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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)

**PLACING AND TOP-UP SUBSCRIPTION OF SHARES
UNDER GENERAL MANDATE**

Placing Agent



英皇證券(香港)有限公司
Emperor Securities Limited

PLACING AND TOP-UP SUBSCRIPTION

The Board announces that on 29 September 2010 (after trading hours), Velba, the controlling shareholder of the Company, has agreed to place, through the Placing Agent, 120,000,000 Shares to independent investors at a price of HK\$0.75 per Share and Velba will subscribe for 120,000,000 new Shares at the price of HK\$0.75 per Share. The Placing Shares amount to 20% of the existing issued share capital of the Company of 600,000,000 Shares and approximately 16.67% of the share capital of 720,000,000 Shares as enlarged by the Top-Up Subscription.

The Placing Price represents (i) a discount of approximately 6.25% to the closing price of HK\$0.80 per Share as quoted on the Stock Exchange on the Last Trading Date; and (ii) a premium of approximately 3.88% to the average closing price of HK\$0.722 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Date.

The maximum gross proceeds from the Top-Up Subscription will be HK\$90 million. The Company intends to use the net proceeds of approximately HK\$88.20 million from the Top-Up Subscription for the Group's general working capital, further business development (including e-commerce and on-line marketing) and, if opportunity arise, may use to partially finance the purchase of business premises for the use of the Group.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on Thursday, 30 September 2010. Application has been made by the Company for the resumption of trading of the Shares on the Stock Exchange with effect from 9:30 a.m. on Monday, 4 October 2010.

THE PLACING AGREEMENT DATED 29 SEPTEMBER 2010

Vendor

Velba, the controlling shareholder of the Company, holding 450,000,000 Shares, representing 75% of the existing issued share capital of the Company.

Placing Agent

Emperor Securities, the Placing Agent agrees with Velba to procure on best endeavour basis, placees to acquire 120,000,000 existing Shares from Velba. The Placing Agent shall receive a commission of 2% of the amount equal to the Placing Price multiplied by the number of the Placing Shares successfully placed.

The Placing Agent is an indirect wholly-owned subsidiary of Emperor Capital Group Limited. The Company and Emperor Capital Group Limited are indirectly owned as to 75% and approximately 47.90% respectively by The Albert Yeung Discretionary Trust, a discretionary trust set up by Dr. Yeung Sau Shing, Albert, a deemed substantial shareholder of the Company and Emperor Capital Group Limited. As such, the Placing Agent is a connected person of the Company under Chapter 14A of the Listing Rules.

However, as the calculation of the applicable percentage ratios of the Company (as defined in the Listing Rules) are more than 0.1% but less than 5% and the placing commission payable under the Placing Agreement is more than HK\$1,000,000, the Placing Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to reporting and announcement requirements but exempted from independent shareholders' approval requirements.

Placees

The Placing Shares will be placed to not less than six Placees, who are independent institutional, professional and/or individual investors and not concert parties (as defined under the Takeovers Code) with Velba or its associates, and not connected with any directors, chief executive or substantial shareholder of the Company or its subsidiaries and their respective associates. It is expected that none of the Placees and their respective associates will become a substantial Shareholder as a result of the Placing.

Placing Price

The Placing Price of HK\$0.75 per Share represents (i) a discount of approximately 6.25% to the closing price of HK\$0.80 per Share as quoted on the Stock Exchange on the Last Trading Date; and (ii) represents a premium of approximately 3.88% to the average

closing price of HK\$0.722 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Date.

The Placing Price was determined after arm's length negotiation between the Company and the Placing Agent on the date of the Placing Agreement with reference to the prevailing market price of the Shares.

The Directors consider that the terms of the Placing Agreement (including the Placing Price and the Placing commission) are on normal commercial terms, fair and reasonable and that the Placing (together with the Top-Up Subscription) is in the interests of the Company and the Shareholders as a whole.

Number of Shares to be placed

Up to 120,000,000 Shares to be placed, representing 20% of the existing issued share capital of the Company of 600,000,000 Shares and approximately 16.67% of the share capital of 720,000,000 Shares as enlarged by the Top-Up Subscription.

Completion of the Placing

The Placing is unconditional. Completion will take place on the third business day on which the Shares are traded on the Stock Exchange after the date of this announcement or such other date as may be agreed between the parties.

THE TOP-UP SUBSCRIPTION AGREEMENT DATED 29 SEPTEMBER 2010

Parties

Issuer: The Company

Subscriber: Velba

Number of Top-Up Shares

Up to 120,000,000 new Shares, the Top-Up Shares representing 20% of the existing issued share capital of the Company of 600,000,000 Shares and approximately 16.67% of the share capital of 720,000,000 Shares as enlarged by the Top-Up Subscription. It is provided in the Top-Up Subscription Agreement that if any number of the Placing Shares shall not be taken up, then the number of Top-Up Shares to be subscribed by Velba shall be also reduced by the same number of the untaken Placing Shares. The nominal value of the number of 120,000,000 Top-Up Shares is HK\$1,200,000.

Velba currently holds 450,000,000 Shares which is equal to 75% of the issued share capital of the Company. It will hold approximately 62.50% of the enlarged issued share capital of the Company after the Placing and the Top-Up Subscription.

Top-Up subscription price

The subscription price for the Top-Up Shares is HK\$0.75 per Share and is equal to the Placing Price. The Company will bear all cost and expenses incurred in connection with the Top-Up Subscription and reimburse Velba for all costs and expenses incurred by it in connection with the Placing and the Top-Up Subscription.

