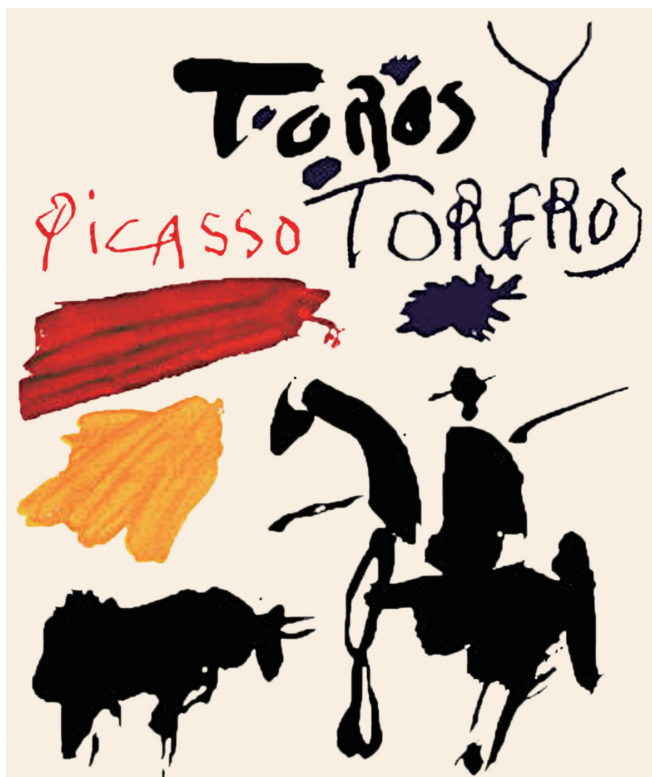


*Daring to dream,
daring to be different.*



Bull with Bullfighter

PICASSO

(Spanish, 1881-1973)



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

New Media Group Holdings Limited
Incorporated in Hong Kong with limited liability
(Stock code: 708.HK, 910708.TW)

Interim Report 2011/2012



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

Interim Report 2011/2012

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Financial Highlights (Unaudited)

	Six months ended	
	31st December,	
	2011	2010
	HK\$'000	HK\$'000
Turnover		
Advertising income	208,047	185,467
Circulation income	59,633	61,576
Digital business income	5,794	2,018
Provision of magazine content	800	1,644
	274,274	250,705
Gross profit	105,428	98,840
Profit for the period attributable to the owners of the company	25,997	32,030
Earnings per share – Basic and diluted	HK cents 3.06	HK cents 4.89

Management Discussion and Analysis

OVERVIEW

New Media Group Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) is one of the leading magazine groups in Hong Kong. The Group mainly 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 position in its respective market, with loyal readership from distinctive sectors and age groups.

During the six months ended 31st December, 2011 (the “Period”) under review, while major economies struggled to recover from the recession, the local retail market was fortunately shielded from the direct impact due to the increasing demands by consumers from mainland China. Advertisers were nevertheless cautious in their spending, but most did continue to show their support since the Group’s magazines were able to maintain a strong position and steady readership base in the local market. Stimulus measures as well as more flexible and appealing advertising packages designed to help advertising clients sell their products more effectively were introduced and met with great appreciation.

To further strengthen and build on its newly developed digital platform, the Group also continued to create cross-media contents for its readers while exploring more business opportunities for online and mobile content development, thereby increasing the Group’s competitiveness in the market.

FINANCIAL REVIEW

Attributable to the continuous support from the loyal advertisers, the Group reported a revenue growth of 9.4% to HK\$274.3 million. Advertising income had continued to be the key contributor to the revenue of the Group during the Period, taking up 75.9% of the Group’s revenue. The Group reported a gross profit of HK\$105.4 million (six months ended 31st December, 2010: HK\$98.8 million), an increase of 6.7%. Due to the significant increase of selling and distribution expenses for the launch of two additional booklets “Sunday KISS” and “CASH” at the beginning stage, as well as the increase of expenses for pack premium items, the profit for the Period attributable to the owners of the Company decreased to HK\$26.0 million (six months ended 31st December, 2010: HK\$32.0 million). Basic earnings per share was HK cents 3.06 (six months ended 31st December, 2010: HK cents 4.89).

Management Discussion and Analysis

(Continued)

REVIEW OF OPERATIONS

Magazines

Riding on its strong advertising and readership base built over the years, the Group's magazines were able to maintain a high status in their own sectors in the local magazines' market.

