

Same Dream, Same Mission

# Endless Challenges, Boundless Possibilities



**New Media Group Holdings Limited**

(Incorporated in Hong Kong with limited liability)

(Stock code:708)

**09/10 Interim Report**

**One  
Team**

**One  
Spirit**

**Same  
Dream**

**Same  
Mission**

**Endless  
Challenges**



新傳媒集團控股有限公司  
New Media Group Holdings Limited

**09/10 Interim Report**

**Boundless  
Possibilities**



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## Financial Highlights (Unaudited)

	<b>Six months ended 31st December,</b>	
	<b>2009</b>	<b>2008</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Turnover		
Circulation income	<b>63,351</b>	67,677
Advertising income	<b>159,475</b>	172,793
Provision of magazine content	<b>1,783</b>	2,371
	<b>224,609</b>	242,841
Gross profit	<b>86,003</b>	81,442
Less:		
Share option costs	–	1,201
Impairment loss of intangible assets	–	2,664
Profit for the period attributable to the equity holders of the company	<b>27,228</b>	18,201
Earnings per share – Basic	<b>HK cents 4.54</b>	HK cents 3.03

# Management Discussion and Analysis

## OVERVIEW

The New Media Group Holdings Limited (the “Company”) and its subsidiaries (the “Group”) is one of the leading magazine groups in Hong Kong. It owns and publishes five weekly magazines, namely *Oriental Sunday* (東方新地), *Weekend Weekly* (新假期), *New Monday* (新Monday), *Fashion and Beauty* (流行新姿) and *Economic Digest* (經濟一週). Each magazine owns a distinguished and well-established status in its respective market, with loyal readers from distinctive sectors and age groups.

In the first half of the financial year, the Group celebrated its 10th anniversary, expressing special gratitude to its committed and hardworking staff at all levels. The management has been working closely with the team of professionals over the decade to seize opportunities and develop potential strengths. Despite a fluctuating business environment in the past year, the Group was able to perform stably and satisfactorily during the six months ended 31st December, 2009 (the “Period”).

## FINANCIAL REVIEW

The Group still maintains a strong position in the sales-driven magazine sector. The economy in Hong Kong during the Period has not yet fully recovered from the financial turmoil emerged in 2008. The worst time has passed but companies remained cautious over advertising and promotion spendings. During the Period, the Group achieved a turnover of HK\$224.6 million, as compared to HK\$242.8 million in 2008 when the Group benefited from a still booming local market before the financial crisis in the previous year.

The Group has a majority of revenue derived from advertising sales and circulation. The Group reported a stable advertising revenue of HK\$159.5 million (2008: HK\$172.8 million). Income from circulation of magazines and books reached HK\$63.4 million (2008: HK\$ 67.7 million). Gross profit improved by 5.6% to HK\$86.0 million (2008: HK\$ 81.4 million) following deployment of cost control measures.

Also, the Group enjoyed lower printing costs due to stringent printrun control. Profit for the Period rose by 49.5% to HK\$27.2 million from HK\$18.2 million during the same period a year ago.





# Management Discussion and Analysis

(Continued)

## REVIEW OF OPERATIONS

### Oriental Sunday

As one of the top titles among local weeklies, *Oriental Sunday* offers content that covers a wide range of topics from the latest entertainment news and celebrity gossips to fashion and lifestyle, shopping, dining and health tips. With its rich and diversified editorial content, the magazine was among the best-selling entertainment magazines in the market, securing a loyal readership base and a strong advertising network over the years.

According to The Hong Kong Audit Bureau of Circulations Limited, *Oriental Sunday* had an average net circulation of 162,021 per issue for the six months from 1st January to 30th June, 2009. Its popularity among readers gave confidence to retailers and advertisers especially during times of uncertainty.

