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新傳媒集團控股有限公司
New Media Group Holdings Limited
(Incorporated in Hong Kong with limited liability)
(Stock Code: 708)

CONTINUING CONNECTED TRANSACTIONS

The board of Directors of the Company wishes to announce that on 30 June 2010, the Company entered into the New Printing Master Purchase Agreement and the New Advertising Master Purchase Agreements in respect of certain existing Continuing Connected Transactions between the Group and each of Hong Kong Daily Offset and the Related Group relating to (i) the provision of printing services to the Group for printing books published by the Group and (ii) the sale of the advertising space of the Magazines and Books by the Group which were provided for in the Previous Agreements. The Previous Agreements expired on 30 June 2010. The New Printing Master Purchase Agreement and the New Advertising Master Purchase Agreements were entered into in order to continue the Continuing Connected Transactions for a term of three years commencing on 1 July 2010 and expiring on 30 June 2013.

As the applicable percentage ratios of the annual caps for each of the New Printing Master Purchase Agreement and the New Advertising Master Purchase Agreements exceed 0.1% but are less than 5%, the New Printing Master Purchase Agreement and the New Advertising Master Purchase Agreements together with their associated annual caps are subject to the reporting, announcement and annual review requirements, but exempt from the independent Shareholders' approval requirement under the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

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for in the Previous Agreements. The Previous Agreements expired on 30 June 2010. The New Printing Master Purchase Agreement and the New Advertising Master Purchase Agreements were entered into in order to continue the Continuing Connected Transactions for a term of three years commencing on 1 July 2010 and expiring on 30 June 2013.

PRINCIPAL TERMS OF THE NEW PRINTING MASTER PURCHASE AGREEMENT

Date of agreement: 30 June 2010

Parties: Hong Kong Daily Offset and the Company

Term: 3 years commencing from 1 July 2010 and expiring on 30 June 2013 (both dates inclusive)

Service to be provided: During the term, the Group may place orders from time to time to Hong Kong Daily Offset for printing of books, magazines, articles, papers or other materials ordered to be printed

The Annual Caps:

Set out below are the Annual Caps for the New Printing Master Purchase Agreement.

	For the year ending 30 June		
	2011	2012	2013
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Annual Caps	<u>9,000,000</u>	<u>9,000,000</u>	<u>9,000,000</u>

Basis of the Annual Caps: Determined with reference to the market price of similar printing services, the usage of the annual cap for the preceding three financial periods ended 30 June 2010, the existing scale and operation of the Group's businesses that require such printing services, the anticipated development and growth of such businesses and the expected changes of general economic conditions for the next three years, which management deems reasonable. For reference purpose, the values of the printing costs paid for the 15-month period ended 30 June 2009 and the 6-month period ended 31 December 2009 were HK\$5.43 million and HK\$2.63 million respectively. The Directors consider that the Annual Caps are reasonably set.

Pursuant to the New Printing Master Purchase Agreement, the Company agreed to engage Hong Kong Daily Offset to provide printing services for printing books published by the Group at prices to be determined from time to time by the Group and Hong Kong Daily Offset after arm's length negotiation with reference to the market price and on such terms that are no less favourable to the Group than those applicable to Independent Third Parties. The New Printing Master Purchase Agreement is for a period from 1 July 2010, up to 30 June 2013 unless terminated earlier in accordance with the terms and conditions of the New Printing Master Purchase Agreement.

PRINCIPAL TERMS OF THE NEW ADVERTISING MASTER PURCHASE AGREEMENTS

Date of agreement:	30 June 2010
Parties:	Related Group and the Company
Term:	3 years commencing from 1 July 2010 and expiring on 30 June 2013 (both dates inclusive)
Service to be provided:	During the term, each member of the Related Group may make purchase of advertising spaces in the Magazines and Books

The Annual Caps:

Set out below are the Annual Caps for the New Advertising Master Purchase Agreements.

