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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 31ST DECEMBER, 2011

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

The board of directors (the "Board" or the "Directors") of New Media Group Holdings Limited (the "Company") announces the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 31st December, 2011 (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,	
		2011	2010
		(unaudited)	(unaudited)
	Notes	***HK$'000***	*HK$'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	
		31st December, 2011 (unaudited)	30th June, 2011 (audited)
	Notes	***HK$'000***	*HK$'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		**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		**50,630**	53,441
Deferred taxation liabilities		**659**	622
		51,289	54,063
		435,419	317,795
Capital and reserves			
Share capital		**8,640**	7,200
Reserves		**426,779**	310,595
		435,419	317,795

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").

These condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 30th June, 2011.

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

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 liabilites[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.

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.

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 31st December,		**As at 31st December,**	As at 30th June,
	2011	2010	**2011**	2011
	(unaudited)	(unaudited)	**(unaudited)**	(audited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'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	2010
	(unaudited)	(unaudited)
	HK$'000	*HK$'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.

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	2010
	(unaudited)	(unaudited)
	HK$'000	*HK$'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

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).

10. TRADE AND OTHER RECEIVABLES

	As at 31st December, 2011 (unaudited) HK$'000	As at 30th June, 2011 (audited) HK$'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 owned by STC International Limited ("STC International") being the trustee of 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$'000	As at 30th June, 2011 (audited) HK$'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

11. TRADE AND OTHER PAYABLES

	As at 31st December, 2011 (unaudited) HK$'000	As at 30th June, 2011 (audited) HK$'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 owned by STC International being the trustee of 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$'000	As at 30th June, 2011 (audited) HK$'000
Age		
0 – 90 days	**54,221**	41,125
91 – 180 days	**663**	39
Over 180 days	**73**	145
	54,957	41,309

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

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 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).

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.

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.

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 Top10 .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.

"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.

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.

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 Directors, 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.

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 *HK$' million*	**Actual Usage up to 31st January, 2012** *HK$' million*
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
	88.55	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).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed, for the purpose of determining shareholders' entitlement to the Dividend, from 13th March, 2012 (Tuesday) to 14th March, 2012 (Wednesday), during which period no share transfer will be effected.

In order to qualify for the 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, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 12th March, 2012 (Monday). Dividend warrants will be dispatched on 23rd March, 2012 (Friday).

CORPORATE GOVERNANCE

Code on Corporate Governance Practices

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

Model Code for Securities Transactions

The Company had adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("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 RESULTS

These unaudited condensed consolidated interim financial statements of the Group 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.

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.

PUBLICATION OF THE UNAUDITED INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is published on the Stock Exchange's website (http://www.hkex.com.hk) and the Company's website (http://www.nmg.com.hk). The interim report will be dispatched to the shareholders of the Company and will be available on the websites of the Stock Exchange and the Company in due course.

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 announcement, 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