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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)

FINAL RESULTS
FOR THE YEAR ENDED 30 JUNE 2012

FINANCIAL HIGHLIGHTS

	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover		
Advertising income	382,944	351,180
Circulation income	108,457	122,389
Digital business income	11,748	4,618
Provision of magazine content	1,691	2,727
	<u>504,840</u>	<u>480,914</u>
Gross profit	<u>163,674</u>	<u>178,362</u>
Profit for the year attributable to the owners of the Company	<u>29,654</u>	<u>41,980</u>
Earnings per share – Basic	<u>HK3.46 cents</u>	<u>HK6.11 cents</u>
Earnings per share – Diluted	<u>HK3.46 cents</u>	<u>HK6.10 cents</u>

The board of directors (the “Board” or the “Directors”) of New Media Group Holdings Limited (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 30 June 2012 (the “Year”) together with comparative figures for the corresponding year ended 30 June 2011 as set out below:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2012

	<i>Notes</i>	2012 HK\$'000	2011 <i>HK\$'000</i>
Turnover	4	504,840	480,914
Direct operating costs		(341,166)	(302,552)
Gross profit		163,674	178,362
Other income		3,972	2,767
Selling and distribution costs		(70,447)	(76,838)
Administrative expenses		(60,537)	(53,577)
Finance costs		(857)	(144)
Profit before taxation		35,805	50,570
Taxation charge	5	(6,151)	(8,590)
Profit and total comprehensive income for the Year	6	<u>29,654</u>	<u>41,980</u>
Earnings per share	8		
– Basic		<u>HK3.46 cents</u>	<u>HK6.11 cents</u>
– Diluted		<u>HK3.46 cents</u>	<u>HK6.10 cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2012

	<i>Notes</i>	2012 HK\$'000	2011 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		343,427	282,692
Deposits paid for acquisition of property, plant and equipment		–	1,485
Intangible assets		–	–
Goodwill		695	695
		<u>344,122</u>	<u>284,872</u>
Current assets			
Inventories		1,142	8,112
Trade and other receivables	9	108,051	108,463
Income tax recoverable		1,078	–
Bank balances and cash		111,421	62,223
		<u>221,692</u>	<u>178,798</u>
Current liabilities			
Trade and other payables	10	71,684	75,738
Income tax payable		2,944	10,446
Secured bank mortgage loan		53,458	59,069
		<u>128,086</u>	<u>145,253</u>
Net current assets		<u>93,606</u>	<u>33,545</u>
Total assets less current liabilities		437,728	318,417
Non-current liability			
Deferred taxation liabilities		2,866	622
		<u>434,862</u>	<u>317,795</u>
Capital and reserves			
Share capital		8,640	7,200
Reserves		426,222	310,595
		<u>434,862</u>	<u>317,795</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2012

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards (the “HKFRSs”) and Hong Kong Accounting Standards (“HKASs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and by the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared on the historical cost basis.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following new and revised HKASs, HKFRSs, amendments and interpretations (“INTs”) (hereinafter collectively referred to as “New and Revised HKFRSs”) issued by the HKICPA.

HKAS 24 (as revised in 2009)	Related party disclosures
Amendments to HKFRS 7	Disclosures – Transfers of financial assets
Amendments to HK(IFRIC*) – INT 14	Prepayments of a minimum funding requirement

* IFRIC represents the IFRS Interpretations Committee (formerly known as International Financial Reporting Interpretations Committee).

The application of the New and Revised HKFRSs in the current year has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

New and Revised HKFRSs issued but not yet effective

The Group has not early applied the following New and Revised HKFRSs that have been issued but are not yet effective.