To bring the magazine closer to its readers, *Oriental Sunday* had kicked off an electronic marketing campaign for greater exposure and more advertising opportunities. The magazine also enhanced its online platform in providing readers with the most updated entertainment news, fashion and makeup trends. The website was relaunched during the Period, with a special section dedicated to *MORE*, the magazine's supplement on fashion and beauty products. Well-known beauty experts and trendsetters in town have set up their blogs at the VIP Bloggers' section to provide up-close and personal advice for *MORE* followers. The relaunch resulted in a rise in viewer traffic and number of page views, bringing the loyal fans of *Oriental Daily* and *MORE* to an interactive online environment.

### Weekend Weekly

*Weekend Weekly* captured a steady advertising income, despite the financial crisis and the outbreak of the global swine flu pandemic, which resulted in a weak economy and adversely affected the travel and dining industries around the world. Having anticipated the negative effects, the editorial and sales teams had enhanced their cooperation to offer new and tailor-made packages to clients to better suit their needs and budgets. The magazine had organised joint events and campaigns with major clients and public bodies such as the Department of Health and the Hong Kong Tourism Board. The publication was further recognised as a professional and experienced travel and dining magazine in Hong Kong.

# Management Discussion and Analysis

(Continued)

Sharing the same birthday with the Group, *Weekend Weekly* had also entered its 10th year in the industry in 2009. The magazine celebrated its anniversary with a series of promotional events and attractive prizes were given out to its loyal readers. These included a cover girl competition and a “Playaholic” marathon contest for a dream job at *Weekend Weekly*. Both events received high participation rates and much public exposure, while also promoting the magazine’s highly creative image and fun-loving culture at the same time.

The magazine is also famous for publishing redeemable travel booklets, as well as city and restaurant guides. The production of a delicacies guide had won a bronze award at the Galaxy Award 2009 Competition under the “Brochures – Special Purpose” category. The team had also tried its hand at the cooking world by publishing a recipe book for home cooking. The book emerged as a huge success and even managed to hit the best-seller lists in local bookshops.

On the digital front, *Weekend Weekly* is getting itself ready for a new version of website which better supports interactive features and online activities. Leveraging on its expertise, the team will produce more user-friendly travel sets and develop a mobile version for users on the go.

## New Monday

*New Monday* is one of the most popular youth magazines in Hong Kong, targeting youths of both genders aged 15 to 29 who go after hot and trendy lifestyle topics such as entertainment news, popular culture, fashion, movies, games, latest gadgets and accessories.

During the Period, the magazine focused on developing various thematic and unique online communities to strengthen its branding in the cyber world and to suit different market needs and interests. The *BEE* website which targets young male users had expanded to cover hype topics such as soccer, basketball and online games. As an extension of its sensational and entertaining stories in the *New Monday* magazine, another website called “Gytam” (「新Mon怪談」– <http://gytam.newmonday.com.hk>) was launched in October 2009 for audience who are interested in supernatural topics. A real-time online radio show was also set up for interactive activities.

On the other hand, the magazine publishes supplementary booklets on selective topics including food and dining, as well as on fashion trends. The management will continue to look for new markets and explore potentials with different sales and marketing campaigns.





# Management Discussion and Analysis

(Continued)

## Fashion and Beauty

*Fashion and Beauty* positions distinctively as a practical fashion and beauty guide for style-conscious and trend-loving young female office ladies aged between 20 and 35. The website – launched earlier in the year – was expanded to offer more online activities on its beauty blogs and forums, in order to strengthen its branding and attract more female users. The number of *Fashion and Beauty* club members had increased and the magazine's online voting campaigns had recorded impressively high hit rates.

During the Period, the magazine had carried out an in-depth study on the profile of the targeted readers to better understand their needs and interests.

## Economic Digest

*Economic Digest* is a professional and authoritative finance and investment guide with a history of over 20 years in Hong Kong. Targeting affluent, young and well-educated investors and entrepreneurs in town, the magazine provides up-to-date market outlooks, tips and analysis from prominent investment and finance experts.

Following the launch of its electronic marketing campaign, the magazine has commenced a weekly eNewsletter service which allows subscribers to get updated investment tips every Monday after the opening of the stock market. The editorial team also created another interactive channel "Stock Express", a Q&A section for subscribers to pose questions and get feedbacks online.