	Annual Caps		
	For the year ending 30 June		
	2011	2012	2013
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Emperor International Group	1,000,000	1,000,000	1,000,000
Emperor Hotel Group	500,000	500,000	500,000
ECG Group	500,000	500,000	500,000
Gain Wealth Group	1,600,000	1,600,000	1,600,000
Emperor Watch & Jewellery Group	1,400,000	1,400,000	1,400,000
Emperor International Exchange	400,000	400,000	400,000
Aggregate Annual Caps	5,400,000	5,400,000	5,400,000

Basis of the Annual Caps: Determined with reference to the market price of similar advertising services, the usage of the annual cap for the preceding three financial periods ended 30 June 2010, the existing scale and operation of the advertising business of the Magazines and Books, the anticipated development and growth of such businesses, the anticipated business needs of each member of the Related Group in placing advertisements and the expected changes of general economic conditions for the next three years, which management deems reasonable. For reference purpose, the values of the advertising income received for the 15-month period ended 30 June 2009 and the 6-month period ended 31 December 2009 were HK\$1.99 million and HK\$668,000 respectively. The Directors consider that the Annual Caps are reasonably set.

Pursuant to the New Advertising Master Purchase Agreements, the Company agreed to sell to the Related Group with a credit period of 30 days and at prices to be determined from time to time by the Group and Related Group after arm's length negotiation with reference to the market prices and on such terms that are no less favourable to the Group than those applicable to the sale of the advertising spaces of the Magazines and Books by the Group to Independent Third Parties. The New Advertising Master Purchase Agreements are for a period from 1 July 2010 up to 30 June 2013 unless terminated earlier in accordance with the terms and conditions of the New Advertising Master Purchase Agreements.

REASONS FOR THE CONTINUING CONNECTED TRANSACTIONS

The Company is an investment holding company and its subsidiaries are principally engaged in (i) the publication and marketing of Chinese-language weekly magazines and books and (ii) the sale of advertising spaces in the Magazines and Books.

The Directors consider that the Continuing Connected Transactions are consistent with the business and commercial objects of the Group. The printing services mentioned above would enhance the efficiency of the daily operation of the Group, while the magazines published by the Group are ones among the leading magazines in Hong Kong and that the advertising income is in the ordinary and usual course of business of the Group.

The Directors (including the Independent Non-Executive Directors) believe that the New Printing Master Purchase Agreement and the New Advertising Master Purchase Agreements have been entered into are (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms; and (iii) on terms that are fair and reasonable and in the interests of the Company and its Shareholders as a whole. None of Directors has to abstain from voting at the board meeting held on 30 June 2010.

LISTING RULES IMPLICATIONS

Hong Kong Daily Offset is indirectly wholly-owned by the AY Trust, a discretionary trust owned by Dr. Albert Yeung, a deemed substantial shareholder of the Company. Emperor International, Emperor Hotel, ECG Group, Gain Wealth Group and Emperor Watch & Jewellery are indirectly owned as to 70.69%, 57.5%, 47.9%, 100% and 66.85% respectively by the AY Trust. Emperor International Exchange is indirectly wholly-owned by a discretionary trust owned by Mr. Yeung Lik Shing, Michael, a brother of Dr. Albert Yeung. As such, Hong Kong Daily Offset and each member of the Related Group is a connected person of the Company under Chapter 14A of the Listing Rules.

The transactions contemplated under the New Printing Master Purchase Agreement and the New Advertising Master Purchase Agreements will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios of the annual caps for each of the New Printing Master Purchase Agreement and the New Advertising Master Purchase Agreements exceed 0.1% but are less than 5%, the New Printing Master Purchase Agreement and the New Advertising Master Purchase Agreements together with their associated annual caps are subject to the reporting, announcement and annual review requirements, but exempt from the independent Shareholders' approval requirement under the Listing Rules.

