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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2008

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 (collectively referred to as the "Group") for the year ended 31 March 2008 together with comparative figures for the corresponding year in 2007 as set out below:

FINANCIAL HIGHLIGHTS

FOR THE YEAR ENDED 31 MARCH

	2008	2007
	HK$'000	*HK$'000*
Turnover		
Circulation income	**140,108**	125,334
Advertising income	**308,468**	263,112
Provision of magazine content	**3,797**	2,108
	452,373	390,554
Gross profit	**148,674**	114,252
Less:		
IPO costs	**(7,770)**	–
Share option costs	**(485)**	–
Profit for the year attributable to the equity holders of the Company	**31,174**	31,168
Earnings per share – Basic	**HK cents 6.63**	HK cents 6.93

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH

	Notes	**2008** *HK$'000*	2007 *HK$'000*
Turnover	5	**452,373**	390,554
Direct operating costs		**(303,699)**	(276,302)
Gross profit		**148,674**	114,252
Other income		**1,529**	2,130
Selling and distribution costs		**(62,893)**	(55,731)
Administrative expenses		**(47,677)**	(35,693)
Interest on obligations under finance leases		**–**	(11)
Profit before taxation	6	**39,633**	24,947
Taxation (charge) credit	7	**(8,459)**	6,221
Profit for the year		**31,174**	31,168
Earnings per share – Basic	8	**HK cents 6.63**	HK cents 6.93

CONSOLIDATED BALANCE SHEET

AT 31 MARCH

	Notes	2008 HK$'000	2007 HK$'000
Non-current assets			
Property, plant and equipment		**14,581**	18,055
Intangible assets		**4,102**	5,070
Goodwill		**695**	695
Deferred taxation assets		**–**	6,022
		19,378	29,842
Current assets			
Inventories		**6,543**	1,049
Trade and other receivables	9	**79,108**	64,161
Taxation recoverable		**–**	242
Bank balances and cash		**117,022**	12,093
		202,673	77,545
Current liabilities			
Trade and other payables	10	**71,490**	64,933
Amount due to former immediate holding company		**–**	16,524
Amount due to former minority shareholder of a subsidiary		**–**	190
Taxation payable		**934**	–
Bank overdrafts		**–**	2
		72,424	81,649
Net current assets (liabilities)		**130,249**	(4,104)
Total assets less current liabilities		**149,627**	25,738
Non-current liabilities			
Deferred taxation liabilities		**810**	–
Net assets		**148,817**	25,738
Capital and reserves			
Share capital		**6,000**	800
Reserves		**142,817**	24,938
Total equity		**148,817**	25,738

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Group reorganisation and basis of presentation of consolidated financial statements

Under a group reorganisation scheme ("Group Reorganisation") to rationalise the structure of the Group in preparation for the public listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company became the holding company of the companies now comprising the Group on 18 January 2008. Details of the Group Reorganisation are set out in the paragraph headed "Statutory and General Information – Corporate Reorganisation" in Appendix V to the prospectus dated 29 January 2008 issued by the Company. The Company's shares were listed on the Main Board of the Stock Exchange on 12 February 2008.

The Group resulting from the Group Reorganisation is regarded as a continuing entity. Accordingly, the consolidated financial statements of the Group have been prepared using the principles of merger accounting as if the group structure under the Group Reorganisation had been in existence throughout the year ended 31 March 2007 and 31 March 2008 or since their respective dates of incorporation, whichever is the shorter period.

2. Application of new and revised Hong Kong Financial Reporting Standards

The Hong Kong Institute of Certified Public Accountants (the "HKICPA") issued a number of new HKFRS, amendment of Hong Kong Accounting Standard ("HKAS") and Interpretations ("INT"s) (hereinafter collectively referred to as "new HKFRSs") which are effective for the Group's financial year beginning on 1 April 2007. The Group has applied the new HKFRSs since the financial year beginning on 1 April 2004. The early adoption of the new HKFRSs had no material effect on how the results and financial position of the Group for the prior accounting periods have been prepared and presented.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of financial statements[1]
HKAS 23 (Revised)	Borrowing costs[1]
HKAS 27 (Revised)	Consolidated and separate financial statements[2]
HKAS 32 & HKAS 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation[1]
HKFRS 2 (Amendment)	Vesting conditions and cancellations[1]
HKFRS 3 (Revised)	Business combinations[2]
HKFRS 8	Operating segments[1]
HK(IFRIC) - INT 12	Service concession arrangements[3]
HK(IFRIC) - INT 13	Customer loyalty programmes[4]
HK(IFRIC) - INT 14	HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction[3]

[1] Effective for annual periods beginning on or after 1 January 2009.
[2] Effective for annual periods beginning on or after 1 July 2009.
[3] Effective for annual periods beginning on or after 1 January 2008.
[4] Effective for annual periods beginning on or after 1 July 2008.

