



# Interim Report 2013/2014



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.HK, 910708.TW)



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

Interim Report  
2013/2014



Fashion & Beauty 流行新姿

ECONOMIC DIGEST  
經濟一週

NMG  
digital  
online

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# Financial Highlights (Unaudited)

	<b>Six months ended</b>	
	<b>31 December</b>	
	<b>2013</b>	<b>2012</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover		
Advertising income	<b>208,437</b>	216,741
Circulation income	<b>38,538</b>	49,059
Digital business income	<b>8,627</b>	5,839
Provision of magazine content	<b>1,367</b>	1,116
	<b>256,969</b>	272,755
Gross profit	<b>91,650</b>	92,055
Profit for the period attributable to the owners of the Company	<b>17,266</b>	20,586
Earnings per share		
– Basic	<b>HK2.00 cents</b>	HK2.38 cents
– Diluted	<b>N/A</b>	HK2.38 cents



# 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), *NM+ New Monday* (NM+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. Apart from magazine publishing, the Group also engages in digital business and currently runs several thematic websites, including “imore.hk”, “gotrip.hk”, “beeweb.hk”, “meetu.hk”, “itrial.hk” and “tryit.hk”, as well as in developing mobile and tablet applications.

During the six months ended 31 December 2013 (the “Period”), due to a still sluggish global economy and consumer market, advertisers were still cautious in their spending. It was again a difficult year for the magazine industry worldwide, as advertising and circulation revenues of the print medium continued to drop. Although the digital business is still far from being able to balance out the differences, its related revenue is on the growing side. It is obvious to all players that successful conversion into the digital world is crucial and without doubt a lifeline to future business growth and success in the long-run.

Thanks to early prudent moves and strategic repositioning, the Group has already invested resources and manpower to explore and develop various multimedia content and social media platforms. Its team has already moved beyond the initial stage of experimentation, and is ready to intensify its efforts to further expand its magazines’ reach and readership online and through other social media channels. With its digital presence being well established, it will continue to work with advertisers and marketers to develop its existing and newly formed brands, creating innovative ways to connect, engage and retain the new generation of younger and more tech-savvy audience to bring in more advertising and subscription revenues.

# Management Discussion and Analysis (Continued)

## Financial Review

With the onset of online media, publishing has evolved into a highly dynamic industry. Changes in user preferences have given rise to the popularity of digital publishing services, and at the same time, have hindered the growth of traditional publishing. Amid the ever-changing publishing industry landscape, the Group generated a turnover of HK\$257.0 million (2012: HK\$272.8 million) in the Period, representing a slight decline of 5.8% over the same period last year. To equip itself for a digital world, the Group expanded its digital team and strengthened both the content and market reaches of its digital platforms. As a result, digital business income achieved an impressive growth of 48.3% to HK\$8.6 million (2012: HK\$5.8 million), accounting for 3.4% of the Group's total revenue. The Group's gross profit stayed flat at HK\$91.7 million (2012: HK\$92.1 million). Profit for the Period attributable to the owners of the Company was HK\$17.3 million (2012: HK\$20.6 million). The decrease was primarily attributable to (i) an increase in maintenance and depreciation expenses resulting from the self-owned office premises and (ii) additional staff and equipment costs arising from the expansion of digital business. Basic earnings per share was HK2.00 cents (2012: HK2.38 cents). The board of directors of the Company (the "Board" or the "Directors") has resolved to declare an interim dividend of HK0.25 cent per share (2012: HK0.35 cent per share).

## Review of Operations

In the world of multimedia, technology and adaptability are critical foundations while creativity and ability to understand customer behaviours are competitive edges that draw in consumers and marketers. As an early adopter, the Group has already started to pave the way and got equipped with the tools and mindset needed to compete in such new business environment.

Leveraging its well-established flagship brandings, the Group has already extended its reach well into the multimedia platforms through online social media, e-versions of its magazines, as well as mobile and tablet applications. These are constantly updated and upgraded with new functions and useful features that allow easier access, better convenience, and ultimately greater loyalty and increased usage, which will in turn translate into new streams of revenue.

As a publisher and content provider, the Group's editorial team is ready to deliver its content in whatever form or mode the readers want them. Although the traditional print magazines still have their own group of conventional readers, convergence into the new digital age was nothing more than a natural progression. With the ever growing popularity of all sizes of tablets and smartphones, potentials to expand the magazines' readership base by reaching out to a new generation of tablet audience are clearly high. Added values and attractive features imbedded into the e-magazine versions will help to convert more users into paying subscribers, and the combined digital and print readership base will help keep the business gear towards a more competitive position.



