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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)

**OFFERING AND LISTING OF THE TAIWAN DEPOSITARY RECEIPTS ON  
THE TAIWAN STOCK EXCHANGE  
AND  
ISSUE OF NEW SHARES UNDER GENERAL MANDATE**

Reference is made to the announcements of the Company dated 27 May 2011, 28 June 2011, 30 June 2011 and 4 July 2011 in relation to (i) the application, (ii) the approval by the Taiwan Central Bank and Taiwan Stock Exchange, (iii) approval from the Taiwan Securities and Future Bureau for the offering and listing of the TDR and (iv) launching of TDR Issue respectively.

The Board is pleased to announce that on 12 July 2011, the Company entered into the Underwriting Agreement with the Underwriter in connection with the TDR Issue, whereby the Underwriter agreed to subscribe for, and shall procure subscribers for, on a fully underwritten basis, in aggregate 28.8 million units of TDR, representing in aggregate 144 million New Shares to be issued by the Company as underlying securities of the TDR, at the Offer Price of NT\$13 per TDR (equivalent to approximately HK\$0.696 per Share as each unit of TDR represents 5 Shares).

The offering of the TDR Issue shall comprise of the following:

- (a) an offer of 1,000 units of TDR for subscription by Securities and Futures Investors Protection Centre (證券投資人及期貨交易人保護中心) pursuant to the applicable securities laws in Taiwan;
- (b) an offer of an aggregate of 2,880,000 units of TDR for subscription by the Underwriter;
- (c) an offer of an aggregate of 2,592,000 units of TDR for application for subscription by the public in Taiwan; and
- (d) an offer of an aggregate of 23,327,000 units of TDR for subscription by selected institutional and individual investors in Taiwan through book building process.

The New Shares, which will be allotted and issued under the General Mandate, represent (i) 20% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the enlarged issued share capital of the Company following the issue of the New Shares under the TDR Issue. The New Shares will rank pari passu in all respects with the Shares then in issue on the date of issue of the New Shares.

It is expected that the Company will be able to raise about HK\$95.25 million net proceeds from the TDR Issue which will be applied for i) business development of magazine and digital content, ii) setup a data centre and renovation of new office; and iii) general working capital.

Reference is made to the announcements of the Company dated 27 May 2011, 28 June 2011, 30 June 2011 and 4 July 2011 in relation to (i) the application, (ii) the approval by the Taiwan Central Bank and Taiwan Stock Exchange, (iii) approval from the Taiwan Securities and Future Bureau for the offering and listing of the TDR and (iv) launching of TDR Issue respectively.

## **UNDERWRITING AGREEMENT**

### **Date**

12 July 2011

### **Parties**

The Company and the Underwriter

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Underwriter and its beneficial owners are third parties independent of the Group and the Group's connected persons.

Pursuant to the Underwriting Agreement, the Underwriter agreed to subscribe for, and shall procure subscribers for, on a fully underwritten basis, in aggregate 28.8 million units of TDR, representing in aggregate 144 million New Shares to be issued by the Company as underlying securities of the TDR, at the Offer Price. The Underwriter is entitled to underwriting and professional fees in aggregate of NT\$12,744,000 representing approximately 3.4% of the aggregate Offer Price for all the 28.8 million units of TDR to be issued under the TDR Issue.

### **Structure of the offering of the TDR Issue**

The offering of the TDR shall comprise of :

- (a) an offer of 1,000 units of TDR for subscription by the Securities and Futures Investors Protection Centre (證券投資人及期貨交易人保護中心) pursuant to the applicable securities laws in Taiwan;
- (b) an offer of aggregate of 2,880,000 units of TDR for subscription by the Underwriter;

- (c) an offer of an aggregate of 2,592,000 units of TDR for application for subscription by the public in Taiwan; and
- (d) an offer of an aggregate of 23,327,000 units of TDR for subscription by selected institutional and individual investors in Taiwan through book building process.

### **Number of Shares to which the TDR Issue relates**

144 million New Shares will be allotted and issued by the Company under the General Mandate.

The 144 million New Shares represent (i) 20% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the enlarged issued share capital of the Company following the issue of the 144 million New Shares upon completion of the TDR Issue.