* IFRIC represents the International Financial Reporting Interpretations Committee.

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control which will be accounted for as equity transactions.

The Directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. Significant accounting policies

The consolidated financial statements have been prepared under the historical cost basis and in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the 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.

4. Business and geographical segment

Business segments

The Group's operation is regarded as a single segment, being engaged in the magazine publishing business.

Geographical segments

All of the Group's assets and liabilities are substantially located in Hong Kong and all of the activities of the Group and geographical market for both years are substantially based in Hong Kong. Accordingly, no geographical segment information is presented.

5. Turnover

An analysis of the Group's turnover for the year is as follows:

	2008	2007
	HK$'000	*HK$'000*
Circulation income	**140,108**	125,334
Advertising income	**308,468**	263,112
Provision of magazine content	**3,797**	2,108
	452,373	390,554

6. Profit before taxation

	2008	2007
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging (crediting):		
Directors' emoluments		
– fees	**177**	–
– retirement benefits scheme contributions	**24**	24
– other emoluments	**8,164**	5,255
	8,365	5,279
Other staff's retirement benefits scheme contributions	**4,484**	4,361
Other staff costs	**135,612**	124,667
	148,461	134,307
Allowance for bad and doubtful debts	**590**	502
Amortisation of intangible assets (included in direct operating costs)	**968**	968
Auditor's remuneration	**1,226**	680
Depreciation		
– owned by the Group	**6,638**	5,963
– held under finance leases	**–**	112
Expenses incurred in connection with listing exercise of the Group (included in administrative expenses)	**7,770**	–
Loss on disposal of property, plant and equipment	**629**	1,458
Operating lease rentals for rented premises	**2,881**	5,947
Interest income	**(542)**	(303)
Waive of amount due to former minority shareholder of a subsidiary	**(190)**	–

7. Taxation charge (credit)

	2008	2007
	HK$'000	*HK$'000*
Current tax		
Hong Kong Profits Tax	**1,627**	156
Deferred taxation charge (credit)	**6,832**	(6,377)
	8,459	(6,221)

Hong Kong Profits Tax is calculated at 17.5% of the estimated assessable profit for the year.

8. Earnings per share

The calculation of basic earnings per share is based on the profit for the year of HK$31,174,000 (2007: HK$31,168,000) and the weighted average of 470,491,803 shares (2007: 450,000,000 shares) that would have been in issue throughout the year.

The 450,000,000 shares that were issued prior to the listing of the Company's shares on the Stock Exchange on 12 February 2008 and pursuant to the Group Reorganisation are treated as if they had been in issue throughout both years.

No diluted earnings per share has been presented in respect of 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 31 March 2008.

There were no potential dilutive ordinary shares outstanding during the year ended 31 March 2007.

9. Trade and other receivables

	2008	2007
	HK$'000	*HK$'000*
Trade receivables from		
– third parties	**72,942**	58,460
– related companies	**697**	288
	73,639	58,748
Prepayment and deposits	**5,469**	5,413
	79,108	64,161

The related companies are companies owned by The Albert Yeung Discretionary Trust (the "Trust") (of which Dr. Yeung Sau Shing, Albert is the founder), a controlling 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 at the reporting date:

	2008	2007
	HK$'000	*HK$'000*
Age		
0 – 30 days	**65,320**	49,298
31 – 90 days	**7,060**	7,083
91 – 180 days	**1,196**	1,912
Over 181 days	**63**	455
	73,639	58,748

10. Trade and other payables

	2008	2007
	HK$'000	*HK$'000*
Trade payables to		
– third parties	**44,942**	44,991
– related companies	**1,887**	18
– fellow subsidiaries	**–**	1,010
	46,829	46,019
Accrued charges	**24,661**	18,914
	71,490	64,933

The related companies are companies owned by the Trust, a controlling 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 at the reporting date:

	2008	2007
	HK$'000	*HK$'000*
Age		
0 – 90 days	**45,661**	44,040
91 – 180 days	**1,002**	1,823
Over 181 days	**166**	156
	46,829	46,019

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The year under review – "07/08" – has been a most fruitful year for our Group. It was a year of transformation and achievements, a year of *metamorphosis*, when it fluttered bravely out of the cocoon to begin a life on new wings. It was during the year that the Group successfully commenced trading on the Main Board of the Stock Exchange of Hong Kong under the Stock Code "0708", and was well received with enthusiastic responses when it debuted trading in February 2008.