In addition to organising seminars and discussion forums on a regular basis, the magazine's marketing team was also involved in a campaign with one of the largest global banking corporations in Hong Kong for supporting small businesses and enterprises in the local market. The events had enhanced the magazine's image and its relationship with the finance sector. Meanwhile, the team hopes to make its presence stronger across the border, working with some business organisations in the Mainland in preparing marketing campaigns and events.

## Books Publishing

The Group publishes books on hot topics based on market demands, such as travel and dining guide series, market analysis and investment guides, comics, reference and self-help books. During the Period, a total of 17 new titles were published and sold in Hong Kong through various retail points.

# Management Discussion and Analysis

(Continued)

Although the unstable economy has inevitably affected the travel industry, the Group's travel guides were in high market demand and remained one of the all-time favourites published by the division. Following the sales of the latest series of travel guides, the Group has published an accumulative circulation of 200,000 by the end of 2009.

The division had tried to diversify its business and explore new opportunities to boost revenue. Encouraged by the overwhelming popularity of trendy merchandises offered at the Hong Kong Book Fair in July 2009, the team continued to work with celebrity or trend icons in designing special inspirational series of products. Thanks to an expanded customer base, the book publishing division had reinforced its brand and revenue had increased over the past few months.

## OUTLOOK

The consumer market has been recovering gradually, but the overall economy is still expected to be unstable in the year 2010. As a media publisher, the Group will deploy its market expertise and competitive edges while committing to a multi-channel development, a global trend in many markets.

Counting on a team of staff of great vitality and versatility, the Group looks forward to broaden its scope of business in a healthy pace. It is devoted to exceeding expectation of customers and readers through strategic marketing solutions and creative editorial and packaging concepts. It will take advantage of every new opportunity and equip itself with new and advanced technologies to keep up with the ever-growing need in the digital world.

## OTHER ANALYSIS

### Capital Structure, Liquidity and Financial Resources

There is no change in the capital structure of the Company for the Period.

The Group financed its operations by shareholders' equity and cash generated from operations.

As at 31st December, 2009, the Group had no bank and other borrowing (30th June, 2009: Nil).

As at 31st December, 2009, the Group's gearing ratio was Nil (30th June, 2009: Nil) (calculated based on the basis of total bank and other borrowings over total assets).

The Group had limited exposure to fluctuation in exchange rates.





# Management Discussion and Analysis

(Continued)

## Employee and Remuneration Policy

As at 31st December, 2009, the Group has 573 employees (30th June, 2009: 565). Total staff costs (including Directors' remuneration) were approximately HK\$83.6 million (2008: HK\$80.6 million). Employees' remuneration was determined in accordance with individual's responsibility, performance and experience. Staff benefits include contributions to retirement benefit scheme, medical insurance and other fringe benefits. The board of directors (the "Board" or the "Directors") are paid fees in line with market practice. The emoluments of the Executive Directors are decided by the Remuneration Committee having regard to the Company's operating result, individual performance and comparable market statistics.

## Charge on Assets

None of the Group's assets were pledged as at 30th June, 2009 and 31st December, 2009.

## Contingent Liabilities

Certain subsidiaries of the Group were involved in legal proceedings or claims against them in the ordinary course of their business activities during the Period. In the opinion of the Directors of the Company, resolution of such litigation and claims will not have a material adverse effect on the Group's financial position and no further provision for any potential liability in the condensed consolidated statement of financial position is considered necessary.

As at 31st December, 2009, the Company did not have significant contingent liabilities.