The Group's flagship magazine, *Oriental Sunday*, with its long established branding and strong readership base, continued to draw in a steady advertising income. Since the launch of its supplementary booklet *KISS* earlier in the second half of 2011, the magazine has successfully reached out to younger family readership groups, with topics ranging from childcare and parenting to schooling and shopping tips. Much effort had been put into building the extended platform and to create a social community for these new readers and followers. Marketing and sponsorship events as well as social media campaigns were organized to help provide interactive opportunities for this new generation of young parents. Advertisers also saw the potentials of this extended market, and both old and new clients welcomed the chance to introduce their products to this new targeted group of eager consumers.

In addition to its usual in-depth expertise reporting on travel and dining topics, *Weekend Weekly* also successfully created a new dimension for its brand, a "Go Green" section that is dedicated to introducing all things and all issues that are eco-friendly related. The focused editorial contents and features quickly attracted interested advertisers who quickly saw the golden opportunity to market their environmental friendly products to eco-conscious readers.

During the Period, *Weekend Weekly* also proudly announced that one of the cookbooks it has published – "*It's May's Feast*" – was chosen as the winner of Hong Kong in the Easy Recipes category in the famous world renowned competition "Gourmand World Cookbook Awards", which is held annually in Paris. It will compete against winners in the same category from other countries for "The Best in the World", and was a great honour and a boost of confidence for the team in recognition of the quality of its work.

Management Discussion and Analysis

(Continued)

REVIEW OF OPERATIONS (Continued)

Magazines (Continued)

The Group's weekly fashion magazine, *Fashion & Beauty*, continued to appeal to OL communities with its comprehensive coverage of topics on fashion and lifestyle. It also remained one of the most popular platforms for advertisers to showcase the latest beauty products, allowing them to directly market their products to the OL readers in the form of trial sampling packs that come with the magazine.

New Monday's transformation into the "NM+" multi-media platform had been gradual earlier in the year, but had already come into good shape during the Period under review. Now being more experienced than ever, the creative team was able to play around more daringly and create even more dynamic and impressive interactive contents for the digital applications. The NM+ interactive iPad version, along with a few other international e-magazines, was selected and featured on Apple's App Store special banner in December 2011, becoming the first Hong Kong e-magazine recommended by Apple's App Store, which is famous for having their own high standards and criteria in recommending special apps.

Also maturing rapidly was the Total Solution concept introduced by the NM+ platform to advertisers who are willing and ready for the new age of cross-media marketing. It actually brought great success to a marketing campaign for performance bikes for one of our clients, and even created a new hit for performance bikes among young readers and trend lovers. The all round visualized advertising promotion & editorial package included print reporting, online social media coverage as well as interactive iPad & mobile applications that allowed users to watch world class performance and exclusive interviews with just one-click. It was indeed a good example of optimization and collaborative media marketing for a new age of advertising that goes beyond simple adoption of media applications. The results were encouraging and could definitely motivate us to continue to further develop this platform and set the stage for more meaningful interactive communications between our clients and readers out there, who have shown that they are all on the same track and ready to progress further together with us.

Management Discussion and Analysis (Continued)

REVIEW OF OPERATIONS (Continued)

Magazines (Continued)

After launching a new complimentary booklet called “CASH”, a weekly guide with money-saving tips for shopping and general investments, *Economic Digest* went on to introduce its electronic version on iPad, available for subscription on the Apple App Store Newsstand by overseas and PRC readers. And in order to bring in more update financial news and analysis to its readers, the online website was linked up with the Tencent Weibo (騰訊微博) platform to create linkages for instant messaging functions and allow instant connections and communications with star analysts, while at the same time extending its membership base and exposure in the PRC investment market.

Digital and Online Platform

The Group’s online business also made great progress during the Period, with its thematic websites having reached out to a much larger user base and generated much greater traffic by internet, tablet and mobile users.

Beta-launched in July 2011, the travelogue website “gotrip.hk” won a Silver Prize in the SMEs category at the “2011 Top 10 .hk Website Competition” organized by the Hong Kong Internet Registration Corporation (HKIRC) in December 2011. The Competition, with over 200 entries, aims at commending outstanding “.hk” websites which demonstrate the advantages of utilizing the Internet and “.hk” domain name. The website also became a search affiliate partner of Yahoo Hong Kong in December 2011, and had already accumulated over 250,000 unique visitors since last July.

The other websites were also enhanced with tailor-made and interactive features designed to build on the sense of community and to encourage user loyalty. The website “imore.hk” was revamped in December with added snapshot pages and features sharing fashion and beauty news. A number of trial and testing workshops were organized with over 3,000 participants registered, proving its branding success and popularity among the group of targeted female members. The website had accumulated over 120,000 unique visitors since last July.