Amendments to HKFRSs	Annual improvements to HKFRSs 2009 – 2011 cycle ¹
Amendments to HKFRS 7	Disclosures – Offsetting financial assets and financial liabilities ¹
Amendments to HKFRS 7 and HKFRS 9	Mandatory effective date of HKFRS 9 and transition disclosures ²
Amendments to HKFRS 10, HKFRS 11, and HKFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance ¹
HKFRS 9	Financial instruments ²
HKFRS 10	Consolidated financial statements ¹
HKFRS 11	Joint arrangements ¹
HKFRS 12	Disclosure of interest in other entities ¹
HKFRS 13	Fair value measurement ¹

Amendments to HKAS 1	Presentation of items of other comprehensive income 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
Amendments to HKAS 32	Offsetting financial assets and financial liabilities ⁴
HK(IFRIC) – INT 20	Stripping costs in the production phase of a surface mine ¹

¹ Effective for annual periods beginning on or after 1 January 2013.

² Effective for annual periods beginning on or after 1 January 2015.

³ Effective for annual periods beginning on or after 1 July 2012.

⁴ Effective for annual periods beginning on or after 1 January 2014.

The directors of the Company anticipate that the application of the New and Revised HKFRSs will have no material impact on the consolidated financial statements.

3. SEGMENT INFORMATION

The Group's operating activity is attributable to a single reporting segment focusing on services on publication of advertisements, sales of magazines and books, digital business services and provision of magazine content.

The reportable segment has been identified on the basis of internal management reports prepared in accordance with accounting policies conform to HKFRSs, that are regularly reviewed by the chief operating decision makers ("CODM") who are the executive directors of the Group.

Segment revenue and results

The CODM regularly review revenue and operating results derived from services on publication of advertisements, sales of magazines and books, digital business services 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 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

For each of the year ended 30 June 2012 and 2011, the Group's operations are located in Hong Kong and the People's Republic of China ("PRC").

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	
	Year ended 30 June 2012 <i>HK\$'000</i>	Year ended 30 June 2011 <i>HK\$'000</i>	As at 30 June 2012 <i>HK\$'000</i>	As at 30 June 2011 <i>HK\$'000</i>
Hong Kong	504,751	479,570	343,822	284,626
PRC	89	1,344	300	246
	<u>504,840</u>	<u>480,914</u>	<u>344,122</u>	<u>284,872</u>

Information about major customers

Revenues from customers of the corresponding year contributing over 10% of the total sales of the Group are as follows:

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Customer A	104,507	112,373
Customer B	57,610	48,999

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 net amounts received and receivable from advertising income, circulation income, digital business income and provision of magazine content during the Year. An analysis of the Group's turnover for the Year is as follows:

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Advertising income	382,944	351,180
Circulation income	108,457	122,389
Digital business income	11,748	4,618
Provision of magazine content	1,691	2,727
	<u>504,840</u>	<u>480,914</u>

5. TAXATION CHARGE

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
<i>The charge comprises:</i>		
Hong Kong Profits Tax		
Current year	4,192	8,425
Overprovision in prior years	(285)	(199)
	<hr/> 3,907	<hr/> 8,226
Deferred taxation charge	2,244	364
	<hr/> 6,151	<hr/> 8,590
	<hr/> <hr/> 6,151	<hr/> <hr/> 8,590

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

6. PROFIT FOR THE YEAR

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
<i>Profit for the year has been arrived at after charging:</i>		
Depreciation of property, plant and equipment	12,076	8,888
Interest expenses	857	144
Loss on written off of property, plant and equipment	2,645	–
<i>and after crediting:</i>		
Gain on disposal of property, plant and equipment	13	54
Interest income	1,398	920
	<hr/> <hr/> 1,398	<hr/> <hr/> 920

7. DIVIDENDS

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
<i>Recognised as distribution:</i>		
2012 interim dividend of HK0.6 cent (2011: 2011 interim dividend of HK1.3 cents) per share	5,184	9,360
2011 final dividend of HK0.6 cent (2011: 2010 final dividend of HK1.3 cents) per share	5,184	9,360
	<u>10,368</u>	<u>18,720</u>

A final dividend of HK0.4 cent per share in respect of the Year (2011: final dividend of HK0.6 cent per share in respect of the year ended 30 June 2011) has been proposed by the Directors and is subject to approval by the shareholders of the Company in the forthcoming annual general meeting.

8. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Earnings		
Earnings for the purposes of basic and diluted earnings per share	<u>29,654</u>	<u>41,980</u>
	2012	2011
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	857,293,151	687,452,055
Effect of dilutive potential ordinary shares from the Pre-IPO Share Option Scheme	<u>–</u>	<u>329,272</u>
Weighted average number of shares for the purpose of diluted earnings per share	<u>857,293,151</u>	<u>687,781,327</u>

The computation of diluted earnings per share does not include the Company's potential dilutive ordinary shares as the exercise price of the share options of the Company is higher than the average market price for the Company's shares for the year ended 30 June 2012.

9. TRADE AND OTHER RECEIVABLES

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Trade receivables from		
– third parties	91,264	89,870
– related companies	203	408
	<hr/>	<hr/>
	91,467	90,278
Other receivables, prepayments and deposits	16,584	18,185
	<hr/>	<hr/>
	108,051	108,463
	<hr/> <hr/>	<hr/> <hr/>

The related companies are companies ultimately owned by Albert Yeung Holdings Limited (“AY Holdings”) which is held by STC International Limited (“STC International”) being the trustee of The Albert Yeung Discretionary Trust (the “AY 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. Settlement of the sales from circulation income from magazines shall be made by the distributor to the Company 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 invoice date at the reporting date:

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Age		
0 – 30 days	34,208	37,036
31 – 90 days	42,532	39,396
Over 90 days	14,727	13,846
	<hr/>	<hr/>
	91,467	90,278
	<hr/> <hr/>	<hr/> <hr/>

Included in the Group’s trade receivable balance are debtors with a carrying amount of approximately HK\$36,739,000 (2011: HK\$36,870,000), which are past due at the end of the reporting period for which the Group has not provided allowance as there has not been a significant change in credit quality and the Group believes that the amounts are still considered recoverable. For the remaining trade receivables that are neither past due nor impaired, the Group believes that the amounts are considered recoverable with reference to their historical payment records and business relationship. The Group does not hold any collateral over these balances.

Ageing of trade receivables based on payment due date which are past due but not impaired

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
1 to 90 days	35,352	36,000
91 to 180 days	1,370	860
Over 180 days	17	10
	<hr/>	<hr/>
	36,739	36,870
	<hr/> <hr/>	<hr/> <hr/>

10. TRADE AND OTHER PAYABLES

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Trade payables to		
– third parties	43,999	39,800
– related companies	1,315	1,509
	<hr/>	<hr/>
	45,314	41,309
Other payables and accrued charges	26,370	34,429
	<hr/>	<hr/>
	71,684	75,738
	<hr/> <hr/>	<hr/> <hr/>

The related companies are companies ultimately owned by AY Holdings which is held by STC International being the trustee of the AY 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 of trade payables based on the invoice date at the reporting date:

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Age		
0 – 90 days	44,548	41,190
91 – 180 days	692	102
Over 180 days	74	17
	<hr/>	<hr/>
	45,314	41,309
	<hr/> <hr/>	<hr/> <hr/>

MANAGEMENT DISCUSSION AND ANALYSIS

About the Company

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. Apart from magazine publishing, the Group also runs a digital and online business unit, expanding its reach into the multimedia platform.

Overview

During the Year, the global economy was in general still volatile due to instability caused by the slow recovery in the US and the lingering effects of the eurozone crisis. Although the impact on the local industry was considerably minimal due to the increased demands by mainland tourists with high-spending power in the territory, the subsequent slowdown in China's economic growth in the second half of the Year also led to more cautious spending by advertisers in the retail business.