# Management Discussion and Analysis

(Continued)

## Use of IPO Proceeds from Listing

The net proceeds from the Company's initial public offering amounted to approximately HK\$88.55 million. These net proceeds were partially applied during the period from the listing date up to the date of this report and such application is consistent with the proposed usage of the net proceeds set forth in the prospectus of the Company dated 29th January, 2008 as follows:

<b>Planned usage</b>	<b>Planned Amount</b> <i>HK\$' million</i>	<b>Applied Up to 31st January, 2010</b> <i>HK\$' million</i>
Enhancement and enrichment of the contents of the magazines	37.28	11.07
Promotion and marketing of magazines to readers and advertisers	20.98	11.58
Strengthening the contents of the Group's existing website	8.74	8.74
Upgrading of the Group's existing machineries and equipment thereby improving the efficiency of publication workflow	14.15	13.00
General working capital	7.40	7.40
	<b>88.55</b>	<b>51.79</b>

## Interim Dividend

The Board is pleased to declare an interim dividend of HK\$0.012 per share (interim dividend for the 12-month period ended 31st March, 2009: HK\$0.012 per share) for the year ending 30th June, 2010, amounting to HK\$7,200,000 (for the 12-month period ended 31st March, 2009: HK\$7,200,000). The dividend will be paid on or around 26th March, 2010 (Friday) to shareholders whose names appear on the register of members of the Company on 15th March, 2010 (Monday).





The Directors of the Company announces the unaudited condensed consolidated results of the Group for the Period together with comparative figures for the corresponding period in 2008 as set out below:

## Condensed Consolidated Statement of Comprehensive Income

For the six months period ended 31st December, 2009

	Notes	Six months ended 31st December,	
		2009 (unaudited) HK\$'000	2008 (unaudited) HK\$'000
Turnover	4	224,609	242,841
Direct operating costs		(138,606)	(161,399)
Gross profit		86,003	81,442
Other income		971	2,319
Selling and distribution costs		(31,775)	(36,936)
Administrative expenses		(22,236)	(24,775)
Profit before taxation	5	32,963	22,050
Taxation	6	(5,735)	(3,849)
Profit and total comprehensive income for the Period attributable to owners of the Company		27,228	18,201
Earnings per share – Basic	7	HK cents 4.54	HK cents 3.03
Earnings per share – Diluted	7	N/A	N/A

# Condensed Consolidated Statement of Financial Position

		As at	
	Notes	31st December, 2009 (unaudited) HK\$'000	30th June, 2009 (audited) HK\$'000
Non-current assets			
Property, plant and equipment	8	12,683	14,606
Goodwill		695	695
		<b>13,378</b>	15,301
Current assets			
Inventories		4,988	1,634
Trade and other receivables	9	93,872	78,146
Bank balances and cash		159,640	155,297
		<b>258,500</b>	235,077
Current liabilities			
Trade and other payables	10	65,791	65,253
Taxation payable		10,766	4,761
Dividend payable		–	7,200
		<b>76,557</b>	77,214
Net current assets		<b>181,943</b>	157,863
Total assets less current liabilities		<b>195,321</b>	173,164
Non-current liabilities			
Deferred taxation liabilities		33	305
Net assets		<b>195,288</b>	172,859
Capital and reserves			
Share capital	11	6,000	6,000
Reserves		189,288	166,859
Total equity		<b>195,288</b>	172,859





## Condensed Consolidated Statement of Changes in Equity (Unaudited)

	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000	Capital contribution reserve HK\$'000	Share options reserve HK\$'000	Accumulated (losses)/profit HK\$'000	Total HK\$'000
At 1st July, 2008	6,000	90,419	90,700	796	485	(23,697)	164,703
Dividend recognised as distribution	-	-	-	-	-	(9,600)	(9,600)
Profit and total comprehensive income for the Period	-	-	-	-	-	18,201	18,201
Recognition of equity-settled share-based payments	-	-	-	-	1,201	-	1,201
<b>At 31st December, 2008</b>	<b>6,000</b>	<b>90,419</b>	<b>90,700</b>	<b>796</b>	<b>1,686</b>	<b>(15,096)</b>	<b>174,505</b>
At 1st July, 2009	6,000	90,419	90,700	796	2,565	(17,620)	172,860
Dividend recognised as distribution	-	-	-	-	-	(4,800)	(4,800)
Profit and total comprehensive income for the Period	-	-	-	-	-	27,228	27,228
<b>At 31st December, 2009</b>	<b>6,000</b>	<b>90,419</b>	<b>90,700</b>	<b>796</b>	<b>2,565</b>	<b>4,808</b>	<b>195,288</b>