Management Discussion and Analysis

(Continued)

REVIEW OF OPERATIONS (Continued)

Digital and Online Platform (Continued)

“Beeweb.hk” and “meetu.hk” both continued to enjoy high recognition and brand reputation. With an enhanced forum platform, the average unique visitors of “beeweb.hk” had already reached an impressive 150,000 per month, and is still without doubt one of the most popular websites visited by top fashion drivers and trend followers in the global Chinese community. Being one of the most popular online dating websites in Hong Kong, “meetu.hk” on the other hand, already has nearing a million accumulated unique visitors. With their high popularity and user demands well in sight, the Group will look into developing more partnering and collaboration business opportunities for these dedicated websites. More brand building activities and user retention strategies will be explored to convert the casual users into loyalists as well.

OUTLOOK

It is foreseeable that advertisers will continue to invest cautiously in the coming months due to the fluctuating economy and competitive marketing environment. As a counter strategy, we will create more value-added packages for our already well branded products to sustain loyalty among both advertisers on the one hand, and readers and tablet users on the other.

The Group will also be investing more into marketing the online and digital business, leveraging on technology and innovation to generate more interesting and attractive multi-media ideas and packages to sustain interests and attract newcomers. The potentials and room for exploration and development in this area is still vast and immense.

Management Discussion and Analysis

(Continued)

OUTLOOK (Continued)

To make way for this development, the Group will move into its newly acquired office sometime in March to April 2012. Extra capital expenditure costs had been allocated to prepare for the big move. And once we have settled down into our own property and are free from worries of uncontrollable rental and operating costs, our expanded working team will surge forward into further building our brands and growing our business in this multi-media landscape. The new office will provide a more compact environment for our team of staff to work more closely and efficiently, generating higher productivity, as well as higher morale, which in turn can motivate them to continue to always try out anything new or different, and always looking to spark new interests.

OTHER ANALYSIS

Capital Structure, Liquidity and Financial Resources

Taiwan Depositary Receipts ("TDRs") listing

On 18th July, 2011, the Company issued and allotted 144,000,000 new shares at a price of HK\$0.696 per share in relation to the offering and listing of 28,800,000 units of TDRs on the Taiwan Stock Exchange Corporation ("TSE"). The proceeds of TWD374,400,000 (being offer price of TWD13 per unit multiplied by 28,800,000 units of TDRs, equivalent to HK\$99,888,000) net of HK\$3,077,000 will be used for business expansion and to provide additional working capital for the Group. The TDRs were listed on the TSE on 19th July, 2011.

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

As at 31st December, 2011, the Group had HK\$56.3 million bank borrowings (30th June, 2011: HK\$59.1 million) denominated in Hong Kong dollars with interest rates followed market rates.

As at 31st December, 2011, the Group's gearing ratio was 9.6% (30th June, 2011: 13%) (calculated based on the basis of total bank borrowings over total assets).

The Group had limited exposure to fluctuation in exchange rates.

Management Discussion and Analysis

(Continued)

OTHER ANALYSIS (Continued)

Employee and Share Option Scheme

As at 31st December, 2011, the Group has 678 employees (30th June, 2011: 642). Total staff costs (including Directors' remuneration) were approximately HK\$86.9 million (six months ended 31st December, 2010: HK\$92.3 million).

To provide incentives or rewards to the staff and the directors of the Company (the "Board" or the "Director"), the Company adopted a share option scheme on 18th January, 2008. No option was granted by the Company under such share option scheme since its adoption and up to 31st December, 2011.

On 18th January, 2008, a total of 7,500,000 share options were granted to two executive Directors of the Company at an exercise price of HK\$0.68 per share under the terms of the Pre-IPO Share Option Scheme adopted by a resolution in writing passed by the sole shareholder on 18th January, 2008. No share options were exercised since 18th January, 2008 and up to 31st December, 2011 and accordingly the outstanding share options as at 31st December, 2011 were 7,500,000 share options.

Charge on Assets

As at 31st December, 2011, the Group's land and building with carrying value of approximately HK\$267.7 million (30th June, 2011: HK\$267.7 million) was pledged as security for banking facilities.

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, 2011, the Company did not have significant contingent liabilities.