The Group – one of the leading magazine groups in Hong Kong – currently publishes five weeklies in Hong Kong, 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). Riding on the robust economic growth in Hong Kong, the Group's turnover for the year soared to a record high of HK$452.4 million, with an overall increase of HK$61.8 million, representing a 15.8% year-on-year growth (2007: HK$390.6 million).

All sources of income – advertising, circulation and content sales – had experienced historical highs for the year. Gross profit rose 30.1% to HK$148.7 million (2007: HK$114.3 million). Profit before taxation jumped 59.0% to HK$39.6 million (2007: HK$24.9 million).

The Group's main sources of revenue are from advertising sales and circulation. Thanks to the enriched content and extensive readers' reach, the weeklies of the Group had enjoyed high popularity at the newsstands as well as among advertisers. The Group's advertising revenue reached HK$308.5 million, with an increase of 17.3% compared to HK$263.1 million in the previous year. Income from circulation also rose 11.8% from HK$125.3 million in 2007 to HK$140.1 million for the year. The magazines did not only enjoy its high popularity in Hong Kong but also Chinese communities elsewhere. Revenue from provision of magazine content – mainly to PRC publishers – was up by 81.0% to HK$3.8 million (2007: HK$2.1 million). The magazine content, which is well recognised by its high-quality production and newsworthiness, is available across the border to mainland readers.

Readership

The weeklies market in Hong Kong remained highly competitive during the year. According to the Synovate Limited's Hong Kong Media Atlas reports, the number of weekly magazine readers – approximately 5.1 million total population aged between 15 and 64 – dropped slightly from approximately 2.4 million in the year 2006Q2-2007Q1 to approximately 2.3 million in 2007Q2-2008Q1.

With loyal readers from a wide range of age groups and professional backgrounds, the Group's five magazines continued to enjoy high level of popularity and even demonstrated strong growth momentum. All of our magazines managed to reach new heights in readership during the year.

The clearly-defined and focused positioning of each magazine enabled the weeklies to be leaders in their distinctive categories, attracting both readers and advertisers and taking advertising and circulation income to new heights.

Review of Operations

Oriental Sunday

Already well established as one of the leading titles among local weeklies, *Oriental Sunday* covers a wide range of topics, from the latest entertainment and celebrity news to fashion and lifestyle, as well as shopping, dining and health tips.

According to the Synovate's Media Atlas 2007Q2-2008Q1 report, *Oriental Sunday* continued to stand strongly as one of the most popular entertainment and lifestyle magazines among well educated working females, especially aged between 20 and 44, with an average readership of 420,122, representing a 25.1% growth compared to 335,804 in the previous year. The audit report of The Hong Kong Audit Bureau of Circulations Limited also showed that the average circulation of *Oriental Sunday* had increased to 177,439 copies during the period between 1 July and 31 December 2007 from 156,229 during the previous corresponding period.

Catering to the needs of its Office Ladies ("OL") readers, the magazine's supplement "*MORE*" is an all-round fashion and beauty guide on the latest trends and cosmetic products. Its own "MORE Club" also continued to offer exclusive product samples and gifts, as well as special discount packages to its club members. The "MORE Beauty Awards" (MORE美容大賞) voting competition, held in February 2008 for the sixth consecutive year, was received with enormous support from its readers. Celebrities and top models had also attended the ceremony to share their beauty tips.

During the year, *Oriental Sunday* had also introduced a supplement called "*GoShopping*" in March 2007, and had further enhanced it with "*GoHome*", which includes family-oriented topics and tailored to attract new potential readers who are young parents eager for information relating to childcare, health tips, parenting and schooling. These measures had successfully strengthened the magazine's contents and helped to further widen its readership and advertiser ranges.