# Condensed Consolidated Cash Flow Statement

	Six months ended 31st December	
	2009 (unaudited) HK\$'000	2008 (unaudited) HK\$'000
Net cash from operating activities	17,753	30,362
Net cash used in investing activities	(1,410)	(4,894)
Net cash used in financing activities	(12,000)	(9,600)
Net increase in cash and cash equivalents	4,343	15,868
Cash and cash equivalents at beginning of the period	155,297	114,265
Cash and cash equivalents at end of the period	159,640	130,133
Analysis of balances of cash and cash equivalents		
Bank balance and cash	159,640	130,133





# Notes to the Condensed Consolidated Financial Statements

## 1. BASIS OF PREPARATION

The unaudited consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) and Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

These condensed consolidated financial statements should be read in conjunction with the financial statements for the 15-month period ended 30th June, 2009.

## 2. PRINCIPAL ACCOUNTING POLICIES

In the Period, the Group had adopted certain new Hong Kong Financial Reporting Standards (“HKFRSs”), amendments and interpretations (collectively the “New HKFRSs”), issued by HKICPA that are effective for accounting periods beginning on or after 1st July, 2009.

The adoption of the New HKFRSs has had no material effect on how the results and financial position for the current or prior periods are prepared and presented.

Except as described below, the same accounting policies, presentation and methods of computation have been followed in these condensed consolidated financial statements as were applied in the preparation of the Group’s consolidated financial statements for the 15-month period ended 30th June, 2009.

### HKAS 1 (REVISED) – PRESENTATION OF FINANCIAL STATEMENTS

HKAS 1 (Revised) has introduced a number of terminology changes (including revised titles for the condensed consolidated financial statements) and has resulted in a number of changes in presentation and disclosure. However, HKAS 1 (Revised) has had no impact on the reported results or financial position of the Group.

The Group has not early applied the HKFRSs that have been issued but are not yet effective. The Directors anticipate that the application of those HKFRSs will have no material impact on the financial statements of the Group.

## 3. BUSINESS AND GEOGRAPHICAL SEGMENTS

### Business segment

The Group’s operation is regarded as a single segment, being engaged in the magazine publishing business.

### Geographical segment

All of the Group’s assets and liabilities are substantially located in Hong Kong and all of the activities of the Group and geographical market for both periods are substantially based in Hong Kong. Accordingly, no geographical segment information is presented.

# Notes to the Condensed Consolidated Financial Statements (Continued)

## 4. TURNOVER

Turnover represents the net amounts received and receivable from circulation income, advertising income and provision of magazine content during the Period. An analysis of the Group's turnover for the Period is as follow:

	Six months ended 31st December	
	2009 (unaudited) HK\$'000	2008 (unaudited) HK\$'000
Circulation income	63,351	67,677
Advertising income	159,475	172,793
Provision of magazine content	1,783	2,371
	<b>224,609</b>	<b>242,841</b>

## 5. PROFIT BEFORE TAXATION

	Six months ended 31st December	
	2009 (unaudited) HK\$'000	2008 (unaudited) HK\$'000
Profit before taxation has been arrived at after charging (crediting):		
Amortisation of intangible assets *	–	484
Impairment loss of intangible assets *	–	2,664
Depreciation	3,553	3,753
(Gain)/loss on disposal of property, plant and equipment	(3)	9
Interest income	(221)	(1,104)

\* Included in direct operating costs





# Notes to the Condensed Consolidated Financial Statements (Continued)

## 6. TAXATION

	Six months ended 31st December,	
	2009 (unaudited) HK\$'000	2008 (unaudited) HK\$'000
The charge comprises:		
Current tax		
Hong Kong Profits Tax	6,005	4,050
Deferred tax	(270)	(201)
	5,735	3,849

Hong Kong Profits Tax is calculated at 16.5% (2008: 16.5%) of the estimated assessable profits for the Period.