Competition in the local magazine sector remained intense as a result of slight upheavals caused by marketing tactics from competitors, such as short term price reduction strategies, which did create stronger pressure on our team to explore more ways and means to excel and prove our competitiveness.

For retention and expansion, we have brought and will continue to bring high quality award-winning products to our readers, while at the same time offering cost-effective packages and enhanced services to help our retail partners achieve their objectives. Although our digital business is still young and at an investment stage, the Group is confident that it can fully utilize its potentials and competitive edge and capitalize on the digital and mobile platform in the long run.







Financial Review

Despite the keen competition in the local magazine sector, the Group was still able to report a revenue growth of 5.0% to HK\$504.8 million for the Year (2011: HK\$480.9 million). Attributable to the continuous support from loyal advertisers, advertising income continued to be the key contributor to the revenue of the Group, taking up 75.9% (2011: 73.0%) of the Group's revenue during the Year.

In order to cope with the competitive market situation, the Group introduced more packed premium items and expanded the booklets portfolio, "Sunday KISS" and "CASH", during the Year, which caused the gross profit to decrease to HK\$163.7 million (2011: HK\$178.4 million). Together with the impact of office relocation expenses, the profit for the Year attributable to the owners of the Company decreased to HK\$29.7 million (2011: HK\$42.0 million). Basic earnings per share was HK3.46 cents (2011: HK6.11 cents).

Review of Operations

Over the years, our brands have already successfully established their own well recognised status and have captured loyal readers in their own particular domains.

Brands	Diversified Business Domain	Leaders in Circulation/ Readership (similar nature)
	<p><i>Oriental Sunday</i> – a highly popular weekly entertainment magazine</p>	<p>Ranked TOP 2 with average net circulation of 147,652 per issue</p> <p><i>(Source: Hong Kong Audit Bureau of Circulations Limited Jan-Dec 2011)</i></p>
	<p><i>Weekend Weekly</i> – a long-standing travel and dining weekly leisure guide</p>	<p>Ranked No.1 with average readership of 320,000 per issue</p> <p><i>(Source: Nielsen Media Index Jan-Dec 2011)</i></p>
	<p><i>NM+ New Monday</i> – a powerful multimedia platform for news on the latest fashion and trends</p>	<p>Ranked No.1 with average readership of 191,000 per issue</p> <p><i>(Source: Nielsen Media Index Jan-Dec 2011)</i></p>
	<p><i>Fashion and Beauty</i> – the only weekly beauty guide for office ladies</p>	<p>N/A</p>
	<p><i>Economic Digest</i> – a widely recognised professional weekly financial and investment guide</p>	<p>Ranked No.1 with average of 171,000 readership per issue</p> <p><i>(Source: Nielsen Media Index Jan-Dec 2011)</i></p>
	<p>Digital & Online Business – multimedia platform covering all digital, online and social networks</p>	<p>N/A</p>

Facing fierce competitions in the market, we have always strived to bring better quality products to our readers and to give greater confidence to our advertising clients. Apart from showing our uniqueness and strengths through marketing strategies, we have also demonstrated our brands' excellence and achievements in various fields through the recognition and grant of awards by professional bodies.

Awards

- *NM+* “*New Monday*” iPad Version – Hong Kong ICT Awards 2012: Certificate of Merit in Best Lifestyle (Social, Communications & Media) Award
- *NM+* eMag “Eric. So Creative” – 2012 Questar Awards: Silver Award in “Emerging Media: e-Magazine” Category
- www.gotrip.hk – The 3rd “Top 10 .hk Website Competition” organized by the Hong Kong Internet Registration Corporation Limited – Silver Prize in SME Group
- *Weekend Weekly’s* “*Go Green*” Branding Video – 2012 Questar Awards: Gold Award in “Advertisements/Commercials: Magazine” Category
- *Weekend Weekly’s* “*Go Green*” Branding Video – 2012 Questar Awards: Gold Award in “Corporations: Brand Experience” Category
- *Weekend Weekly’s* “*Go Green*” Branding Video – 2012 Questar Awards: Grand Award in “Best of Brand Experience” Category

Branding and Positioning

As one of the most prestigious beauty guides in the market, *Oriental Sunday’s* supplementary booklet *More* has already gathered a large group of loyal readers as followers over the years. This year, its annual “More Beauty Product Award” celebrated its 10th anniversary, and has again received tremendous support from both readers and clients of beauty product brands.

