
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **New Media Group Holdings Limited**, you should at once hand this circular with the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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新傳媒集團控股有限公司
NEW MEDIA GROUP HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 708)

- (1) RE-ELECTION OF DIRECTORS**
(2) GENERAL MANDATES TO ISSUE NEW SHARES AND REPURCHASE SHARES
(3) PROPOSED REFRESHMENT OF THE SCHEME MANDATE LIMIT
UNDER THE SHARE OPTION SCHEME
AND
(4) NOTICE OF ANNUAL GENERAL MEETING

A notice convening the AGM of the Company to be held at 28th Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong on Thursday, 15 November 2012 at 3:00 p.m. is set out on pages 15 to 19 of this circular.

Whether or not you intend to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Share Registrar, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible, but in any event not less than 48 hours before the time of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or adjournment thereof should you so wish and in such event, the proxy shall be deemed to be revoked.

12 October 2012

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company to be held at 28th Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong on Thursday, 15 November 2012 at 3:00 p.m.
“Articles of Association”	the Articles of Association of the Company adopted on 18 January 2008 as may be amended from time to time
“Board”	the board of Directors of the Company
“Company”	New Media Group Holdings Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Extension Mandate”	a general mandate proposed to be granted to the Directors to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under Issued Mandate
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue or otherwise deal with new Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution at the AGM
“Latest Practicable Date”	9 October 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notice of AGM”	the notice dated 12 October 2012 convening the AGM as set out on pages 15 to 19 of this circular

DEFINITIONS

“Pre-IPO Share Option Scheme”	the Pre-IPO share option scheme of the Company adopted on 18 January 2008 pursuant to the ordinary resolution passed by the then sole Shareholder
“Refreshed Mandate Limit”	the maximum number of Shares which may be issued pursuant to the exercise of share options granted under the Share Option Scheme and any other share option scheme(s) which must not exceed 10% of the aggregate nominal amount of the issued Shares as at the date of passing the relevant resolution at the AGM
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors to enable them to repurchase Shares not exceeding 10% of the aggregate nominal amount of the issued Shares as at the date of passing the relevant resolution at the AGM
“Repurchase Resolution”	the proposed ordinary resolution as referred to in resolution number 5(B) of the Notice of AGM
“Scheme Mandate Limit”	the maximum number of Shares which may be issued pursuant to the exercise of share options granted under the Share Option Scheme which must not exceed 10% of the Shares in issue as at the listing date of Shares (i.e. 12 February 2008)
“Share Option Scheme”	the existing share option scheme of the Company adopted on 18 January 2008 pursuant to the ordinary resolution passed by the then sole Shareholder and took effect from the listing date of the Shares
“SFO”	the Securities and Futures Ordinance (Chapter 571) of the laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars
“%”	per cent.

LETTER FROM THE BOARD



新傳媒集團控股有限公司
NEW MEDIA GROUP HOLDINGS LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 708)

Executive Directors:

Ms. Percy Hughes, Shirley (*Chief Executive Officer*)
Mr. Lee Che Keung, Danny
Mr. Wong Chi Fai
Ms. Fan Man Seung, Vanessa

Registered office:

9th Floor
New Media Tower
No. 82 Hung To Road
Kwun Tong, Kowloon
Hong Kong

Independent Non-executive Directors:

Ms. Hui Wai Man, Shirley
Mr. Tse Hin Lin, Arnold
Ms. Kwan Shin Luen, Susanna

12 October 2012

To the Shareholders

Dear Sir/Madam,

INTRODUCTION

The purpose of this circular is to provide you with information regarding certain resolutions to be proposed at the AGM and to give you the Notice of AGM. Resolutions to be proposed at the AGM include, inter alia: (i) the proposed re-election of Directors who are due to retire by rotation at the AGM; (ii) the proposed grant of each of the Issue Mandate, Repurchase Mandate and Extension Mandate; and (iii) the proposed refreshment of the Scheme Mandate Limit under the Share Option Scheme.

RE-ELECTION OF DIRECTORS

In accordance with Article 83(1) of the Articles of Association, Mr. Lee Che Keung, Danny (“Mr Lee”), Mr. Wong Chi Fai (“Mr. Wong”) and Ms. Hui Wai Man, Shirley (“Ms. Hui”) shall retire by rotation at the AGM and, being eligible, offer themselves for re-election.