Management Discussion and Analysis

(Continued)

OTHER 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 announcement 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:

	Planned Usage Amount <i>HK\$' million</i>	Actual Usage up to 31st January, 2012 <i>HK\$' million</i>
Enhancement and enrichment of the contents of the magazines	37.28	28.18
Promotion and marketing of magazines to readers and advertisers	20.98	20.98
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	14.15
General working capital	7.40	7.40
	<hr/> 88.55	<hr/> 79.45

Interim Dividend

The Board is pleased to declare an interim dividend of HK cent 0.6 per share ("Dividend") for the financial year ending 30th June, 2012 (2010/2011: HK cents 1.3 per share), amounting to HK\$5,184,000 (2010/2011: HK\$9,360,000). The Dividend will be payable on 23rd March, 2012 (Friday) to shareholders whose names appear on the register of members of the Company at the close of business on 14th March, 2012 (Wednesday).

Deloitte.

Report on Review of Interim Financial Information

TO THE BOARD OF DIRECTORS OF NEW MEDIA GROUP HOLDINGS LIMITED

(incorporated in the Hong Kong with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 12 to 27, which comprises the condensed consolidated statement of financial position of New Media Group Holdings Limited (the “Company”) and its subsidiaries as of 31st December, 2011 and the related condensed consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

23rd February, 2012

The Board of the Company announces the unaudited condensed consolidated results of the Group for the Period together with comparative figures for the corresponding period in 2010 as set out below:

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 31st December, 2011

		Six months ended 31st December,	
	Notes	2011 (unaudited) HK\$'000	2010 (unaudited) HK\$'000
Turnover	4	274,274	250,705
Direct operating costs		(168,846)	(151,865)
Gross profit		105,428	98,840
Other income		1,814	1,328
Selling and distribution costs		(46,761)	(37,039)
Administrative expenses		(27,953)	(24,901)
Finance costs		(424)	–
Profit before taxation		32,104	38,228
Taxation charge	6	(6,107)	(6,198)
Profit and total comprehensive income for the Period		25,997	32,030
Earnings per share – Basic and diluted	8	HK cents 3.06	HK cents 4.89

Condensed Consolidated Statement of Financial Position

As at 31st December, 2011

		As at	
	Notes	31st December, 2011 (unaudited) HK\$'000	30th June, 2011 (audited) HK\$'000
Non-current assets			
Property, plant and equipment	9	282,370	282,692
Deposits paid for acquisition of property, plant and equipment		39,645	1,485
Intangible assets		–	–
Goodwill		695	695
		322,710	284,872
Current assets			
Inventories		7,292	8,112
Trade and other receivables	10	133,315	108,463
Bank balances and cash		125,547	62,223
		266,154	178,798
Current liabilities			
Trade and other payables	11	92,490	75,738
Taxation payable		4,029	10,446
Secured bank mortgage loan – due within one year	12	5,637	5,628
		102,156	91,812
Net current assets		163,998	86,986
Total assets less current liabilities		486,708	371,858
Non-current liabilities			
Secured bank mortgage loan – due after one year	12	50,630	53,441
Deferred taxation liabilities		659	622
		51,289	54,063
		435,419	317,795
Capital and reserves			
Share capital	13	8,640	7,200
Reserves		426,779	310,595
		435,419	317,795

Condensed Consolidated Statement of Changes in Equity

For the six months ended 31st December, 2011

	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000	Capital contribution reserve HK\$'000	Share options reserve HK\$'000	Accumulated profits HK\$'000	Total HK\$'000
At 1st July, 2010 (audited)	6,000	90,419	90,700	796	2,565	15,984	206,464
Issue of shares	1,200	88,800	-	-	-	-	90,000
Expenses incurred in connection with the issue of new shares	-	(1,926)	-	-	-	-	(1,926)
Final dividend paid for 2010	-	-	-	-	-	(9,360)	(9,360)
Profit and total comprehensive income for the period	-	-	-	-	-	32,030	32,030
At 31st December, 2010 (unaudited)	7,200	177,293	90,700	796	2,565	38,654	317,208
At 1st July, 2011 (audited)	7,200	177,290	90,700	796	2,565	39,244	317,795
Issue of shares	1,440	98,448	-	-	-	-	99,888
Expenses incurred in connection with the issue of new shares	-	(3,077)	-	-	-	-	(3,077)
Final dividend paid for 2011	-	-	-	-	-	(5,184)	(5,184)
Profit and total comprehensive income for the period	-	-	-	-	-	25,997	25,997
At 31st December, 2011 (unaudited)	8,640	272,661	90,700	796	2,565	60,057	435,419

