.

"Top Gear 汽車測試報告" continues to attract Mainland Chinese readers with infotainment, automobile news and trends. It maintained a relatively stable performance during the first half-year.

"MING Watch 明表", a quarterly magazine, was officially launched in June 2014. It introduces the latest high-end watch market trends and feature stories to satisfy the needs of Mainland China readers. It is expected this new publication will generate additional advertising revenue for the Group.

Performance of Other Media Investments

The Group's joint venture, Connect Media Company Limited, has continued to focus on the advertising business through the platform of travelers in the Pearl River Delta region. Despite still amid a development stage, its performance during the interim period was within the expectation of the management.

ByRead Group is one of the leading mobile reading platform providers in Mainland China, with registered users increasing to more than 71 million during the period, and added approximately 8 million users compared with the same period of the previous financial year.

Blackpaper Limited is principally engaged in the publication of "BlackPaper", "100 Most" and books. It recorded healthy growth during the period under review.

Outlook

Management expects that the operating environment will continue to be tough and extremely challenging in the second half of the financial year. Going forward, facing the sluggish and uncertain market, the Group will review its magazine portfolio in order to enhance its competitiveness. In addition, the Group will continue to monitor the cost effectiveness of its operation.

CAPITAL EXPENDITURE

The Group's total capital expenditure for property, plant and equipment for the six months ended 30th September 2014 amounted to HK\$400,000.

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 exercise 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 2014.

Details of the share options outstanding and movements during the six months ended 30th September 2014 are as follows:

Grantee	Number of shares involved in share options				Balance at 30th September 2014	Percentage of issued ordinary shares	Exercise price per share HK\$	Date of grant	Exercisable period
	Balance at 1st April 2014	Granted during the period (Note 2)	Exercised during the period (Note 2)	Lapsed during the period (Note 3)					
Directors:									
Tan Sri Datuk Sir TIONG Hiew King	(Note 1a)	1,250,000	-	-	1,250,000	0.31%	1.200	27/9/2005	18/10/2005-25/9/2015
Mr. TIONG Kiew Chiong	(Note 1a)	1,250,000	-	-	1,250,000	0.31%	1.200	27/9/2005	18/10/2005-25/9/2015
Mr. LAM Pak Cheong	(Note 1a)	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 1a)	150,000	-	-	150,000	0.04%	1.200	27/9/2005	18/10/2005-25/9/2015
Mr. SIT Kien Ping, Peter	(Note 1a & 4)	150,000	-	(150,000)	-	-	1.200	27/9/2005	18/10/2005-25/9/2015
Mr. TAN Hock Seng, Peter	(Note 1a & 5)	150,000	-	(150,000)	-	-	1.200	27/9/2005	18/10/2005-25/9/2015
		3,950,000	-	(300,000)	3,650,000	0.91%			
Media Chinese's directors:									
Dato' Sri Dr. TIONG Ik King	(Note 1a)	1,000,000	-	-	1,000,000	0.25%	1.200	27/9/2005	18/10/2005-25/9/2015
Full time employees	(Note 1a)	2,150,000	-	(50,000)	2,100,000	0.53%	1.200	27/9/2005	18/10/2005-25/9/2015
Full time employees	(Note 1b)	768,000	-	-	768,000	0.19%	1.200	27/9/2005	18/10/2005-25/9/2015
Total		<u>7,868,000</u>	<u>-</u>	<u>(350,000)</u>	<u>7,518,000</u>	<u>1.88%</u>			

SHARE OPTIONS *(Continued)*

Notes:

1. In relation to the options granted to the grantees, either of the following two vesting scales has been applied:
 - a. 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
 - b. 100% of the Company's shares comprised in each of the option will fully vest on the first anniversary of the Listing Date.
2. No share option was granted, exercised or cancelled during the period.
3. During the period, 350,000 share options have been lapsed by reason of the grantees ceased to be Directors and full time employee of the Group.
4. Mr. SIT Kien Ping, Peter resigned as an independent non-executive Director of the Company with effect from 1st September 2014 and his share options were lapsed upon his resignation.
5. Mr. TAN Hock Seng, Peter resigned as an independent non-executive Director of the Company with effect from 1st April 2014 and his share options were lapsed upon his resignation.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30th September 2014, 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 shares and underlying shares in the Company