Ms. Hui, being Independent Non-executive Director of the Company and eligible for re-election at the AGM, has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules.

Details of the above Directors who offer themselves for re-election at the AGM are set out in Appendix I to this circular as required to be disclosed under the Listing Rules.

LETTER FROM THE BOARD

Recommendations of the Nomination Committee

On 25 September 2012, the Nomination Committee of the Company, comprising a majority of Independent Non-executive Directors, confirmed that Mr. Lee, Mr. Wong and Ms. Hui continue to contribute effectively and are committed to their roles. Accordingly, the Nomination Committee nominated, and the Board recommended Mr. Lee, Mr. Wong and Ms. Hui to stand for re-election as Directors at the AGM. As a good corporate governance practice, Mr. Lee, Mr. Wong and Ms. Hui abstained from voting on the respective propositions of their recommendations for election by Shareholders.

The Nomination Committee is responsible for, inter alia, assessing the independence of all Independent Non-executive Directors. On 25 September 2012, the Nomination Committee reviewed and assessed each individual Independent Non-executive Director's annual confirmation of independence based on the independence criteria as set out in Rule 3.13 of the Listing Rules, and affirmed that all Independent Non-executive Directors including, Ms. Hui, remained independent.

Nomination by Shareholders

Any Shareholder who wishes to nominate a person to stand for election as a Director at the AGM must lodge with the Company at its registered office at 9th Floor, New Media Tower, No. 82 Hung To Road, Kwun Tong, Kowloon, Hong Kong within the period from Thursday, 25 October 2012 to Monday, 5 November 2012, both days inclusive (i) his/her written nomination of the candidate; (ii) written confirmation from such nominated candidate of his/her willingness to be elected as Director and consent to the publication of his/her personal data; and (iii) the biographical details of such nominated candidate as required under Rule 13.51(2) of the Listing Rules.

GENERAL MANDATES TO ISSUE NEW SHARES AND REPURCHASE SHARES

At the last annual general meeting of the Company held on 17 November 2011, ordinary resolutions were passed, among other things, to grant general mandates to the Directors to:

- (i) issue up to 20% of the then share capital of the Company in issue (i.e. maximum of 172,800,000 Shares);
- (ii) repurchase Shares on the Stock Exchange representing up to 10% of the issued share capital of the Company; and
- (iii) extend the general mandate for issuing Shares as mentioned in paragraph (i) above by an amount representing any Shares repurchased by the Company pursuant to the general mandate to repurchase Shares as mentioned in paragraph (ii) above.

No Shares have been issued nor repurchased pursuant to the above mandates. Such mandates will lapse at the conclusion of the AGM. It is therefore proposed to seek approval from the Shareholders at the AGM to grant fresh general mandates to Directors.

LETTER FROM THE BOARD

At the AGM, ordinary resolutions will be proposed that the Directors to be granted:

- (A) the Issue Mandate to allot, issue and deal with the Shares of not exceeding 20% of the aggregate nominal amount of share capital of the Company as at the AGM date (i.e. of not exceeding 172,800,000 Shares assuming no further Shares will be issued or repurchased between the Latest Practicable Date and the AGM date);
- (B) the Repurchase Mandate to repurchase fully paid up Shares of not exceeding 10% of the aggregate nominal amount of the share capital of the Company as at the date of the resolutions; and
- (C) the Extension Mandate to increase the total number of Shares which may be allotted and issued under the Issue Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate.

Such resolutions are set out in Resolutions 5(A), 5(B) and 5(C) in the Notice of AGM respectively.

An explanatory statement containing the particulars required by the Listing Rules to enable the Shareholders to make an informed decision on whether to vote for or against the proposed Repurchase Resolution is set out in Appendix II to this circular.

PROPOSED REFRESHMENT OF THE SCHEME MANDATE LIMIT UNDER THE SHARE OPTION SCHEME

Existing Share Option Schemes

As at the Latest Practicable Date, no share option has been granted under the Share Option Scheme and no Scheme Mandate Limit has been refreshed since the effective date of the scheme.

