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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)

MAJOR TRANSACTION
ACQUISITION OF PROPERTY

THE ACQUISITION

On 2 November 2010, the Purchaser, a wholly owned subsidiary of the Company, entered into the Agreement with the Vendor for the acquisition of the Property at a consideration HK\$255,000,000.

The Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to Shareholders' approval pursuant to Rule 14.40. The Company has obtained a written approval to the Acquisition from Velba Limited, the controlling shareholder of the Company, which is beneficially interested in approximately 62.50% of the issued share capital of the Company and by reason of such written approval, a special general meeting of the Company to approve the Acquisition is not necessary pursuant to Rule 14.44 of the Listing Rules and will not be convened. A circular containing, inter alia, further information in respect of the Acquisition will be despatched to the Shareholders on or before 23 November 2010 in accordance with the Listing Rules.

THE AGREEMENT DATED 2 NOVEMBER 2010

On 2 November 2010, the Purchaser, a wholly owned subsidiary of the Company, entered into the Agreement with the Vendor for the acquisition of the Property at a consideration HK\$255,000,000.

Parties

Purchaser: Winning Treasure Limited, a wholly-owned subsidiary of the Company

Vendor: A11 Limited, a company which is principally engaged in property investment. To the best of the Director's knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Parties.

Information of the Property

The Property is located at Kwun Tong Inland Lot No. 646, No. 82 Hung To Road, Kowloon, Hong Kong. The Property, occupies a site area of approximately 10,000 square feet, is an 10-storey industrial building and has a gross floor area of approximately 89,500 square feet. The Property will be delivered to the Purchaser upon Completion. Based on the information of the Land Registry, the Property was acquired by the Vendor on 28 April 2008 at HK\$160 million. The Property is vacant.

Consideration and payment terms

The consideration of HK\$255,000,000 payable by the Purchaser for the Acquisition shall be payable in the following manner:

- (a) an initial deposit and part payment in the sum of HK\$12,400,000 was paid to the Vendor's solicitors upon signing of the Agreement;
- (b) a further deposit and part payment of HK\$38,600,000 shall be paid to the Vendor's solicitors on 16 November 2010; and
- (c) the remaining balance of HK\$204,000,000 shall be paid to the Vendor upon Completion which is expected to take place on 28 April 2011.

The consideration for the Property has been determined after arm's length negotiations between the parties by reference to the prevailing market conditions. The consideration will be financed by a combination of internal resources of the Group and bank financing.

Completion

Pursuant to the Agreement, a formal agreement for sale and purchase shall be signed on or before 16 November 2010. Completion of the sale and purchase of the Property shall take place on or before 28 April 2011.

REASON FOR THE ACQUISITION

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 Group has been renting properties for its offices and production areas. After completion of the Acquisition, the Group's offices and production areas will be moved into the Property in due course. In light of the expanding business scope of the Group and the increasing capacity of the Group's operation, the Directors consider the Acquisition will provide the Group a larger premises to cope with the Group's future development. On the other hand, having its own office premises also allow the Group to guard against future rental fluctuations and hence a better control of the Group's operation expenses. The Directors consider that the terms of the Agreement are on normal commercial terms, fair and reasonable and the Acquisition is in the interest of the Company and the Shareholders as a whole.

GENERAL

The Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to Shareholders' approval pursuant to Rule 14.40. The Company has obtained a written approval to the Acquisition from Velba Limited, the controlling shareholder of the Company, which is beneficially interested in approximately 62.50% of the issued share capital of the Company and by reason of such written approval, a special general meeting of the Company to approve the Acquisition is not necessary pursuant to Rule 14.44 of the Listing Rules and will not be convened. A circular containing, inter alia, further information in respect of the Acquisition will be despatched to the Shareholders on or before 23 November 2010 in accordance with the Listing Rules.

TERMS USED IN THIS ANNOUNCEMENT

“Acquisition”	the acquisition of the Property by Purchaser from the Vendor pursuant to the Agreement
“Agreement”	the provisional agreement for sale and purchase of the Property dated 2 November 2010 entered into between the Vendor and the Purchaser
“Company”	New Media Group Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries

“Independent Third Party(ies)”	independent third party(ies) not connected with the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates as defined in the Listing Rules
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Property”	Kwun Tong Inland Lot No. 646, No. 82 Hung To Road, Kowloon, Hong Kong. The Property, occupies a site area of approximately 10,000 square feet, is an 10-storey industrial building and has a gross floor area of approximately 89,500 square feet
“Purchaser”	Winning Treasure Limited, a company incorporated in Hong Kong and wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	A11 Limited, a company incorporated in Hong Kong with limited liability

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

Hong Kong, 2 November 2010

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

<i>Executive Directors:</i>	Ms. Percy Hughes, Shirley <i>(Chief Executive Officer)</i> Mr. Lee Che Keung, Danny Mr. Wong Chi Fai Ms. Fan Man Seung, Vanessa
<i>Independent Non-Executive Directors:</i>	Ms. Hui Wai Man, Shirley Mr Tse Hin Lin, Arnold Ms. Kwan Shin Luen, Susanna