## 7. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the Period of HK\$27,228,000 (2008: HK\$18,201,000) and the weighted average of 600,000,000 shares (2008: 600,000,000 shares) for the Period.

No diluted earnings per share has been presented in respect of the Company's potential dilutive ordinary shares as the exercise price of the share options of the Company is higher than the average market price for the Company's shares for both periods ended 31st December, 2008 and 31st December, 2009.

## 8. PROPERTY, PLANT AND EQUIPMENT

The movements of property, plant and equipment during the Period were summarised as follows:

	Property, Plant and equipment HK\$'000
Net book value as at 1st July, 2009	14,606
Additions	1,640
Disposals	(10)
Depreciation	(3,553)
	12,683
Net book value as at 31st December, 2009	12,683

# Notes to the Condensed Consolidated Financial Statements (Continued)

## 9. TRADE AND OTHER RECEIVABLES

	As at	
	31st December, 2009 (unaudited) HK\$'000	30th June, 2009 (audited) HK\$'000
Trade receivables from		
– third parties	86,255	71,218
– related companies	474	355
	<b>86,729</b>	<b>71,573</b>
Prepayment and deposits	7,143	6,573
	<b>93,872</b>	<b>78,146</b>

The related companies are companies ultimately owned by The Albert Yeung Discretionary Trust (the "Trust") (of which Dr. Yeung Sau Shing, Albert is the founder and a deemed controlling shareholder of the Company).

The Group normally grants credit terms of 30 days to 120 days to its customers with reference to the historical payment records and business relationship. Settlement of the sales from circulation income from magazines shall be made by the distributor to the Company within 10 days after the verification of the quantity of magazines sold. Credit limited and outstanding balance from advertising income will be reviewed by the management once a month. The following is an aged analysis of trade receivables at the reporting date:

	As at	
	31st December, 2009 (unaudited) HK\$'000	30th June, 2009 (audited) HK\$'000
Age		
0 – 30 days	72,906	62,802
31 – 90 days	12,689	8,309
91 – 180 days	860	395
Over 180 days	274	67
	<b>86,729</b>	<b>71,573</b>





# Notes to the Condensed Consolidated Financial Statements (Continued)

## 10. TRADE AND OTHER PAYABLES

	As at	
	31st December, 2009 (unaudited) HK\$'000	30th June, 2009 (audited) HK\$'000
Trade payables to		
– third parties	30,539	33,812
– related companies	1,331	2,259
	<b>31,870</b>	<b>36,071</b>
Accrued charges	33,921	29,182
	<b>65,791</b>	<b>65,253</b>

The related companies are companies ultimately owned by the Trust.

The Group normally receives credit terms of 60 days to 90 days from its suppliers. The following is an aged analysis of trade payables at the reporting date:

	As at	
	31st December, 2009 (unaudited) HK\$'000	30th June, 2009 (audited) HK\$'000
Age		
0 – 90 days	31,618	35,431
91 – 180 days	235	558
Over 180 days	17	82
	<b>31,870</b>	<b>36,071</b>

## 11. SHARE CAPITAL

Issued share capital as at 31st December, 2009 amounted to HK\$6,000,000. There were no movements in the issued share capital of the Company in neither the current nor the corresponding interim reporting periods.

# Notes to the Condensed Consolidated Financial Statements (Continued)

## 12. OPERATING LEASE COMMITMENT

### The Group as lessee

At the balance sheet date, the Group was committed to make the following future minimum lease payments in respect of related premises under non-cancellable operating leases which fall due as follows:

	As at 31st December, 2009 (unaudited) HK\$'000	As at 30th June, 2009 (audited) HK\$'000
Within one year	930	2,616
In the second to fifth year inclusive	49	146
	<b>979</b>	<b>2,762</b>

The leases are from two to four years. All leases are on a fixed payment basis.