Apart from the Share Option Scheme, the Company has adopted the Pre-IPO Share Option Scheme on 18 January 2008. Under such scheme, 7,500,000 options, representing approximately 0.87% of the issued share capital of the Company, were granted by the Company as at the Latest Practicable Date and such options remain outstanding and yet to be exercised as at the Latest Practicable Date. Pursuant to the Pre-IPO Share Option Scheme and the Listing Rules, no further option can be granted under such scheme after the listing of the Shares in February 2008.

Pursuant to the Share Option Scheme, the total number of Shares which may be allotted and issued upon exercise of all share options granted by the Company under the Share Option Scheme of the Company shall not in aggregate exceed 10% of the total number of Shares in issue as at the effective date of the Share Option Scheme.

LETTER FROM THE BOARD

The existing Scheme Mandate Limit as at the Latest Practicable Date is 60,000,000 Shares, such mandate has never been utilized nor refreshed since the adoption of the Share Option Scheme. However, the issued share capital of the Company has been enlarged substantially since the effective date of the scheme to 864,000,000 Shares as at the Latest Practicable Date due to (1) allotment of 120,000,000 Shares on 8 October 2010 by top-up placing; and (2) allotment of 144,000,000 Shares on 18 July 2011 in relation to the issue of Taiwan Depository Receipts, the Board would like to seek approval of the Shareholders at the AGM for the refreshment of the Scheme Mandate Limit. The Directors consider that it is in the interests of the Company and the Shareholders as a whole to grant the refreshment of the Scheme Mandate Limit so as to provide the Company with greater flexibility in granting share options to eligible participants (including employees and directors) of the Company under the Share Option Scheme as incentives to reward their past contribution to the Group, attract and retain ongoing relationships with such persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group.

Refreshment of the Scheme Mandate Limit

Pursuant to the Share Option Scheme and in compliance with Chapter 17 of the Listing Rules, the Company may refresh the Scheme Mandate Limit by ordinary resolution of the Shareholders at a general meeting provided that the maximum number of Shares which may be issued upon exercise of all share options to be granted under the Share Option Scheme and any other share option schemes of the Company shall not exceed 10% of the Shares in issue as at the date of passing the relevant resolution at the AGM. Any share options previously granted under the Share Option Scheme or any other share option schemes of the Company (including those outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) shall not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed. As at the Latest Practicable Date, there were 864,000,000 Shares in issue.

Notwithstanding the foregoing, pursuant to the Listing Rules, the maximum number of Shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) (including the Pre-IPO Share Option Scheme) of the Company must not in aggregate exceed 30% of the total number of the Shares in issue from time to time. No share option shall be granted under any share option scheme(s) of the Company if this will result in the 30% limit being exceeded.

On the basis of 864,000,000 Shares being in issue as at the Latest Practicable Date, the maximum number of Shares which may be issued upon exercise of all share options that may be granted under the refreshed Scheme Mandate Limit is 86,400,000 Shares, representing 10% of the Company's issued share capital as at the Latest Practicable Date. Such limit together with 7,500,000 options previously granted and yet to be exercised representing approximately 10.87% of the issued share capital of the Company which shall not exceed the 30% limit.

The refreshment of the Scheme Mandate Limit is conditional upon:

1. the passing of an ordinary resolution by the Shareholders at the AGM to approve the refreshment of the Scheme Mandate Limit; and
2. the Listing Committee of the Stock Exchange granting the approval of the listing of, and permission to deal in, the Shares that may be issued pursuant to the exercise of any share options that may be granted under the Share Option Scheme which number shall not exceed the Refreshed Mandate Limit.

LETTER FROM THE BOARD

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares that may be issued pursuant to the exercise of the share options that may be granted under the Share Option Scheme subject to the Refreshed Mandate Limit.

ANNUAL GENERAL MEETING

The Notice of AGM is set out on pages 15 to 19 of this circular. Resolutions in respect of the re-election of Directors, the Issue Mandate, the Repurchase Mandate, the Extension Mandate and the refreshment of the Scheme Mandate Limit under the Share Option Scheme will be proposed at the AGM.

A form of proxy for the AGM is enclosed with this circular. Whether or not you intend to attend the AGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Share Registrar, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time of the AGM or adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or adjournment thereof should you so wish and in such event, the proxy shall be deemed to be revoked.