# Management Discussion and Analysis (Continued)

## Review of Operations (Continued)

For marketers and advertisers, the ability to understand and track consumer behaviours is a key to boost sales. Users are now given a voice to share and comment on their purchase and first hand experience. With various forms of digital tools, demographic data and profiles can be analyzed, evaluated and used for justifying investments. This is a whole new game for the supply and demand market.

During the Period, the Group's team efforts had paid off with recognitions won by the "Discover Hong Kong – Travel Pack" tablet app project, creatively designed and tailor-made by the NM+ team for the Hong Kong Tourism Board. In addition to being a compact photos and videos travel guidebook that contains local interests and tourists tips, the e-mag style interface also allows it to be packed with user friendly and interactive features, such as language switching, bookmarking, instant comment and sharing buttons etc. International awards won included:

### Galaxy Awards 2013

**Hong Kong Tourism Board – Discover Hong Kong • Travel Pack**

– Bronze Award in "iPad App" category

### Mob-Ex Awards 2013

**Hong Kong Tourism Board – Discover Hong Kong • Travel Pack**

– Gold Award in "Best Campaign for Tablet" category

Each of the Group's flagship brands has developed and launched its own digital products that extend into different channels and devices according to their particular audience needs and product nature. Marketing events and activities are being promoted across platforms and brandings, which is welcomed by users and advertisers alike since it would lead to information exchange between individual virtual communities and eventually the increase of click rates and exposure. Communities that provide free trials for newly launched products and experience sharing gatherings are also gaining popularity. Websites and apps such as for "iMore", "iMore Hairpro", "More美容比併" and "iTrial" have been created mainly for beauty and cosmetics products, while "Tryit" was launched by *Weekend Weekly* to encourage food and dining lovers to try out new food products and restaurants.

While editorial content in the print format provides long and well researched reading materials for conventional readers, news and information provided on these new platforms are meant to be short, eye-catching and up-to-the-moment. In this capacity, mobile devices can play a crucial role as well, since users nowadays spend more time using their devices while they commute. The Group has also been simultaneously developing mobile wap version of their websites to allow more user-friendly features.

# **Management Discussion and Analysis** (Continued)

## **Outlook**

Keeping up with the ever changing new technologies will obviously bring in new synergies and opportunities, while maintaining the existing well established brands to build up extensions will be just as essential to greater success and business growth. Maximizing brands exposure, creating higher visibility, providing easier and quicker access, as well as designing more engaging features and layouts, etc, will continue to be the challenges ahead. The task is to better understand and manage the patterns and behaviours demonstrated by the new generation of users. The data and profiles are readily available and easy to be gathered, but the objective lies in deriving insights and making good use of them.

The Group has already recognized earlier on that it is no longer just a publishing business alone, and the Group's team has already matured into being a multimedia content provider, capable of providing a whole new set of products and services to a new age where the clients' needs have also transformed to suit the changing market as well. It has already fit into this new environment and is certain that it is on the right track for further development and growth. It will continue to work toward developing a much stronger foundation for the new business and is confident that with continuous efforts and hard work, it can deliver more products and offerings in its new business model and positioning.

## **Capital Structure, Liquidity and Financial Resources**

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

As at 31 December 2013, the Group had no bank and other borrowings (30 June 2013: Nil).

As at 31 December 2013, the Group's gearing ratio was nil (30 June 2013: Nil) (calculated based on the basis of total bank borrowings over shareholders' equity).

The Group had limited exposure to fluctuation in exchange rates.



## **Management Discussion and Analysis** (Continued)

### **Employee and Share Option Scheme**

As at 31 December 2013, the Group has 731 employees (30 June 2013: 709). Total staff costs (including Directors' remuneration) were approximately HK\$105.1 million (six months ended 31 December 2012: HK\$93.6 million). Employees' remuneration was determined in accordance with individual's responsibility performance and experience. Staff benefits include contribution to retirement benefit scheme, medical insurance and other fringe benefits.

To provide incentives or rewards to the staff and Directors, the Company adopted a share option scheme on 18 January 2008. No option was granted by the Company under such share option scheme since its adoption and up to 31 December 2013.

### **Charge on Assets**

As at 31 December 2013, the Group's land and building with carrying value of approximately HK\$254.7 million (30 June 2013: HK\$258.4 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, 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 31 December 2013, the Company did not have significant contingent liabilities.