Both being well known for producing rich travelogue contents and spectacular images, *Weekend Weekly* joined force with National Geographic and acted as media partner for the “NAT GEO AWARDS Photo Competition 2012”, enhancing its image and status as the most popular and professional travel and leisure magazine.

The *NM+* multimedia platform was able to demonstrate its wide-spread and targeted promotion channels through the organisation of marketing events like the Performance Bike Dragon Dance (「單車舞火龍」) Chinese New Year project. The event successfully drew great publicity and created much noise in the community. *NM+* also successfully launched its “*NM+* eMag” and “*NM+* eMag Lite” tablet and smartphone apps in all the iOS, Android and Windows Phone platforms, expanding its reach even further into different user groups and gaining even more popularity and recognition as a pioneer eMag innovator.

Fashion & Beauty also reinforced its popularity and market positioning as a beauty guide targeting style-conscious office ladies through its annual voting campaigns, “OL Beauty Award Competition” and “Perfect Living Lifestyle Award”.

With an unrivaled history of over 30 years in the market, *Economic Digest* still manages to stay strong and competitive. Having stepped into the digital scene through the Tencent Weibo platform, it has expanded its reach overseas, penetrating especially into the mainland China market. Earlier in the Year, *Economic Digest's* newly launched app was also among the exclusive applications offered under the marketing package launched by Samsung for its new Android tablets at the time.

Under the online platform, one of the Group's websites, the dating site "meetu" also gained great publicity after partnering with TVB to launch a marketing campaign to promote their highly controversial dating show (「盛女愛作戰」). Although the audiences of these vertical websites are niche markets, their positioning are straightforward and direct, making it easy for them to pair up with partners and clients holding projects that target the same markets. They still have strong potentials for growth and the Group still believes that the power of netizens should never be underestimated.

During the Year, the emergence of new titles among the dailies and the reduction of price by competitors were among the factors that had shifted the usual advertising expenditure practices in the market in one way or another. In view of this, the Group had ramped up its efforts to enhance client satisfaction and to forge solid relationship with the clients.

Not only have we already expanded our printed platforms earlier in the Year to include new supplementary sections and marketing angles, such as a "GoGreen" section dedicated to eco-friendly topics and products on *Weekend Weekly*; a general investment and money-saving guide "CASH" for *Economic Digest*; and a supplement "KISS" for *Oriental Sunday* with child-caring and schooling tips for young families, we have also been constantly upgrading our system and infrastructure to make way for more foreseeable developments and potentials. We will prove to our clients that we are fully equipped with the innovative edge and the technological know-how to come up with and to execute bigger and more challenging initiatives for multimedia marketing.

Outlook

Having kept abreast of the latest trends and with the experience and capability to understand the ever changing needs of mobile and tablet users, we have been developing exciting new methodologies to build and tap into digital communities to effectively reach the right target audiences. We are confident that in time, the opportunities in this area will translate into greater profits and become another strong foundation for business growth in the long run.

Competition is expected to continue. Leveraging the strong contents of the Group's products, and not being hampered by traditional constraints, we are always ready for more challenges, both in the print medium and in the digital platforms. We believe there are still unlimited possibilities out there waiting to be discovered.

OTHER ANALYSIS

Capital Structure, Liquidity and Financial Resources

Taiwan Depositary Receipts (“TDRs”) listing

On 18 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\$100,858,000) net of issue expenses of HK\$5,022,000 were used for business expansion and to provide additional working capital for the Group. The TDRs were listed on the TSE on 19 July 2011.