The New Shares will rank pari passu in all respects with the Shares then in issue on the date of issue of the New Shares which is expected to be on or around 18 July 2011.

### **Offer Price**

The Offer Price will be NT\$13 per TDR (equivalent to approximately HK\$0.696 per Share as each unit of TDR represents 5 Shares), which represents:

- (a) a discount of approximately 0.57% to the closing price of HK\$0.70 per Share as quoted on the Hong Kong Stock Exchange on 11 July 2011, being the last trading day of the Shares before the signing of the Underwriting Agreement;
- (b) a premium of approximately 4.82% to the average of the closing prices of approximately HK\$0.664 per Share as quoted on the Hong Kong Stock Exchange for the last five consecutive trading days up to 11 July 2011; and
- (c) a premium of approximately 140.0% over net asset value per Share of approximately HK\$0.29 as at 30 June 2010 as shown in the published audited consolidated balance sheet of the Group as at 30 June 2010.

The Offer Price was arrived at after arm's length negotiations between the Company and the Underwriter by reference to, among other factors, the market conditions, the future business prospects of the Group and the demand from institutional and individual investors during the book building process. Based on estimated expenses of about HK\$5.02 million for the TDR Issue, the Company will be able to raise about HK\$100.27 million gross proceeds and HK\$95.25 million net proceeds from the TDR Issue. On this basis, the net issue price per New Share is approximately HK\$0.661. The Directors consider the terms of the Underwriting Agreement and the Offer Price are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The Offer Price will be paid to the Company on or before 19 July 2011, being within period of three business days after the due date for settlement of the TDR units subscribed by the Underwriter and investors.

## **LISTING APPLICATIONS**

The Taiwan Stock Exchange and the Taiwan Central Bank have granted the permission for the listing of the TDR on the Taiwan Stock Exchange. The Taiwan Securities and Futures Bureau has also approved the TDR Issue.

An application has been made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the New Shares on the Hong Kong Stock Exchange. No application will be made by the Company for the listing of the TDR on the Hong Kong Stock Exchange.

## **REASONS FOR AND BENEFITS OF THE TDR ISSUE**

The Directors are of the view that the TDR Issue will be the most appropriate method of raising extra funds for the Group's future business development having taken into account the Group's current working capital requirement, the prevailing market conditions and the cost involved in the TDR Issue when compared with other means of fund raising exercises.

The Directors believe that the TDR is an attractive alternative for international investors, particularly potential investors in Taiwan, to invest and deal in the Shares which will broaden and diversify the shareholder base of the Company and provide an additional fund raising platform for the Group. The Directors consider that the TDR Issue will also increase the public awareness of the Group and will promote the Group's corporate image internationally, which will enhance its competitiveness and be beneficial to the Group's overall business development and is therefore in the best interests of the Shareholders as a whole.

### **Use of proceeds**

It is expected that the net proceeds from the TDR Issue will be approximately HK\$95.25 million. The Board intends to apply the net proceeds in the following manner:

- (i) as to approximately HK\$20 million for business development of magazine and digital content;
- (ii) as to approximately HK\$50 million for setup a data centre and renovation of new office; and
- (iii) the remaining balance of HK\$25.25 million for general working capital.

## **SHAREHOLDING STRUCTURE**

The following table sets out the shareholding structure of the Company as at the date of this announcement and immediately upon completion of the TDR Issue based on the assumption that there shall be no change in the Company's share capital prior to the completion of the TDR Issue:

	As at the date of this announcement		Immediately upon completion of the TDR Issue	
	Number of Shares	%	Number of Shares	%
Velba (Note)	450,000,000	62.50	450,000,000	52.08
TDR Holders	-	-	144,000,000	16.67
Other public Shareholders	270,000,000	37.50	270,000,000	31.25
Total	720,000,000	100.00	864,000,000	100.00