Weekend Weekly

According to the Synovate's Media Atlas report, *Weekend Weekly* saw its readership rose to 281,404 in the survey during the year (2007: 238,638), which was twice as many as that of its nearest rival in the same category. *Weekend Weekly* has managed to reinforce its position as the first and most well received travel and dining guide of its kind in the market, by strengthening its content and constantly creating new synergies with the local travel and dining industries. Its comprehensive guides and maps covering trendy hangout places from all corners of the world is more than useful to readers who are frequent and experienced travellers, as well as food lovers and connoisseurs.

Making the best use of an online platform, the magazine's website *www.weekendhk.com* has been developed into different formats with various functions to encourage greater interactions with its readers, which ranges from middle-class executives to younger college and university students. In addition to having basic features like forums, destination guides and excerpts from the magazine, a travel blog section (新假期旅遊投稿) was also developed in April 2007, allowing readers to create their own travel blog and to share their travel experience and photo albums with the others. And as an extension for its supplement "*Weekend Weekly – Ichiban*" (飲食一番), the website had launched in late 2007 a powerful search engine for restaurants and dining locations, covering places in Hong Kong, Macau as well as the Pearl River Delta areas. More user-friendly features were added to the platform during the year, allowing users to post food critics, recipes and make dinner appointments with friends. The dining website was made available to mobile users in February 2008 (手機搵食頻道), offering the information not only to magazine readers and Internet users but also mobile subscribers.

Apart from the series of travel book sets which are all-time favourites among its readers, the magazine has also created an electronic travel guide in 2007 on game console PlayStation Portable ("PSP"). The "Travel Robot 1.0" series is Asia's first Chinese language PSP electronic travel guide, featuring short video clips, local shopping and dining guides, and travel-related functions such as audio language translation and foreign currency conversion.

Meanwhile, *Weekend Weekly* had co-organised annual events with local universities to enhance its relationship with younger readers, such as the joint-university backpackers' contest. The events had attracted contestants from local universities and received overwhelming responses and created talking points among the institutions.

New Monday

New Monday is considered as one of the most popular guides in Hong Kong featuring latest news on pop idols, fashion and trends. It targets brand-conscious youths of both genders with high spending power of 15 to 29 in age.

The magazine has maintained a group of loyal fans of its own. It had an average readership at approximately 264,000 during the year, being the highest among its own category of local youth magazines. Teens and youngsters find the weekly magazine attractive with its photo albums on popular icons, special-collection items such as stickers, idol cards as well as freebies of latest trends. *New Monday* also has a regular supplement called "*Honey*" which provides fashion news, health and beauty tips and serves as a shopping guide for the younger generation.

Responding to market demands, *New Monday* had launched a newly-branded supplement called "*Top*" in September 2007, which mainly features Taiwanese pop idols. The supplement, inserted into the main book on a bi-weekly basis, is particularly popular among teenage fans who are always craving for merchandising items and latest news of their idols.

To fit in the e-generation, *New Monday* has an online interactive platform offering – besides highlights from the latest issue of the magazine – online bidding, shopping information searching, forums and blogging services to appeal to its own community of younger readers. The site, launched in May 2007, is inter-linked with *Blowater.com*, a Group's platform for young readers to express and exchange thoughts.

New Monday had hosted regular marketing events and fans clubs activities during the year. To reinforce its branding as an icon for new trends, the magazine had created a new annual event during the year called "Trend-setters of the Year" ("潮Must"), for readers to vote for the top products, events or people whom they think have created sensational new trends during the year.

Fashion and Beauty

Fashion and Beauty has a distinctive positioning as a fashion and beauty guide for style-conscious and trend-loving young female readers. The magazine had continued to shimmer as a popular reading among office ladies aged between 20 and 35 with a passion for quality life. Its readership had remained steady and strong with readership of 105,043 (2007: 100,784) during the year, according to Synovate's Media Atlas.

The magazine provides practical knowledge of functional fashion and beauty tips, covering topics like skin care and health treatments, horoscopes and dating tips. It frequently gives away free samples and booklets for readers who are eager to explore and try out new products.

The magazine also holds a number of annual events under its name to strengthen its market position. The first "*Fashion & Beauty* Outstanding Role Models of the Year"(Fashion & Beauty卓越大奬) was held in December 2007, while "The Perfect OL Beauty Contest" (完美OL選美大賽) and the "OL Elected: Perfect Brand Awards" (完美品牌大賞) both entered their second year in June 2007 and September 2007 respectively. All these events were held with great success and welcomed by advertisers and readers.