## **Interim Dividend**

The Board is pleased to declare an interim dividend of HK0.25 cent per share (“Interim Dividend”) for the financial year ending 30 June 2014 (2012/2013: HK0.35 cent per share) amounting to HK\$2,160,000 (2012/2013: HK\$3,024,000). The Interim Dividend will be payable on 24 March 2014 (Monday) to shareholders whose names appear on the register of members of the Company at the close of business on 18 March 2014 (Tuesday).

## **Closure of Register of Members**

The register of members of the Company will be closed, for the purpose of determining shareholders’ entitlement to the Interim Dividend, from 17 March 2014 (Monday) to 18 March 2014 (Tuesday), during which period no share transfer will be registered.

In order to qualify for the Interim Dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s Share Registrar, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong for registration no later than 4:30 p.m. on 14 March 2014 (Friday).



# Deloitte.

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## Report on Review of Condensed Consolidated Financial Statements

**TO THE BOARD OF DIRECTORS OF  
NEW MEDIA GROUP HOLDINGS LIMITED**

*(incorporated in Hong Kong with limited liability)*

### Introduction

We have reviewed the condensed consolidated financial statements of New Media Group Holdings Limited (the “Company”) and its subsidiaries set out on pages 10 to 22, which comprises the condensed consolidated statement of financial position as of 31 December 2013 and the related condensed consolidated statement of profit or loss and other 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 directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements 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 Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements 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 condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

**Deloitte Touche Tohmatsu**

*Certified Public Accountants*

Hong Kong

25 February 2014

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 31 December 2013

	Notes	Six months ended 31 December	
		2013 (unaudited) HK\$'000	2012 (unaudited) HK\$'000
Turnover	4	256,969	272,755
Direct operating costs		(165,319)	(180,700)
Gross profit		91,650	92,055
Other income		779	1,066
Selling and distribution costs		(37,097)	(36,648)
Administrative expenses		(35,088)	(30,873)
Finance costs		–	(405)
Profit before taxation		20,244	25,195
Taxation charge	6	(2,978)	(4,609)
Profit and total comprehensive income for the period		17,266	20,586
Earnings per share	8		
– Basic		HK2.00 cents	HK2.38 cents
– Diluted		N/A	HK2.38 cents

# Condensed Consolidated Statement of Financial Position

As at 31 December 2013

	Notes	As at	
		31 December 2013 (unaudited) HK\$'000	30 June 2013 (audited) HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment	9	325,093	331,406
Intangible assets		–	–
Goodwill		695	695
		<b>325,788</b>	<b>332,101</b>
<b>Current assets</b>			
Inventories		207	545
Trade and other receivables	10	121,138	114,366
Taxation recoverable		–	749
Bank balances and cash		87,931	66,837
		<b>209,276</b>	<b>182,497</b>
<b>Current liabilities</b>			
Trade and other payables	11	64,063	59,642
Taxation payable		3,713	1,161
		<b>67,776</b>	<b>60,803</b>
<b>Net current assets</b>		<b>141,500</b>	<b>121,694</b>
<b>Total assets less current liabilities</b>		<b>467,288</b>	<b>453,795</b>
<b>Non-current liability</b>			
Deferred taxation		2,821	3,138
		<b>464,467</b>	<b>450,657</b>
<b>Capital and reserves</b>			
Share capital	12	8,640	8,640
Reserves		455,827	442,017
		<b>464,467</b>	<b>450,657</b>

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 December 2013

	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 1 July 2012 (audited)	8,640	273,631	90,700	796	2,565	58,530	434,862
Profit and total comprehensive income for the period	-	-	-	-	-	20,586	20,586
Final dividend paid for 2012	-	-	-	-	-	(3,456)	(3,456)
At 31 December 2012 (unaudited)	8,640	273,631	90,700	796	2,565	75,660	451,992
At 1 July 2013 (audited)	8,640	273,631	90,700	796	-	76,890	450,657
Profit and total comprehensive income for the period	-	-	-	-	-	17,266	17,266
Final dividend paid for 2013	-	-	-	-	-	(3,456)	(3,456)
At 31 December 2013 (unaudited)	8,640	273,631	90,700	796	-	90,700	464,467