*Note : The Shares are held by Velba. The entire issued share capital of Velba is held by Million Way Holdings Limited which is in turn wholly-owned by STC International Limited, being the trustee of The Albert Yeung Discretionary Trust ("Trust"), a discretionary trust set up by Dr. Yeung Sau Shing, Albert ("Dr. Albert Yeung"). Dr. Albert Yeung, as founder of the Trust, is deemed to be interested in the 450,000,000 Shares held by Velba. By virtue of being the spouse of Dr. Albert Yeung, Ms. Luk Siu Man, Semon is also deemed to be interested in the said Shares.*

## **GENERAL MANDATE**

By a resolution of the Shareholders passed at the annual general meeting of the Company held on 18 November 2010, the Company granted the General Mandate to the Directors to allot and issue up to 144,000,000 Shares, being 20% of the aggregate nominal value of the share capital of the Company in issue as at 18 November 2010, to be extended by an amount representing the aggregate nominal amount of the share capital of the Company repurchased (if any) by the Company during the relevant period of the General Mandate.

The Directors have not exercised the power to allot and issue any new Shares pursuant to the General Mandate and the Company had not repurchased any Shares since the grant of the General Mandate. Therefore, as of the date of this announcement, the Directors can allot and issue up to 144 million Shares under the General Mandate.

The New Shares will be allotted and issued under the General Mandate and thus no Shareholders' approval is required.

## **FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS**

Save as disclosed below, the Company has not carried out any capital fund raising activities during the 12 months immediately preceding the date of this announcement.

<b>Date of announcement</b>	<b>Fund raising activities</b>	<b>Net proceeds</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds up to the date of this announcement</b>
30 September 2010	Top-up Placing & Subscription of 120 million Shares at HK\$0.75 per Share	Approximately HK\$88.2 million	General working capital, business development and may partially finance the purchase of business premises	Approximately: (i) HK\$70 million being the partial payment for purchase of an industrial building in Kwun Tong, Hong Kong (ii) HK\$6 million for business development (iii) HK\$12.2 million for general working capital

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms will have the following meaning:

<b>“Board”</b>	means the board of Directors
<b>“Company”</b>	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
<b>“connected person”</b>	has the meaning ascribed to it under the Listing Rules
<b>“Directors”</b>	the directors of the Company
<b>“General Mandate”</b>	the general mandate granted to the Directors to allot and issue Shares pursuant to a resolution of the Shareholders passed at the annual general meeting of the Company held on 18 November 2010
<b>“Group”</b>	the Company and its subsidiaries
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China
<b>“Hong Kong Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited

<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on Hong Kong Stock Exchange
<b>“New Shares”</b>	new Shares to be issued as underlying securities for the purpose of the TDR Issue
<b>“Offer Price”</b>	NT\$13 per TDR
<b>“Shareholders”</b>	the holders of Shares
<b>“Shares”</b>	ordinary shares of HK\$0.01 each in the share capital of the Company
<b>“Taiwan Central Bank”</b>	The Central Bank of the Republic of China
<b>“Taiwan Securities and Futures Bureau”</b>	Taiwan Financial Supervisory Commission, Securities and Futures Bureau
<b>“Taiwan Stock Exchange”</b>	Taiwan Stock Exchange Corporation
<b>“TDR”</b>	the Taiwan depository receipts proposed to be issued by a depository bank in Taiwan pursuant to the TDR Issue with each unit of TDR representing 5 Shares
<b>“TDR Issue”</b>	the proposed issue of not more than 28.8 million units of TDR (comprising not more than 144 million New Shares as underlying securities)
<b>“Underwriter”</b>	Sinopac Securities Corporation, the underwriter of TDR Issue
<b>“Underwriting Agreement”</b>	the underwriting agreement entered into between the Company and the Underwriter on 12 July 2011 in respect of the TDR Issue
<b>“Velba”</b>	Velba Limited, a company indirectly wholly owned by The Albert Yeung Discretionary Trust, a discretionary trust set up by Dr. Yeung Sau Shing, Albert
<b>“%”</b>	per cent

*For the purpose of this announcement, the exchange rate of HK\$1.00: NT\$3.734 has been used for currency conversions. This is for the purpose of illustration and does not constitute representation that any amounts in HK\$ or NT\$ have been, could have been or may be converted at such rate or any other exchange rate.*

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

Hong Kong, 12 July 2011

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