Condensed Consolidated Statement of Cash Flows

For the six months ended 31st December, 2011

	Six months ended 31st December,	
	2011 (unaudited) HK\$'000	2010 (unaudited) HK\$'000
Net cash from operating activities	16,701	19,388
Investing activities		
Interest received	466	421
Proceeds on disposal of property, plant and equipment	37	92
Purchase of property, plant and equipment	(4,121)	(7,036)
Deposits paid for acquisition of property, plant and equipment	(38,160)	(51,000)
Net cash used in investing activities	(41,778)	(57,523)
Financing activities		
Proceeds from issue of shares	99,888	90,000
Share issue expenses paid	(3,077)	(1,926)
Dividend paid	(5,184)	(9,360)
Repayment of secured bank mortgage loan	(2,802)	-
Interest paid	(424)	-
Net cash from financing activities	88,401	78,714
Net increase in cash and cash equivalents	63,324	40,579
Cash and cash equivalents at beginning of the period	62,223	179,509
Cash and cash equivalents at end of the period represented by bank balances and cash	125,547	220,088

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31st December, 2011

1. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

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

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 30th June, 2011, except for the application of the following new and revised standard, amendments or interpretation (“new and revised HKFRSs”) issued by the HKICPA and applied by the Group in the current period.

HKFRSs (Amendments)	Improvements to HKFRSs 2010 except for amendments to HKAS 27 and HKFRS 3
HKFRS 7 (Amendments)	Disclosures – Transfers of financial assets
HKAS 24 (as revised in 2009)	Related party disclosures
HK(IFRIC) – INT 14 (Amendments)	Prepayments of a minimum funding requirement

Notes to the Condensed Consolidated Financial Statements (Continued)

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

The application of the above new or revised HKFRSs has had no material effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

The Group has not early adopted the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 7 (Amendments)	Disclosures – Offsetting financial assets and financial liabilities ¹
HKFRS 9 and HKFRS 7 (Amendments)	Mandatory effective date of HKFRS 9 and transition disclosures ²
HKFRS 9	Financial instruments ²
HKFRS 10	Consolidated financial statements ¹
HKFRS 11	Joint arrangements ¹
HKFRS 12	Disclosure of interests in other entities ¹
HKFRS 13	Fair value measurement ¹
HKAS 1 (Amendments)	Presentation of items of other comprehensive income ⁴
HKAS 12 (Amendments)	Deferred tax: recovery of underlying assets ³
HKAS 19 (as revised in 2011)	Employee benefits ¹
HKAS 27 (as revised in 2011)	Separate financial statements ¹
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures ¹
HKAS 32 (Amendments)	Offsetting financial assets and financial liabilities ⁵
HK(IFRIC)-INT 20	Stripping costs in the production phase of a surface mine ¹

¹ Effective for annual periods beginning on or after 1st January, 2013.

² Effective for annual periods beginning on or after 1st January, 2015.

³ Effective for annual periods beginning on or after 1st January, 2012.

⁴ Effective for annual periods beginning on or after 1st July, 2012.

⁵ Effective for annual periods beginning on or after 1st January, 2014.

The Directors of the Company anticipate that the application of these new and revised standards, amendments or interpretation will have no material impact on the results and financial position of the Group.

Notes to the Condensed Consolidated Financial Statements (Continued)

3. SEGMENT INFORMATION

Segment revenue and results

The chief operating decision maker (the “CODM”), who are the executive directors of the Group, regularly review revenue and operating results derived from services on publication of advertisements, sales of magazines and books, digital business and provision of magazine content on an aggregated basis and consider them as one single operating segment. The turnover and profit before taxation in the condensed consolidated statement of comprehensive income represent the segment turnover and segment result respectively.

No analysis of segment assets or segment liabilities is regularly provided to the CODM for review.

Other segment information

Turnover from major products and services

The Group principally engages in magazine publishing and generates advertising income, circulation income, digital business income and income from provision of magazine content. Details are disclosed in note 4 to the condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements (Continued)

3. SEGMENT INFORMATION (Continued)

Geographical information

The Group's revenue from external customers based on the location where the sales occurred and information about its non-current assets by geographical location of the assets are detailed below:

	Revenue from external customers		Non-current assets	
	2011 (unaudited) HK\$'000	2010 (unaudited) HK\$'000	As at 31st December, 2011 (unaudited) HK\$'000	As at 30th June, 2011 (audited) HK\$'000
Hong Kong	274,274	249,852	322,381	284,626
People's Republic of China	–	853	329	246
	274,274	250,705	322,710	284,872

Information about major customers

Revenues from customers of the corresponding period contributing over 10% of the total sales of the Group are as follows:

	Six months ended 31st December,	
	2011 (unaudited) HK\$'000	2010 (unaudited) HK\$'000
Customer A	57,817	58,900
Customer B	29,780	24,239

Customer A is a sole distributor of the magazines published by the Group and Customer B is an advertising agency, which generate circulation income and advertising income respectively to the Group.