In accordance with Rule 13.39(4) of the Listing Rules, all votes of the Shareholders to be taken at the AGM shall be taken by poll.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

RECOMMENDATION

The Directors are of the opinion that the proposed ordinary resolutions for the re-election of Directors, the Issue Mandate, the Repurchase Mandate, the Extension Mandate and the refreshment of the Scheme Mandate Limit under the Share Option Scheme are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend all the Shareholders to vote in favour of all relevant resolutions to be proposed at the AGM.

GENERAL INFORMATION

Your attention is also drawn to the additional information set out in Appendix I (Details of Retiring Directors Proposed for Re-election) and Appendix II (Explanatory Statement to the Repurchase Mandate) to this circular.

By order of the Board
New Media Group Holdings Limited
Percy Hughes, Shirley
Executive Director & Chief Executive Officer

APPENDIX I DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION

The following are the particulars of the Directors (as required by the Listing Rules) proposed to be re-elected at the AGM:

1. Mr. Lee Che Keung, Danny

Executive Director

Mr. Lee, aged 50, is an Executive Director of the Company. He is also a director of certain subsidiaries of the Company. He has over 30 years' experience in the media business and is responsible for overseeing the sales and marketing function of the Group. Mr. Lee joined the Group in June 1999. Prior to that, he had worked for Eat and Travel Weekly Company Limited and SCMP Haymarket Publishing Limited as sales director respectively during the period from 1998 to 1999. In addition, Mr. Lee was employed by Ming Pao Newspaper Limited as sales director and Express Management Limited as sales controller during the period from 1988 to 1997. Save as disclosed above, Mr. Lee did not hold any other major appointment or professional qualification nor any directorship in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years, nor does he hold any other positions with the Company and other members of the Group.

Pursuant to a service agreement entered into between the Company and Mr. Lee, the Company appointed Mr. Lee as Executive Director of the Company commencing from 16 January 2008 for an initial term of three years and shall continue thereafter from year to year until terminated by either party with not less than three months' notice in writing served on the other side. The term of his service is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association. Mr. Lee is entitled to receive a Director's fee of HK\$150,000 per annum which was determined by the Remuneration Committee as delegated by the Board which is authorized by the Shareholders at the annual general meeting, with reference to the duties and responsibilities undertaken by him as Director.

Apart from the said service agreement, Mr. Lee has entered into a service agreement with World Sources (HK) Limited, an indirect wholly-owned subsidiary of the Company, in relation to his service as Executive Director – Sales and Marketing of the Group in connection with the business of the Group. Such service agreement commenced from 1 January 2008 and may be terminated by not less than two months' notice served by either party. The amount of emoluments paid for the financial year ended 30 June 2012 to Mr. Lee is set out in note 11 to the financial statements in the Company's 2011/2012 Annual Report. The remuneration package of Mr. Lee was determined with reference to the prevailing market conditions and based on the performance and contribution of Mr. Lee in the Group.

Mr. Lee does not have any relationship with any Director, senior management or substantial or controlling shareholder of the Company, nor does he have any interest in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date save as his personal interests in 2,500,000 share options granted by the Company under the Pre-IPO Share Option Scheme.

Save as disclosed above, the Board is not aware of any other information that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules nor any other matters that need to be brought to the attention of the Shareholders in relation to the proposed re-election of Mr. Lee.

2. Mr. Wong Chi Fai
Executive Director

Mr. Wong, aged 56, is the Executive Director of the Company and a director of certain subsidiaries of the Company. Mr. Wong has been involved in the management of the Group since June 1999. He is also a member of the Remuneration Committee of the Company. Mr. Wong is an associate of the Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants. He is also a director of Emperor International Holdings Limited (stock code: 163), Emperor Entertainment Hotel Limited (stock code: 296) and Emperor Watch & Jewellery Limited (stock code: 887). Having over 20 years of finance and management experience, Mr. Wong has diversified experience in different businesses ranging from media and publication to manufacturing, hotel and hospitality, property investment and development, watch and jewellery retailing as well as artiste management and entertainment production. Save as disclosed above, Mr. Wong did not hold any other major appointment or professional qualification nor any directorship in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years, nor does he hold any other positions with the Company and other members of the Group.