TERMS USED IN THIS ANNOUNCEMENT

“Annual Caps”	the maximum annual value of the Continuing Connected Transactions under each of the New Printing Master Purchase Agreement and the New Advertising Master Purchase Agreements
“AY Trust”	The Albert Yeung Discretionary Trust (of which Dr. Albert Yeung is the founder), a deemed controlling Shareholder
“Company”	New Media Group Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board and is indirectly owned as to approximately 75% by AY Discretionary Trust
“connected person”	has the meaning ascribed thereto under the Listing Rules

“Continuing Connected Transaction(s)”	continuing connected transaction(s) entered into between the Group on one part and Hong Kong Daily Offset and each member of the Related Group respectively on the other part, from time to time, in relation to (i) the provision of printing services provided to the Group for printing books published by the Group and (ii) the sale of the advertising space of the Magazines and Books by the Group
“Director(s)”	director(s) of the Company
“Dr. Albert Yeung”	Dr. Yeung Sau Shing, Albert, a deemed controlling Shareholder
“ECG”	Emperor Capital Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board and is principally engaged in the provision of financial services in Hong Kong
“ECG Group”	ECG and its subsidiaries
“Emperor Hotel”	Emperor Entertainment Hotel Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board and is principally engaged in (i) hotel operation and management of VIP casino halls in Macau and (ii) development of a commercial property in Shanghai, the People’s Republic of China
“Emperor Hotel Group”	Emperor Hotel and its subsidiaries
“Emperor International”	Emperor International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board and is principally engaged in property development and investment as well as hotel operations
“Emperor International Exchange”	Emperor International Exchange (Hong Kong) Company Limited, a company incorporated in Hong Kong with limited liability and is principally engaged in leveraged foreign exchange trading in Hong Kong
“Emperor International Group”	Emperor International and its subsidiaries

“Emperor Watch & Jewellery”	Emperor Watch & Jewellery Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board and is principally engaged in retailing of watch and jewellery products
“Emperor Watch & Jewellery Group”	Emperor Watch & Jewellery and its subsidiaries
“Gain Wealth”	Gain Wealth Investments Limited, a company incorporated in the British Virgin Islands and is principally engaged in a range of diversified businesses including wholesale and retailing of furniture, publication of newspapers, printing, restaurant operations as well as entertainment
“Gain Wealth Group”	Gain Wealth and its subsidiaries, but excluding the Group
“Group”	the Company and its subsidiaries
“GEM”	the Growth Enterprises Market of the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Daily Offset”	Hong Kong Daily Offset Printing Company Limited, a company incorporated in Hong Kong and is principally engaged in the provision of printing services
“Independent Third Parties”	independent third parties who are not connected persons of the Company as defined in the Listing Rules and are independent of the Company and the connected persons of the Company
“Listing Rules”	the rules governing the listing of securities on the Stock Exchange
“Magazines and Books”	the magazines and books published by the Group
“Main Board”	the stock exchange operated by the Stock Exchange which is independent from and operated in parallel with the GEM

“New Advertising Master Purchase Agreements”	agreements entered into between the Company (for itself and on behalf of the Group) and each member of the Related Group on 30 June 2010 for the provision of advertising spaces in the Magazines and Books by the Group to the Related Group for the period of 3 years commencing from 1 July 2010 and expiring on 30 June 2013
“New Printing Master Purchase Agreement”	agreement entered into between the Company (for itself and on behalf of the Group) and Hong Kong Daily Offset on 30 June 2010 for the provision of printing service to the Group for printing books published by the Group for the period of 3 years commencing from 1 July 2010 and expiring on 30 June 2013
“Previous Agreements”	(i) the agreement entered into between the Company (for itself and on behalf of the Group) and Hong Kong Daily Offset for the provision of printing service to the Group for printing books published by the Group for the period from 1 April 2010 to 30 June 2010; and (ii) the agreements entered into between the Company (for itself and on behalf of the Group) and each member of the Related Group for the provision of advertising spaces in the Magazines and Books by the Group to the Related Group for the period from 1 April 2010 to 30 June 2010
“Related Group”	Emperor International, Emperor Hotel, ECG, Gain Wealth, Emperor Watch & Jewellery and Emperor International Exchange and their respective subsidiaries
“Share(s)”	ordinary share(s) with a par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“HK\$”

Hong Kong dollars

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

Hong Kong, 2 July 2010

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

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