## 13. CONTINGENT LIABILITIES

Certain subsidiaries of the Group were involved in legal proceedings or claims against them in the ordinary course of their business activities during the Period. In the opinion of the Directors of the Company, resolution of such litigation and claims will not have a material adverse effect on the Group's financial position and no further provision for any potential liability in the condensed consolidated statement of financial position is considered necessary.

As at 31st December, 2009, the Company did not have significant contingent liabilities.





# Notes to the Condensed Consolidated Financial Statements (Continued)

## 14. RELATED PARTY TRANSACTIONS

- (a) During the Period, the Group had the following transactions with related companies:

	<b>Six months ended 31st December,</b>	
	<b>2009 (unaudited) HK\$'000</b>	<b>2008 (unaudited) HK\$'000</b>
Advertising income received	668	864
Photo and shooting income received	123	78
Sundry income	–	23
Advertising expenses paid	7	35
Entertainment expenses paid	32	16
Overseas travelling expenses paid	106	103
Printing costs paid	2,634	2,338
Rental charges paid	95	120
Consultancy fee paid	125	150
Management fee paid	370	526
Artists sponsorship	–	180
Sundry expenses	20	–

The related companies are companies ultimately owned by the Trust.

- (b) The key management personnel includes solely the Directors and the salaries and compensation paid to them is disclosed as follows:

	<b>Six months ended 31st December,</b>	
	<b>2009 (unaudited) HK\$'000</b>	<b>2008 (unaudited) HK\$'000</b>
Fees	425	425
Other emoluments		
Salaries and allowance	2,264	2,340
Bonus	1,750	544
Retirement benefits scheme contributions	12	12
Share-based payments	–	1,201
<b>Total</b>	<b>4,451</b>	<b>4,522</b>

# Directors' and Chief Executives' Interests and Short Positions in Securities

As at 31st December, 2009, the interests and short positions of the Directors and chief executives and their associates in the shares, underlying shares and debentures of the Company or 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 pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") of the Listing Rules are as follows:

## (a) Long positions in share options of the Company

Name of Director	Capacity/ Nature of Interests	Number of options/ underlying shares held	Approximate percentage holding
Percy Hughes, Shirley ( <i>note</i> )	Beneficial owner	5,000,000	0.83%
Lee Che Keung, Danny ( <i>note</i> )	Beneficial owner	2,500,000	0.42%

*Note:* These were share options granted under the Pre-IPO share option scheme of the Company.





# Directors' and Chief Executives' Interests and Short Positions in Securities (Continued)

## (b) Long positions in share options in associated corporations

Name of Director	Name of associated corporation	Capacity/ Nature of Interests	Number of options/ underlying shares held	Approximate percentage holding
Wong Chi Fai (note 1)	Emperor International Holdings Limited ("EIHL")	Beneficial Owner	15,000,000	0.76%
Fan Man Seung, Vanessa (note 1)	EIHL	Beneficial Owner	15,000,000	0.76%
Wong Chi Fai (note 2)	Emperor Entertainment Hotel Limited ("EEH")	Beneficial Owner	5,000,000	0.39%
Fan Man Seung, Vanessa (note 2)	EEH	Beneficial Owner	5,000,000	0.39%

Note: 1. These were share options granted under the share option scheme of EIHL which is an associated corporation of the Company as defined under the SFO.

2. These were share options granted under the share option scheme of EEH which is an associated corporation of the Company as defined under the SFO.

Save as disclosed above, as at 31st December, 2009, none of the Directors, chief executives nor their associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

# Share Options

## (a) Share Option Scheme

The Company has adopted a share option scheme (the “Share Option Scheme”) on 18th January, 2008 to provide incentives or rewards to participants including the Directors and eligible employees of the Group.

Under the Share Option Scheme, the Directors are authorised, at any time within 10 years after the adoption date, to grant options to any participant to subscribe for shares in the Company at a price not less than the highest of (i) the closing price of the Company’s shares on the date of grant which must be a business day; (ii) the average closing prices of the Company’s shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company’s share. A nominal consideration of HK\$1 is payable on acceptance of the grant of options.