# Condensed Consolidated Statement of Cash Flows

For the six months ended 31 December 2013

	Six months ended 31 December	
	2013 (unaudited) HK\$'000	2012 (unaudited) HK\$'000
Net cash from operating activities	29,958	2,133
Investing activities		
Purchase of property, plant and equipment	(6,125)	(4,451)
Interest received	633	439
Proceeds on disposal of property, plant and equipment	84	5
Net cash used in investing activities	(5,408)	(4,007)
Financing activities		
Dividend paid	(3,456)	(3,456)
Repayment of secured bank mortgage loan	–	(2,834)
Interest paid	–	(405)
Cash used in financing activities	(3,456)	(6,695)
Net increase (decrease) in cash and cash equivalents	21,094	(8,569)
Cash and cash equivalents at beginning of the period	66,837	111,421
Cash and cash equivalents at end of the period represented by bank balances and cash	87,931	102,852

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 December 2013

## 1. BASIS OF PRESENTATION

The condensed consolidated financial statements 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 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 and methods of computation used in the condensed consolidated financial statements for the six months ended 31 December 2013 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 30 June 2013.

In current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA.

Amendments to HKFRSs	Annual improvements to HKFRSs 2009-2011 cycle
Amendments to HKFRS 7	Disclosures – Offsetting financial assets and financial liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance
HKFRS 10	Consolidated financial statements
HKFRS 11	Joint arrangements
HKFRS 12	Disclosure of interests in other entities
HKFRS 13	Fair value measurement
HKAS 19 (as revised in 2011)	Employee benefits
HKAS 27 (as revised in 2011)	Separate financial statements
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures
HK(IFRIC) – INT 20	Stripping costs in the production phase of a surface mine

The application of the amendments to HKFRSs in the current period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

# 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 services 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 profit or loss and other 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 for generating incomes from advertising, circulation income, digital business and provision of magazine content. Details are disclosed in note 4 to the condensed consolidated financial statements.

### *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	
	Six months ended 31 December		As at 31 December	As at 30 June
	2013 (unaudited) HK\$'000	2012 (unaudited) HK\$'000	2013 (unaudited) HK\$'000	2013 (audited) HK\$'000
Hong Kong	255,815	272,491	323,679	331,830
People's Republic of China	1,154	264	2,109	271
	<b>256,969</b>	272,755	<b>325,788</b>	332,101

# Notes to the Condensed Consolidated Financial Statements (Continued)

## 3. SEGMENT INFORMATION (Continued)

### *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 31 December	
	2013 (unaudited) HK\$'000	2012 (unaudited) HK\$'000
Customer A	38,056	46,335
Customer B	28,772	29,215

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

## 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 31 December	
	2013 (unaudited) HK\$'000	2012 (unaudited) HK\$'000
Advertising income	208,437	216,741
Circulation income	38,538	49,059
Digital business income	8,627	5,839
Provision of magazine content	1,367	1,116
	<b>256,969</b>	<b>272,755</b>

## 5. DEPRECIATION

During the period, depreciation in respect of property, plant and equipment amounting to HK\$12,370,000 (six months ended 31 December 2012: HK\$11,595,000) was charged to profit or loss of the Group.

# Notes to the Condensed Consolidated Financial Statements (Continued)

## 6. TAXATION CHARGE

	Six months ended 31 December	
	2013 (unaudited) HK\$'000	2012 (unaudited) HK\$'000
The charge comprises:		
Hong Kong Profits Tax calculated at 16.5% of the estimated assessable profits for the period	3,295	5,027
Deferred taxation credit	(317)	(418)
	2,978	4,609

## 7. DIVIDENDS

On 17 December 2013, a final dividend of HK0.4 cent per share amounted to HK\$3,456,000 for the year ended 30 June 2013 (six months ended 31 December 2012: final dividend of HK0.4 cent per share amounted to HK\$3,456,000) was paid to shareholders.

The directors determined the payment of an interim dividend of HK0.25 cent (six months ended 31 December 2012: HK0.35 cent) 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\$17,266,000 (six months ended 31 December 2012: HK\$20,586,000) and the weighted average number of 864,000,000 shares (six months ended 31 December 2012: 864,000,000 shares) for the period.

The computation of diluted earnings per share for the six months ended 31 December 2012 did not include the Company's potential dilutive ordinary shares as the exercise price of the share options of the Company was higher than the average market price of the Company's shares during that period. No diluted earnings per share has been presented for the six months ended 31 December 2013 because there were no potential ordinary shares outstanding during the period.

# Notes to the Condensed Consolidated Financial Statements (Continued)

## 9. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired property, plant and equipment amounting to approximately HK\$6,125,000 (six months ended 31 December 2012: HK\$4,451,000).