Pursuant to a service agreement entered into between the Company and Mr. Wong, the Company appointed Mr. Wong as Executive Director of the Company commencing from 16 January 2008 for an initial term of three years and shall continue thereafter from year to year until terminated by either party with not less than three months' notice in writing served on the other side. The term of his service is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association. Mr. Wong is entitled to receive a Director's fee of HK\$150,000 per annum which was determined by the Remuneration Committee as delegated by the Board which is authorized by the Shareholders at the annual general meeting, with reference to the duties and responsibilities undertaken by him as Director.

Mr. Wong does not have any relationship with any Director, senior management or substantial or controlling shareholder of the Company, nor does he have any interest in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Save as disclosed above, the Board is not aware of any other information that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules nor any other matters that need to be brought to the attention of the Shareholders in relation to the proposed re-election of Mr. Wong.

3. Ms. Hui Wai Man, Shirley
Independent Non-Executive Director

Ms. Hui, aged 45, was appointed as Independent Non-executive Director on 16 January 2008. She is the chairperson of the Audit Committee as well as a member of the Remuneration Committee and the Nomination Committee of the Company. Ms. Hui is a practicing accountant in Hong Kong and is currently a director of a CPA firm and a securities firm as well as the company secretary of three listed companies. She has over 22 years of professional experience in public accounting and corporate finance. She is a fellow of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, the Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries. She is also a non-executive director and chairlady of Eco-Tek Holdings Limited (stock code: 8169), a company listed on the GEM Board of the Stock Exchange, and an independent non-executive director of Goldin Financial Holdings Limited (stock code: 530), a company listed on the Main Board of the Stock Exchange. Ms. Hui resigned as independent non-executive director of Freeman Financial Corporation Limited (stock code: 279) and Mascotte Holdings Limited (stock code: 136), both of which are listed on the Main Board of the Stock Exchange, on 22 September 2010 and 14 June 2010 respectively. Save as disclosed above, Ms. Hui did not hold any other major appointment or professional qualification nor any directorship in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years, nor does she hold any other positions with the Company and other members of the Group.

Pursuant to a letter of appointment entered into between the Company and Ms. Hui, the Company appointed Ms. Hui as an Independent Non-executive Director of the Company for an initial term of three years commencing from 16 January 2008 and shall continue thereafter from year to year until terminated by either party with not less than three months' notice in writing served on the other side. The term of her service is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association. Ms. Hui is entitled to receive a Director's fee of HK\$180,000 per annum which was determined by the Board as authorized by the Shareholders at the annual general meeting, with reference to the duties and responsibilities undertaken by her as Director of the Company.

Ms. Hui does not have any relationship with any Director, senior management or substantial or controlling shareholder of the Company, nor does she have any interest in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Save as disclosed above, the Board is not aware of any other information that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules nor any other matters that need to be brought to the attention of the Shareholders of the Company in relation to the proposed re-election of Ms. Hui.

LISTING RULES

The Listing Rules permit a company with a primary listing on the Stock Exchange to repurchase its own securities on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

(i) Shareholders' approval

All proposed repurchases of securities by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of general mandate or by specific approval of a particular transaction.

(ii) Source of funds

Repurchases must be funded out of funds legally available for the purpose in accordance with a company's constitutive documents and the laws of the jurisdiction in which the company is incorporated or otherwise established.

(iii) Maximum number of shares to be repurchased

A maximum of 10% of the outstanding fully paid share capital at the date of passing the Repurchase Resolution may be repurchased by the Company on the Stock Exchange.

EXERCISE OF THE REPURCHASE MANDATE

As at the Latest Practicable Date, the issued and fully paid up share capital of the Company comprised 864,000,000 Shares. Subject to the passing of the Repurchase Resolution and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 86,400,000 Shares (representing 10% of the total issued share capital of the Company) during the period from the date of the AGM up to:

- (i) the conclusion of next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of Hong Kong to be held; or
- (iii) the revocation, variation or renewal of the Repurchase Mandate by ordinary resolution of the Shareholders in general meeting of the Company, whichever occurs first.

REASONS FOR THE REPURCHASE OF SECURITIES

The Directors believe that it is in the best interests of the Company and its Shareholders for the Directors to have a general authority from the Shareholders to enable the Company to repurchase Shares in the market. Repurchase of Shares will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or the earnings per share of the Company.