General Mandate

The maximum of 120,000,000 Top-Up Shares will be issued and allotted under the General Mandate. As at the date of this announcement, the General Mandate has not been utilized since it was granted and the number of new Shares that could be issued by the Company under the General Mandate is 120,000,000 Shares.

Ranking of new Shares

The Top-Up Shares when fully paid, will rank pari passu with the existing Shares in issue.

Condition of the Top-Up Subscription

The Top-Up Subscription is conditional upon:

- (i) the completion of the Placing, and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, all of the Top-Up Shares.

Completion

Completion of the Top-Up Subscription will take place on or before 13 October 2010, being 14 days from the date of the Placing Agreement. Under Rule 14A.31(3)(d) of the Listing Rules, completion of the Top-Up Subscription is required to take place within 14 days after the date of the Placing Agreement; otherwise independent Shareholders' approval would be required for the Top-Up Subscription.

Application for listing

Application will be made by the Company to the Listing Committee of the Stock Exchange granting of the listing of, and permission to deal in, the Top-Up Shares.

USE OF PROCEEDS

The gross proceeds from the Top-Up Subscription will be HK\$90 million. The Company intends to use the net proceeds of approximately HK\$88.20 million from the Top-Up Subscription for the Group's general working capital, further business development (including e-commerce and on-line marketing) and, if opportunity arise, may use to partially finance the purchase of business premises for use of the Group. The net price to be raised per Share from the Top-Up Subscription will be approximately HK\$0.735 per Share.

REASON FOR THE PLACING AND THE TOP-UP SUBSCRIPTION

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 published by the Group.

The Board is of the view that the Placing and the Top-up Subscription will broaden the Shareholders' portfolio and provide additional working capital for the Group, which can further strengthen the financial position of the Company and enable further business development. The Board considers that the terms of the Placing Agreement and the Top-Up Subscription Agreement are on normal commercial terms, fair and reasonable and they are in the interests of the Company and its Shareholders as a whole.

EFFECT ON SHAREHOLDING

Set out below is the effect on the shareholding structure of the Company by the Placing and the Top-Up Subscription:

	As at the date of this announcement		Immediately after the Placing but before the Top-Up Subscription		Immediately after the Top-Up Subscription	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Velba	450,000,000	75.00	330,000,000	55.00	450,000,000	62.50
Public Shareholders						
The Placees (<i>Note</i>)	-	-	120,000,000	20.00	120,000,000	16.67
Other public Shareholders	150,000,000	25.00	150,000,000	25.00	150,000,000	20.83
Total	600,000,000	100.00	600,000,000	100.00	720,000,000	100.00

Note:

Pursuant to the Placing Agreement, the Placing Agent agreed to procure that the Placees and their ultimate beneficial owners shall be third parties independent of and not connected with the Company and its connected persons. Therefore, the Placees are treated as public Shareholders.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company had not carried out any equity fund raising exercise in the 12-month period immediately preceding the date of this announcement.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on Thursday, 30 September 2010. Application has been made by the Company for the resumption of trading of the Shares on the Stock Exchange with effect from 9:30 a.m. on Monday, 4 October 2010.

TERMS USED IN THIS ANNOUNCEMENT

The following terms have the following meanings in this announcement unless the context otherwise requires:

“associates”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day (excluding a Saturday and Sunday) on which banks generally are open for business in Hong Kong
“Company”	New Media Group Holdings Limited, a company incorporated in Hong Kong with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	director(s) of the Company
“ECG”	Emperor Capital Group Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“Emperor Securities”	Emperor Securities Limited, a licensed corporation to carry out type 1 (dealing in securities) and 4 (advising on securities) regulated activities as defined in Schedule 5 of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) and an indirect wholly-owned subsidiary of ECG
“General Mandate”	the general mandate which was granted to the Directors pursuant to an ordinary resolution passed at the annual general meeting of the Company on 18 November 2009 to issue and allot up to 120,000,000 new Shares, representing 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of the annual general meeting
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Date”	29 September 2010, being (i) the last trading date before the suspension of the trading of the Shares, pending the release of this announcement and (ii) the date of the Placing Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Placee(s)”	the placees under the Placing
“Placing”	the placing of the Placing Shares pursuant to the Placing Agreement
“Placing Agent”	Emperor Securities
“Placing Agreement”	the placing agreement dated 29 September 2010 entered into between Velba and Placing Agent in relation to the placing of the Placing Shares at a placing price of HK\$0.75 per Share
“Placing Price”	HK\$0.75 per Placing Share
“Placing Shares”	a maximum of 120,000,000 Shares to be placed pursuant to the Placing Agreement
“PRC”	The People’s republic of China
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers issued by the Securities and Futures Commission
“Top-Up Subscription”	the conditional subscription by Velba of the Top-Up Shares pursuant to the Top-Up Subscription Agreement
“Top-Up Subscription Agreement”	the subscription agreement dated 29 September 2010 entered into between the Company and Velba pursuant to which Velba will subscribe up to 120,000,000 Top-Up Shares
“Top-Up Shares”	up to 120,000,000 new Shares to be subscribed and issued to Velba pursuant to the Top-Up Subscription Agreement
“Velba”	Velba Limited, a company indirectly wholly owned by The Albert Yeung Discretionary Trust, a discretionary trust set up by Dr. Yeung Sau Shing, Albert
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 30 September 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