## 10. TRADE AND OTHER RECEIVABLES

	As at	
	31 December 2013 (unaudited) HK\$'000	30 June 2013 (audited) HK\$'000
Trade receivables from		
– third parties	110,752	100,082
– related companies	485	344
	<b>111,237</b>	<b>100,426</b>
Other receivables, prepayments and deposits	<b>9,901</b>	<b>13,940</b>
	<b>121,138</b>	<b>114,366</b>

The related companies are companies ultimately controlled by Albert Yeung Holdings Limited (“AY Holdings”) which is held by STC International Limited (“STC International”) being the trustee of The Albert Yeung Discretionary Trust (the “AY 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. 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 invoice dates at the end of the reporting period:

# Notes to the Condensed Consolidated Financial Statements (Continued)

## 10. TRADE AND OTHER RECEIVABLES (Continued)

	As at	
	31 December 2013 (unaudited) HK\$'000	30 June 2013 (audited) HK\$'000
Age		
0 – 30 days	46,111	35,118
31 – 90 days	45,799	43,723
Over 90 days	19,327	21,585
	111,237	100,426

## 11. TRADE AND OTHER PAYABLES

	As at	
	31 December 2013 (unaudited) HK\$'000	30 June 2013 (audited) HK\$'000
Trade payables to		
– third parties	29,513	33,802
– related companies	736	696
	30,249	34,498
Other payables and accrued charges	33,814	25,144
	64,063	59,642

The related companies are companies ultimately controlled by AY Holdings which is held by STC International being the trustee of the AY Trust (of which Dr. Albert Yeung is the founder and a deemed substantial shareholder of the Company).

# Notes to the Condensed Consolidated Financial Statements (Continued)

## 11. TRADE AND OTHER PAYABLES (Continued)

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

Age	As at	
	31 December 2013 (unaudited) HK\$'000	30 June 2013 (audited) HK\$'000
0 – 90 days	29,771	32,139
91 – 180 days	332	1,900
Over 180 days	146	459
	<b>30,249</b>	<b>34,498</b>

## 12. SHARE CAPITAL

	As at	
	31 December 2013 (unaudited) HK\$'000	30 June 2013 (audited) HK\$'000
Authorised: 10,000,000,000 ordinary shares of HK\$0.01 each	100,000	100,000
Issued and fully paid: 864,000,000 ordinary shares of HK\$0.01 each	8,640	8,640

# Notes to the Condensed Consolidated Financial Statements (Continued)

## 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.

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

## 14. RELATED PARTY TRANSACTIONS

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

	Six months ended 31 December	
	2013 (unaudited) HK\$'000	2012 (unaudited) HK\$'000
Advertising income received	1,725	969
Digital business income received	253	26
Photo and shooting income received	35	2
Sundry income	–	33
Advertising expenses paid	248	–
Professional fee paid	320	320
Entertainment expenses paid	6	4
Overseas travelling expenses paid	–	48
Printing costs paid	1,204	651
Reimbursement of administrative expenses paid	1,255	1,096
Rental charges paid	–	8
Sundry expenses paid	–	3

The related companies are companies either controlled by one of the Company's directors or ultimately owned and controlled by AY Holdings which is held by STC International being the trustee of the AY Trust (of which Dr. Albert Yeung is the founder and a deemed substantial shareholder of the Company).

# Notes to the Condensed Consolidated Financial Statements (Continued)

## 14. RELATED PARTY TRANSACTIONS (Continued)

### (b) Compensation of key management personnel

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

	<b>Six months ended 31 December</b>	
	<b>2013 (unaudited) HK\$'000</b>	2012 (unaudited) HK\$'000
Short-term benefits	3,217	3,125
Post-employment benefits	15	15
	<b>3,232</b>	<b>3,140</b>

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

As at 31 December 2013, the following Directors and chief executive of the Company had or were taken or deemed to have interests and short positions in the following shares, underlying shares and debentures of the Company or any of its associated corporation(s) (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 of Hong Kong Limited ("Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules"):

## LONG POSITIONS INTERESTS IN ASSOCIATED CORPORATIONS

### (i) Ordinary shares

Name of Director	Name of associated corporations	Capacity/ Nature of interests	Number of issued ordinary shares held	Approximate percentage holding
Ms. Fan Man Seung, Vanessa	Emperor International Holdings Limited ("Emperor International")	Beneficial owner	5,000,000 (Note 1)	0.14%
Ms. Fan Man Seung, Vanessa	Emperor Entertainment Hotel Limited ("Emperor E Hotel")	Beneficial owner	25,000 (Note 1)	0.002%