FUNDING OF REPURCHASE

Any repurchase will only be funded out of funds of the Company legally available for the purposes in accordance with its Articles of Association and the applicable laws of Hong Kong. The Company will not purchase securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the financial position disclosed in its latest published audited accounts contained in the annual report of the Company for the year ended 30 June 2012) in the event that the proposed Repurchase Mandate, if so approved, were to be exercised in full at any time during the proposed repurchase period. However, the Board does not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing levels, which in the opinion of the Directors, are from time to time appropriate for the Company.

SHARE PRICE

The highest and lowest prices at which the Shares traded on the Stock Exchange during each of the previous twelve months up to the Latest Practicable Date were as follows:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2011		
October	0.45	0.39
November	0.43	0.38
December	0.38	0.25
2012		
January	0.33	0.26
February	0.40	0.28
March	0.38	0.30
April	0.31	0.28
May	0.30	0.24
June	0.25	0.23
July	0.23	0.22
August	0.24	0.21
September	0.25	0.22
October (up to and including the Latest Practicable Date)	0.29	0.22

UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchase of Shares pursuant to the proposed Repurchase Mandate in accordance with the Listing Rules and all applicable laws of Hong Kong.

EFFECT OF TAKEOVERS CODE

If as a result of a share repurchase by the Company, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purpose of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, New Media Group Investment Limited (“New Media Investment”) (formerly known as Velba Limited) held 454,190,000 Shares in the Company, representing approximately 52.57% of the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares which was proposed to be granted pursuant to the Repurchase Resolution, assuming no further Shares will be issued or repurchased between the Latest Practicable Date and the AGM date and there is no alteration to the existing shareholding of New Media Investment, the shareholding of New Media Investment in the Company would be increased to approximately 58.41% of the issued share capital of the Company. The Directors consider that such an increase would not give rise to an obligation on the part of New Media Investment to make a mandatory offer under Rules 26 and 32 of the Takeovers Code.

The Directors have no present intention to exercise the Repurchase Mandate to the extent as would result in (a) the number of Shares in public hands would fall below the prescribed minimum percentage of 25% of the total issued share capital of the Company; and (b) a requirement of New Media Investment to make a mandatory offer under the Takeovers Code.

DISCLOSURE OF INTERESTS

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their associates, has any present intention, to sell any Shares to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

No connected persons of the Company (as defined in the Listing Rules) have notified the Company that they have a present intention to sell any Shares (in issue or to be issued) to the Company nor have they undertaken not to sell any of the Shares held by them (in issue or to be issued to them) to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

REPURCHASES OF SHARES MADE BY THE COMPANY

No repurchase of Shares has been made by the Company or any of its subsidiaries (whether on the Stock Exchange or otherwise) during the past six months prior to the Latest Practicable Date.

NOTICE OF ANNUAL GENERAL MEETING



新傳媒集團控股有限公司
NEW MEDIA GROUP HOLDINGS LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 708)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of New Media Group Holdings Limited (the “Company”) will be held at 28th Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong on Thursday, 15 November 2012 at 3:00 p.m. for the following purposes:

1. To receive and adopt the Audited Consolidated Financial Statements of the Company for the year ended 30 June 2012 together with the Reports of the Directors and Independent Auditor (“Auditor”) thereon.
2. To declare final dividend for the year ended 30 June 2012.
3. (A) To re-elect Mr. Lee Che Keung, Danny as Director.
(B) To re-elect Mr. Wong Chi Fai as Director.
(C) To re-elect Ms. Hui Wai Man, Shirley as Director.
(D) To authorize the Board of Directors of the Company to fix the Directors’ remuneration.
4. To re-appoint Deloitte Touche Tohmatsu as Auditor and to authorise the Board of Directors to fix their remuneration.
5. As special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions:
 - (A) **“THAT:**
 - (i) subject to sub-paragraph (ii) of this resolution, the exercise by the Directors during the Relevant Period of all the powers of the Company to allot and issue additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers either during or after the Relevant Period, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

(ii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in sub-paragraph (i) of this resolution, otherwise than pursuant to a Rights Issue or the exercise of subscription or conversion rights under any warrants of the Company or any securities which are convertible into shares of the Company or any share option scheme, shall not exceed 20% of the nominal amount of the issued share capital of the Company on the date of this resolution and this approval shall be limited accordingly; and

(iii) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company (the “Articles of Association”) or any applicable laws to be held; and
- (c) the date on which the authority sets out in this resolution is revoked or varied by an ordinary resolution in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of or any recognized regulatory body or any stock exchange in, any territory outside Hong Kong).”