No options were granted by the Company under the Share Option Scheme since its adoption.

## (b) Pre-IPO Share Option Scheme

The Company has adopted a Pre-IPO share option scheme (the “Pre-IPO Share Option Scheme”) on 18th January, 2008 to recognise and reward the contribution of certain Directors, senior management, employees, consultants and advisers of the Group to the growth and development of the Group and the listing of the shares of the Company on the Stock Exchange.

On 18th January, 2008, a total of 7,500,000 Share Options were granted to two Directors of the Company at an exercise price of HK\$0.68 under the terms of the Pre-IPO Share Option Scheme.





## Share Options (Continued)

A summary of share options granted by the Company pursuant to the Pre-IPO Share Option Scheme and the share options outstanding at 31st December, 2009 are as follows:

Date of grant	Exercisable Period	Exercise price HK\$	As at 31st December, 2009	As at 1st July, 2009
18/01/2008	12/02/2009 – 12/02/2013	0.68	7,500,000	7,500,000

## Interests and Short Positions of Substantial Shareholders

As at 31st December, 2009, so far as is known to any Director or chief executive of the Company, the following persons or corporations (other than a Director or chief executive of the Company) who had interests and short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO or as otherwise notified to the Company are as follows:

### Long positions in ordinary shares of HK\$0.01 each of the Company

Name of shareholder	Capacity/ Nature of interests	Number of issued ordinary shares interested in or deemed to be interested	Percentage of issued share capital
Velba Limited (“Velba”)	Beneficial owner	450,000,000	75%
Million Way Holdings Limited (“Million Way”) (note)	Interest in a controlled corporation	450,000,000	75%
STC International Limited (“STC International”) (note)	Trustee	450,000,000	75%
Dr. Yeung Sau Shing, Albert (“Dr. Albert Yeung”) (note)	Founder of the Trust	450,000,000	75%
Ms. Luk Siu Man, Semon (“Ms. Semon Luk”) (note)	Family	450,000,000	75%

# Interests and Short Positions of Substantial Shareholders (Continued)

Note: The shares were held by Velba. The entire issued share capital of Velba was held by Million Way which was in turn wholly-owned by STC International, being the trustee of the Trust. Dr. Albert Yeung, as founder of the Trust, was deemed to be interested in the 450,000,000 shares held by Velba. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk was also deemed to be interested in the above 450,000,000 shares held by Velba.

Save as disclosed above, as at 31st December, 2009, the Directors or chief executives of the Company were not aware of any person or corporation (other than the Directors and chief executives of the Company) who had any interests or short positions in shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO or as otherwise notified to the Company.

## Corporate Governance

### Code on Corporate Governance Practices

The Company had complied throughout the Period with all the provisions of the Code on Corporate Governance Practice as set out in Appendix 14 of the Listing Rules.

### Model Code for Securities Transactions

The Company had adopted the Model Code as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding director's securities transaction. Having made specific enquiry to all the Directors of the Company, all of them confirmed that they have complied with the required standard of dealings as set out in the Model Code throughout the Period.

## Review of Interim Report

The condensed consolidated interim financial statements of the Group as set out in this interim report has not been audited nor reviewed by the Company's auditor, Deloitte Touche Tohmatsu, but this report has been reviewed by the audit committee of the Company, which comprises the three Independent Non-executive Directors of the Company.





# Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Period.

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

Hong Kong, 25th February, 2010

As at the date of this report, the Board of the Company comprised:

*Executive Directors:*

Ms. Percy Hughes, Shirley (*Chief Executive Officer*)

Mr. Lee Che Keung, Danny

Mr. Wong Chi Fai

Ms. Fan Man Seung, Vanessa

*Independent Non-executive Directors:*

Ms. Hui Wai Man, Shirley

Mr. Tse Hin Lin, Arnold

Ms. Kwan Shin Luen, Susanna