Notes to the Condensed Consolidated Financial Statements (Continued)

4. TURNOVER

Turnover represents the amounts received and receivable during the Period. An analysis of the Group's turnover for the Period is as follows:

	Six months ended 31st December,	
	2011 (unaudited) HK\$'000	2010 (unaudited) HK\$'000
Advertising income	208,047	185,467
Circulation income	59,633	61,576
Digital business income	5,794	2,018
Provision of magazine content	800	1,644
	274,274	250,705

5. DEPRECIATION

During the Period, depreciation amounting to HK\$4,415,000 (six months ended 31st December, 2010: HK\$4,254,000) were charged to profit or loss in respect of the Group's property, plant and equipment.

6. TAXATION CHARGE

	Six months ended 31st December,	
	2011 (unaudited) HK\$'000	2010 (unaudited) HK\$'000
The charge comprises:		
Hong Kong Profits Tax calculated at 16.5% of the estimated assessable profits for the Period	6,070	5,881
Deferred tax	37	317
	6,107	6,198

Notes to the Condensed Consolidated Financial Statements (Continued)

7. DIVIDENDS

On 16th December, 2011, a final dividend of HK cent 0.6 per share amounted to HK\$5,184,000 for the year ended 30th June, 2011 (six months ended 31st December, 2010: final dividend of HK cents 1.3 per share amounted to HK\$9,360,000) was paid to shareholders.

The Directors determined the payment of an interim dividend of HK cent 0.6 (six months ended 31st December, 2010: HK cents 1.3) per share to shareholders for the Period.

8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to the owners of the Company for the Period of HK\$25,997,000 (six months ended 31st December, 2010: HK\$32,030,000) and the weighted average of 850,695,652 shares (six months ended 31st December, 2010: 655,434,783 shares) for the Period.

The computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options as the exercise price of those options is higher than the average market price for the Company's shares for both six-month ended 31st December, 2010 and 31st December, 2011.

9. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group acquired property, plant and equipment amounting to approximately HK\$4,121,000 (six months ended 31st December, 2010: HK\$7,036,000).

Notes to the Condensed Consolidated Financial Statements (Continued)

10. TRADE AND OTHER RECEIVABLES

	As at	
	31st December, 2011 (unaudited) HK\$'000	30th June, 2011 (audited) HK\$'000
Trade receivables from		
– third parties	110,013	89,870
– related companies	208	408
	110,221	90,278
Prepayment and deposits	23,094	18,185
	133,315	108,463

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

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

	As at	
	31st December, 2011 (unaudited) HK\$'000	30th June, 2011 (audited) HK\$'000
Age		
0 – 30 days	92,307	78,356
31 – 90 days	15,949	11,154
Over 90 days	1,965	768
	110,221	90,278

Notes to the Condensed Consolidated Financial Statements (Continued)

11. TRADE AND OTHER PAYABLES

	As at	
	31st December, 2011 (unaudited) HK\$'000	30th June, 2011 (audited) HK\$'000
Trade payables to		
– third parties	54,306	39,800
– related companies	651	1,509
	54,957	41,309
Accrued charges	37,533	34,429
	92,490	75,738

The related companies are companies ultimately owned by the Trust (of which Dr. Albert Yeung is the founder and a deemed substantial shareholder of the Company).

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

	As at	
	31st December, 2011 (unaudited) HK\$'000	30th June, 2011 (audited) HK\$'000
Age		
0 – 90 days	54,221	41,125
91 – 180 days	663	39
Over 180 days	73	145
	54,957	41,309

Notes to the Condensed Consolidated Financial Statements (Continued)

12. SECURED BANK MORTGAGE LOAN

	As at	
	31st December, 2011 (unaudited) HK\$'000	30th June, 2011 (audited) HK\$'000
Carrying amount repayable:		
Within one year	5,637	5,628
More than one year but not exceeding two years	5,729	5,712
More than two years but not exceeding five years	17,747	17,641
More than five years	27,154	30,088
	56,267	59,069
Less: Amounts due within one year shown under current liabilities	(5,637)	(5,628)
Amounts due after one year	50,630	53,441

The mortgage loan carried interest at 1.25% plus the Hong Kong Interbank Offered Rate per annum and is secured by the Group's land and buildings, including relevant leasehold land in Hong Kong with a carrying value of approximately HK\$267,693,000 at the end of the reporting period.

At 31st December, 2011, the effective interest rate on the Group's mortgage loan is 1.58% per annum.