(B) **“THAT:**

(i) subject to sub-paragraph (ii) of this resolution, the exercise by the Directors during the Relevant Period of all the powers of the Company to repurchase issued shares in the capital of the Company, subject to and in accordance with all applicable laws and the Articles of Association, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

(ii) the aggregate nominal amount of shares of the Company which may be purchased by the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange recognized for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Hong Kong Code on Share Repurchases pursuant to paragraph (i) of this resolution shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the authority shall be limited accordingly; and

(iii) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws to be held; and
- (c) the date on which the authority sets out in this resolution is revoked or varied by an ordinary resolution in general meeting.”

(C) “**THAT** conditional upon resolution no. 5(B) above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the Directors as mentioned in resolution no. 5(B) above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to resolution no. 5(A) above.”

NOTICE OF ANNUAL GENERAL MEETING

- (D) “**THAT** subject to and conditional upon the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the shares of the Company (“Shares”) to be issued pursuant to the exercise of any share options that may be granted under the Share Option Scheme (as defined below) of the Company subject to the Refreshed Mandate Limit (as defined below), the refreshment of the existing limit in respect of the grant of share options to subscribe for Shares under the existing share option scheme which became effective on 18 January 2008 (the “Share Option Scheme”) be and is hereby approved provided that the aggregate number of Shares which may be allotted and issued pursuant to the exercise of share options granted under the Share Option Scheme and any other share option scheme(s) of the Company (share options previously granted, including those outstanding, cancelled, lapsed or exercised under the Share Option Scheme and any other share option scheme of the Company, shall not be counted for the purpose of calculating the Refreshed Mandate Limit (as defined below)) shall not exceed 10% of the total number of Shares in issue as at the date of passing the relevant resolution (the “Refreshed Mandate Limit”) and the Directors be and are hereby authorized to grant share options under the Share Option Scheme up to the Refreshed Mandate Limit, to exercise all powers of the Company to allot, issue and deal with Shares pursuant to the exercise of such share options and to do such acts and execute such documents for or incidental to such purpose.”

By order of the Board
New Media Group Holdings Limited
Liu Chui Ying
Company Secretary

Hong Kong, 12 October 2012

Registered and Principal Office:

9th Floor
New Media Tower
No. 82 Hung To Road
Kwun Tong, Kowloon
Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (i) A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one, or if he/she is a holder of more than one share, or more proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
- (ii) In order to be valid, the form of proxy must be in writing under the hand of the appointor or his/her attorney duly authorized in writing, or if the appointor is a corporation, either under its common seal, or under the hand of an officer or attorney duly authorized on that behalf, and must be deposited at the Company's Share Registrar, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney, not less than 48 hours before the time for holding the meeting or adjourned meeting.
- (iii) Where there are joint holders of any share, any one of such joint holder may vote, either in person or by proxy in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and, for this purpose, seniority shall be determined by the order in which the names stand in the register in respect of the joint holding of such share.
- (iv) For the purpose of ascertaining shareholders' right to attend and vote at the above meeting, the register of members of the Company will be closed and the relevant details are set out below:

Latest time to lodge transfer	4:30 p.m. on 13 November 2012 (Tuesday)
Book close date	14 November 2012 (Wednesday)
Record date	14 November 2012 (Wednesday)

During the above closure period, no transfer of shares will be registered. In order to qualify for the right to attend and vote at the above meeting, all relevant share certificates and properly completed transfer forms must be lodged for registration with the Company's Share Registrar, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong before the above latest time to lodge transfer.

- (v) Completion and delivery of the form of proxy will not preclude a member from attending and voting in person at the meeting if the member so desires and in such event, the proxy shall be deemed to be revoked.
- (vi) Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions set out in this Notice will be decided by poll at the above meeting. Where the Chairman in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted, such resolution will be decided by a show of hands.
- (vii) If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 1:00 p.m. and before the above meeting time, the meeting will be postponed. The Company will post an announcement on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (<http://www.nmg.com.hk>) to notify shareholders of the date, time and place of the rescheduled meeting.