Name of Director	Number of shares/underlying shares held			Interests in underlying shares pursuant to share options (Note 1)	Aggregate interests	Percentage of issued ordinary shares
	Personal interests	Corporate interests	Total interests in shares			
Tan Sri Datuk Sir TIONG Hiew King	-	292,700,000 (Note 2)	292,700,000	1,250,000	293,950,000	73.49%
Mr. TIONG Kiew Chiong	4,104,000	-	4,104,000	1,250,000	5,354,000	1.34%
Mr. LAM Pak Cheong	-	3,000,000 (Note 3)	3,000,000	1,000,000	4,000,000	1.00%
Mr. YU Hon To, David	-	-	-	150,000	150,000	0.04%

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

DIRECTORS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS *(Continued)*

(a) Interests in the shares and underlying shares in the Company *(Continued)*

Notes:

- For further details on the share options, please refer to the paragraph "Share Options".
- For further details on the corporate interests of Tan Sri Datuk Sir TIONG Hiew King, please refer to the paragraph "Substantial Shareholders and Persons who have an Interest and Short Positions Discloseable under Divisions 2 and 3 of Part XV of the SFO" on page 24.
- The corporate interests of Mr. LAM Pak Cheong of 3,000,000 shares are held by Venture Logic Investments Limited, in which Mr. LAM has 100% of its equity interests.

(b) Interests in the shares in Media Chinese

Name of Director	Number of shares held				Percentage of issued ordinary shares in Media Chinese
	Personal interests	Family interests	Corporate interests	Aggregate interests	
Tan Sri Datuk Sir TIONG Hiew King	87,109,058	234,566	796,734,373 <i>(Note)</i>	884,077,997	52.40%
Mr. TIONG Kiew Chiong	1,908,039	–	–	1,908,039	0.11%

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

Note:

The corporate interests of Tan Sri Datuk Sir TIONG Hiew King of 796,734,373 shares are held through Progresif Growth Sdn Bhd ("Progresif"), Conch Company Limited ("Conch"), Ezywood Options Sdn Bhd ("Ezywood"), Teck Sing Lik Enterprise Sdn Bhd ("TSL"), Madigreen Sdn Bhd ("Madigreen"), Rimbunan Hijau (Sarawak) Sdn Bhd ("RHS"), Rimbunan Hijau Southeast Asia Sdn Bhd ("RHSA") and Pertumbuhan Abadi Asia Sdn Bhd ("PAA").

Tan Sri Datuk Sir TIONG Hiew King directly holds 84% interest in TSL and 99.99% interest in PAA. In addition, PAA directly holds 47.62% interest in both RHS and RHSA, and 45% in Madigreen. Tan Sri Datuk Sir TIONG Hiew King also directly and indirectly holds 45% interest in Progresif and 70% interest in Ezywood. In respect of Conch, 40% of the interest in Conch is held by Seaview Global Company Limited, in which Tan Sri Datuk Sir TIONG Hiew King holds 50% of its equity interest. In addition, he directly holds 25% of the interest in Conch.

Save as disclosed above and those disclosed under the paragraph "Share Options", as at 30th September 2014, 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 AND 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 2014, 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
Comwell Investment Limited (<i>Note</i>)	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 and substantial shareholder 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 and substantial shareholder 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 2014.

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, 12th December 2014 to Wednesday, 17th December 2014, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend of HK0.6 cent per ordinary share, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 11th December 2014.

EMPLOYEES

As at 30th September 2014, the Group has approximately 204 employees (31st March 2014: approximately 215 employees), of which 154 and 50 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 set out in Appendix 10 of the Listing Rules as the code for securities transactions by the Directors. The Directors have confirmed, following specific enquiries by the Company, their compliance with the required standard as set out in the Model Code 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 inside 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. Victor YANG and Mr. LAU Chi Wah, Alex. The Audit Committee has reviewed the Group’s unaudited condensed consolidated financial information for the six months ended 30th September 2014 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. Victor YANG and Mr. LAU Chi Wah, Alex 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. Victor YANG and Mr. LAU Chi Wah, Alex and one executive Director, namely, 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 2013/14 Annual Report:

With effect from 1st September 2014, Mr. SIT Kien Ping, Peter resigned as an independent non-executive Director of the Company, the Chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of the Company.

In place of Mr. SIT, Mr. LAU Chi Wah, Alex has been appointed as an independent non-executive Director of the Company, the Chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of the Company effective from 1st September 2014. On 31st October 2014, Mr. LAU resigned as the managing director of corporate finance with Crosby Securities Limited and he was appointed as the managing director of BOSC International Company Limited, a wholly-owned subsidiary of Bank of Shanghai (Hong Kong) Limited with effect from 3rd November 2014.

By Order of the Board
One Media Group Limited

TIONG Kiew Chiong

Director

Hong Kong, 26th November 2014

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. Victor YANG and Mr. LAU Chi Wah, Alex, being independent non-executive Directors.

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