Notes to the Condensed Consolidated Financial Statements (Continued)

13. SHARE CAPITAL

	Number of shares (unaudited)	Share capital (unaudited) HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised	10,000,000,000	100,000
Issued and fully paid:		
At 1st July, 2010	600,000,000	6,000
Issue of shares (note 1)	120,000,000	1,200
At 31st December, 2010	720,000,000	7,200
At 1st July, 2011	720,000,000	7,200
Issue of shares (note 2)	144,000,000	1,440
At 31st December, 2011	864,000,000	8,640

Notes:

- (1) On 29th September, 2010, Velba Limited ("Velba"), the controlling shareholder of the Company, through the placing agent, agreed to place 120,000,000 shares of the Company (the "Placing") to independent investors at a price of HK\$0.75 per share representing a discount of approximately 14.77% to the closing price of the Company's share on 7th October, 2010, and also agreed to subscribe for 120,000,000 new shares of the Company (the "Top-Up Shares") at the price of HK\$0.75 per share (the "Top-Up Subscription") conditional upon the completion of the Placing. The Top-Up Shares were issued under the general mandate granted to the Directors at the annual general meeting of the Company on 18th November, 2009 and rank *pari passu* with the existing shares in issue of the Company, when fully paid. The Placing and Top-Up Subscription were completed on 6th October, 2010 and 8th October, 2010 respectively.

The proceeds were used for business expansion and to provide additional working capital of the Group.

Notes to the Condensed Consolidated Financial Statements (Continued)

13. SHARE CAPITAL (Continued)

- (2) On 18th July, 2011, the Company issued and allotted 144,000,000 new shares at a price of HK\$0.696 per share in relation to the offering and listing of 28,800,000 units of TDRs on the TSE. The proceeds of TWD374,400,000 (being offer price of TWD13 per unit multiplied by 28,800,000 units of TDRs, equivalent to HK\$99,888,000) net of HK\$3,077,000 charged to share premium and HK\$1,945,000 charged to profit and loss respectively, will be used for business expansion and to provide additional working capital for the Group. The TDRs were listed on the TSE on 19th July, 2011.

The new shares rank pari passu with the existing shares in all respects.

14. CAPITAL COMMITMENT

	As at	
	31st December, 2011 (unaudited) HK\$'000	30th June, 2011 (audited) HK\$'000
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	25,717	4,425

15. 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.

At the end of the reporting period, the Company did not have significant contingent liabilities.

Notes to the Condensed Consolidated Financial Statements (Continued)

16. RELATED PARTY TRANSACTIONS

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

	Six months ended 31st December,	
	2011 (unaudited) HK\$'000	2010 (unaudited) HK\$'000
Advertising income received	596	628
Photo and shooting income received	46	50
Sundry income	39	1
Advertising expenses paid	–	7
Entertainment expenses paid	22	7
Overseas travelling expenses paid	131	126
Printing costs paid	1,077	995
Rental charges paid	30	97
Consultancy fee paid	365	255
Management fee paid	1,106	796
Sundry expenses paid	7	15

The related companies are companies ultimately owned by the Trust (of which Dr. Albert Yeung is the founder and a deemed substantial shareholder of the Company).

- (b) Compensation of key management personnel

The emoluments of directors and other members of key management during the Period were as follows:

	Six months ended 31st December,	
	2011 (unaudited) HK\$'000	2010 (unaudited) HK\$'000
Salary and short-term benefits	3,685	4,085
Post-employment benefits	12	12
	3,697	4,097

Directors' and Chief Executive's Interests and Short Positions in Securities

As at 31st December, 2011, the interests and short positions of the Directors and chief executive of the Company 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 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 Directors	Capacity/ Nature of interests	Number of underlying shares held	Approximate percentage holding
Ms. Percy Hughes, Shirley	Beneficial owner	5,000,000	0.58%
Mr. Lee Che Keung, Danny	Beneficial owner	2,500,000	0.29%

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

(b) Long positions in share options of associated corporations

Name of Directors	Name of associated corporations	Capacity/ Nature of interests	Number of underlying shares held	Approximate percentage holding
Mr. Wong Chi Fai ("Mr. Wong")	Emperor International Holdings Limited ("EIH")	Beneficial owner	16,154,212 (adjusted)	0.44%
Ms. Fan Man Seung, Vanessa ("Ms. Fan")	EIHL	Beneficial owner	16,154,212 (adjusted)	0.44%
Mr. Wong	Emperor Entertainment Hotel Limited ("EEH")	Beneficial owner	5,000,000	0.39%
Ms. Fan	EEH	Beneficial owner	5,000,000	0.39%

Note: These were share options granted to Mr. Wong and Ms. Fan being the directors of EIHL and EEH, under the respective share option scheme of EIHL and EEH.