The Group financed its operations by shareholders’ equity, bank borrowings and cash generated from operations.

As at 30 June 2012, the Group had HK\$53.5 million bank borrowings (2011: HK\$59.1 million) denominated in Hong Kong dollars with interest rates followed market rates.

As at 30 June 2012, the Group’s gearing ratio was 9.5% (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 30 June 2012, the Group has 683 employees (2011: 642). Total staff costs (including Directors’ remuneration) were approximately HK\$197.3 million (2011: HK\$186.8 million). Employees’ remuneration was determined in accordance with individual’s responsibility, performance and experience. Staff benefits include contributions to retirement benefit scheme, medical insurance and other fringe benefit.

To provide incentives or rewards to the staff and Directors, the Company adopted a share option scheme on 18 January 2008. No option was granted by the Company under such share option scheme since its adoption and up to 30 June 2012.

On 18 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 18 January 2008. No share options were exercised since 18 January 2008 and up to 30 June 2012 and accordingly the outstanding share options as at 30 June 2012 were 7,500,000 share options.

Charge on Assets

As at 30 June 2012, the Group's land and buildings with carrying value of approximately HK\$265.8 million (2011: HK\$267.7 million) were 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 Year. 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 consolidated statement of financial position is considered necessary.

At the end of the reporting period, 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 fully 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 29 January 2008 as follows:

Planned and Actual Usage

	Planned Amount <i>HK\$'million</i>	Up to 26 September 2012 <i>HK\$'million</i>
Enhancement and enrichment of the contents of the magazines	37.28	37.28
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	88.55

FINAL DIVIDEND

The Board recommended the payment of a final dividend of HK0.4 cent (2011: HK0.6 cent) per share (“Final Dividend”) for the Year, amounting to HK\$3,456,000 (2011: HK\$5,184,000). The Final Dividend, if being approved at the forthcoming annual general meeting of the Company (“AGM”), will be paid on 13 December 2012 (Thursday) to shareholders whose names appear on the register of members of the Company on 5 December 2012 (Wednesday).

CLOSURE OF REGISTER OF MEMBERS

For ascertaining shareholders’ right to attend and vote at AGM

Latest time to lodge transfers	4:30 p.m. on 13 November 2012 (Tuesday)
Book close date	14 November 2012 (Wednesday)
Record date	14 November 2012 (Wednesday)
AGM	15 November 2012 (Thursday)

For ascertaining shareholders’ entitlement to the proposed Final Dividend

Latest time to lodge transfers	4:30 p.m. on 3 December 2012 (Monday)
Book close dates	4 to 5 December 2012 (Tuesday – Wednesday)
Record date	5 December 2012 (Wednesday)
Final Dividend payment date	13 December 2012 (Thursday)

In order to qualify for the right to attend and vote at the AGM and for the proposed Final Dividend, all relevant share certificates and properly completed transfer forms must be lodged with the Company’s Share Registrar, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong before the above latest time to lodge transfers.

REVIEW OF FINAL RESULTS

The Group’s final results for the Year have been reviewed by the Audit Committee of the Company, which comprises the three Independent Non-executive Directors of the Company.

CORPORATE GOVERNANCE

Corporate Governance Code

During the Year, the Group has complied with all code provisions of the Code on Corporate Governance Practices (effective until 31 March 2012) and Corporate Governance Code (effective from 1 April 2012) under Appendix 14 of the Listing Rules.

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 all the Directors of the Company, all the Directors confirmed that they have complied with the required standard of dealings as set out in the Model Code throughout the Year.

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 Year.

PUBLICATION OF THE AUDITED FINAL RESULTS AND ANNUAL REPORT

This 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 annual report will be available on both websites and dispatched to the shareholders of the Company in due course.

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

Hong Kong, 26 September 2012

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

Executive Directors:

Ms. Percy Hughes, Shirley
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