### (ii) Share options

Name of Directors	Name of associated corporations	Capacity/ Nature of interests	Number of underlying shares held	Approximate percentage holding
Mr. Wong Chi Fai	Emperor International	Beneficial owner	10,769,475 (Note 2)	0.29%
Ms. Fan Man Seung, Vanessa	Emperor International	Beneficial owner	5,769,475 (Note 2)	0.16%
Ms. Fan Man Seung, Vanessa	Emperor E Hotel	Beneficial owner	750,000 (Note 2)	0.06%

# **Directors' and Chief Executive's Interests and Short Positions in Securities** (Continued)

## **LONG POSITIONS INTERESTS IN ASSOCIATED CORPORATIONS** (Continued)

Notes:

1. Emperor International and Emperor E Hotel were companies with their shares listed on the Stock Exchange. Emperor E Hotel was a subsidiary of Emperor International. Emperor International was ultimately controlled by AY Holdings being a deemed substantial shareholder of the Company.
2. These were share options granted to Mr. Wong Chi Fai and Ms. Fan Man Seung, Vanessa, also being the directors of Emperor International and Emperor E Hotel, under the respective share option schemes of Emperor International and Emperor E Hotel.

Save as disclosed above, as at 31 December 2013, none of the Directors nor chief executive 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**

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

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

## Other Persons' Interests and Short Positions in Securities

As at 31 December 2013, so far as is known to any Directors or chief executive of the Company, the following persons or corporations (other than a Director or chief executive of the Company) who had, or were taken or deemed to have 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
New Media Group Investment Limited ("New Media Investment")	Beneficial owner	647,950,000	74.99%
AY Holdings	Interest in a controlled corporation	647,950,000	74.99%
STC International	Trustee of the AY Trust	647,950,000	74.99%
Dr. Albert Yeung	Founder of the AY Trust	647,950,000	74.99%
Ms. Luk Siu Man, Semon ("Ms. Semon Luk")	Interest of spouse	647,950,000	74.99%

Note: The entire issued share capital of New Media Investment was wholly-owned by AY Holdings which was held by STC International as the trustee of the AY Trust. Dr. Albert Yeung, as founder of the AY Trust, was deemed to have interest in the above shares held by New Media Investment. By virtue of being the spouse of Dr. Albert Yeung, Ms. Semon Luk was also deemed to have interest in the same shares.

## **Other Persons' Interests and Short Positions in Securities** (Continued)

All interests stated above represent long position. As at 31 December 2013, no short positions were recorded in the SFO register of the Company.

Save as disclosed above, as at 31 December 2013, the Directors or chief executive of the Company were not aware of any persons or corporation (other than the Directors and chief executive of the Company) who had, or were taken or deemed to have, 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 and Other Information**

### **Corporate Governance Code**

The Company had complied throughout the Period with all the provisions of the Corporate Governance Code 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 Directors' securities transactions. Having made specific enquiry to the Directors, 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 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.



# Corporate Governance and Other Information

(Continued)

## Changes in Information of Directors

The changes in Directors' information since the date of the Annual Report 2012/2013 of the Company or subsequent to the announcement dated 18 November 2013 regarding the change of the independent non-executive directors and members of the board committees, which are required to be disclosed pursuant to the requirements of Rule 13.51B(1) of the Listing Rules, are set out below:

The Remuneration Committee of the Company has reviewed and recommended to the Board for approving the revised remuneration of two executive directors of the Company, namely Ms. Percy Hughes, Shirley and Mr. Lee Che Keung, Danny, with effect from 1 January 2014, based on the performance, experience, ability and responsibility of the individuals and with reference to the market rates. The total emoluments of Ms. Percy Hughes, Shirley and Mr. Lee Che Keung, Danny for the year ending 30 June 2014, including directors' fee and discretionary bonus payment made in January 2014, shall be approximately HK\$3.4 million and HK\$2.8 million respectively.

Save as disclosed above, the Company is not aware of other changes in Directors' information which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

# **Corporate Governance and Other Information**

## **(Continued)**

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

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

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

Hong Kong, 25 February 2014

As at the date of this report, the Board comprises:

*Executive Directors:*

Ms. Percy Hughes, Shirley  
Mr. Lee Che Keung, Danny  
Mr. Wong Chi Fai  
Ms. Fan Man Seung, Vanessa

*Independent Non-executive Directors:*

Ms. Hui Wai Man, Shirley  
Ms. Kwan Shin Luen, Susanna  
Ms. Chan Sim Ling, Irene