Save as disclosed above, as at 31st December, 2011, none of the Directors, chief executive 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.

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, 2011 are as follows:

Date of grant	Exercisable period	Exercise price HK\$	As at	
			31st December, 2011	As at 1st July, 2011
18/01/2008	12/02/2009 – 12/02/2013	0.68	7,500,000	7,500,000

Other Person's Interests and Short Positions

As at 31st December, 2011, 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 shareholders	Capacity/ Nature of interests	Number of issued ordinary shares interested in or deemed to be interested	Approximate percentage holding
Velba ^(note)	Beneficial owner	453,080,000	52.44%
Million Way Holdings Limited ("Million Way") ^(note)	Interest in a controlled corporation	453,080,000	52.44%
STC International ^(note)	Trustee	453,080,000	52.44%
Dr. Albert Yeung ^(note)	Founder of the Trust	453,080,000	52.44%
Ms. Luk Siu Man, Semon ("Ms. Semon Luk") ^(note)	Interest of spouse	453,080,000	52.44%
Crosby Capital Limited	Beneficial owner	66,710,000	7.72%
Shikumen Special Situations Fund	Beneficial owner	66,710,000	7.72%

Note: 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, a discretionary trust set up by Dr. Albert Yeung. Dr. Albert Yeung, as founder of the Trust, was deemed to be interested in the 453,080,000 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 said shares.

Save as disclosed above, as at 31st December, 2011, the Directors or chief executive of the Company were not aware of any person or corporation (other than the Directors and chief executive 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

These unaudited condensed consolidated interim financial statements of the Group as set out in this interim report have not been audited, but have been reviewed by the Company's auditor, Deloitte Touche Tohmatsu and the audit committee of the Company, which comprises the three Independent Non-executive Directors of the Company.

Changes in Information of Directors

Pursuant to the requirements of Rule 13.51B(1) of the Listing Rules, the changes in Directors' information since the date of the 2010/2011 Annual Report are set out below:

(a) Positions held with the board committees

Positions held in various board committees of the Company	Appointment Date	Cessation Date
Mr. Wong Chi Fai ■ Remuneration Committee – chairman <i>note 1</i>	–	23rd February, 2012
Ms. Fan Man Seung, Vanessa ■ Nomination Committee <i>note 2</i> – member	23rd February, 2012	–
■ Corporate Governance Committee <i>note 3</i> – chairperson	23rd February, 2012	–
Ms. Hui Wai Man, Shirley ■ Nomination Committee <i>note 2</i> – member	23rd February, 2012	–
Mr. Tse Hin Lin, Arnold ■ Remuneration Committee – chairman	23rd February, 2012	–
■ Corporate Governance Committee <i>note 3</i> – member	23rd February, 2012	–
Ms. Kwan Shin Luen, Susanna ■ Nomination Committee <i>note 2</i> – chairperson	23rd February, 2012	–
■ Corporate Governance Committee <i>note 3</i> – member	23rd February, 2012	–

Notes:

1. Mr. Wong remains as a member of the Remuneration Committee of the Company.
2. The Nomination Committee was established on 23rd February, 2012.
3. The Corporate Governance Committee was established on 23rd February, 2012.

The updated member lists and terms of reference of the various Committees are/ shall be available on the website of the Company.

(b) Director's emoluments

The annual salary of Ms. Percy Hughes, Shirley and Mr. Lee Che Keung, Danny, Executive Directors of the Company, has been adjusted to HK\$2,751,360 and HK\$2,358,240 respectively with effect from 1st January, 2012. Ms. Percy Hughes and Mr. Lee received discretionary bonus for the year 2011 of HK\$1,000,000 and HK\$700,000 respectively in January 2012.

In January 2012, the Remuneration Committee has resolved to adjust the annual directors' fee of each of the Executive Directors (namely Ms. Percy Hughes, Shirley, Mr. Lee Che Keung, Danny, Mr. Wong Chi Fai and Ms. Fan Man Seung, Vanessa) to HK\$150,000 with effect from 1st April, 2012. In February 2012, the Board has resolved to adjust the annual directors' fee of each of the Independence Non-executive Directors (namely Ms. Hui Wai Man, Shirley, Tse Hin Lin, Arnold and Ms. Kwan Shin Luen, Susanna) to HK\$180,000 with effect from 1st April, 2012.

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, 23rd February, 2012

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