Economic Digest

With a history of 27 years, *Economic Digest* is seen as a professional and authoritative finance and investment guide with a loyal pool of readers and manages to attract new fans. Published every Saturday, the magazine strives to provide the most current market information and analysis to affluent and young well-educated investors and entrepreneurs. Despite intensive competition and new entrants to the market, *Economic Digest* saw a dramatic increment of 58.3% in its readership as compared with last year, from 112,314 to 177,816, according to the Synovate's Media Atlas reports. The magazine comes with a main book of comprehensive stock reports and in-depth analysis by experts, a regular supplement and a monthly insert focusing on warrants' trading. The magazine also publishes additional booklets on dedicated topics on a non-regular basis.

To maintain a close relationship and encourage more interaction with its readers, *Economic Digest* regularly organises and lines up seminars and forums for the public. During the year under review, the magazine had organised over 20 seminars with topics ranging from banking and finance to business trading and property investment, as well as stock market outlook and warrant trading strategies, with prominent investment professionals and finance experts attending the events to share their insights and views. The magazine had arranged a series of six dinner gatherings (經一飯局) in January to February 2008, treating selected readers a dinner face-to-face with guest analysts to share their views on market trends and investment tactics. Besides, *Economic Digest* had organised awards of "Best SME Partners" (中小企最佳營商夥伴) and "Outstanding Enterprises" (傑出企業) to recognise the efforts and performance of top market players.

Books Publishing

The Group's publishing section aims at maximising the usage of its contents under minimal resources. The Group publishes books on specific topics or titles based on market demands. During the year, a total of 64 new titles were published and sold in Hong Kong through various retail points. The readers' appetite had switched from fictions towards leisurely titles and inspirational topics during the year. Topics on finance and investment were also in greater demand, based on the sales of the titles.

Content Business

The Group's content licensing business has been further developed due to the vibrant publishing market in the PRC, especially in the South China regions, where the general public shares similar interests and lifestyle with the people of Hong Kong. The Group also provides consultation services to counterparts in the PRC, offering professional advice and technical know-how on magazine publishing.

Outlook

The Group remains positive and confident for the coming years, with defined measures to tackle marketing competition and rising overhead costs. The Group had increased the retail price of three of its titles, namely *Oriental Sunday, New Monday* and *Weekend Weekly*, during the year in response to the continual increase in paper costs. Having taken these precautious steps to balance costs and expenses without sacrificing quality, the Group will continue to aim at enriching the magazines' content and up-keeping their printing quality to maintain its competitive edge in the market. With strengthened branding and market positioning through greater promotion and advertising efforts, the Group is confident to achieve its circulation and advertising targets with a steady readership in all of its magazines.

On-line Portals

The Group will further expand its online portals and make better use of the cross-media platform, to further capitalise on the magazines' content and their leading market positions. Such move will broaden the Group's scope of business and diversify its existing distribution channels by creating new synergies and opportunities in the virtual community.

Since May 2008, the Group has full control of the operations and management of its own websites. A newly formed team of staff will be designated to enhance the existing online features of *Weekend Weekly, New Monday* and *Oriental Sunday*. The official website of *Economic Digest* has recently been launched in April 2008, and *Fashion & Beauty's* website will also be launched within the year as previously planned. The Group's sales teams are trained to integrate their sales experience and skills into a different and expanded dimension, creating greater flexibilities for existing advertising clients, while exploring new possibilities for potential ones.

The digital edition of the Group's magazines will also be available soon with the relaunch of the website *eMag.com.hk* during the third quarter of this year. Readers outside Hong Kong and Macau can access to the latest issue of the Group's magazines through online subscription. This will allow the Group to reach out to overseas readers without cannibalising its local circulation and distribution activities.

Content Business

The Group has begun to set up an operation office in the PRC to support its ground work in the mainland and to prepare for future business development. It will function as a sales office for the Group to liaise and source advertising and content licensing opportunities in the region. Employing mainland programmers and IT professionals, the PRC office will also serve as a base for the Group's plan to upgrade the existing publishing system. The Group believes a new editorial management system will smooth out the editorial and publishing operations while running the publication business at greater speed and flexibility on lower costs. The system will also enable the Group to develop its content licensing business, making the magazines' content more convenient for archive and ready-for-sale.

LIQUIDITY AND FINANCIAL RESOURCES

The Group financed its operations by shareholders' equity and cash generated from operations.

As at 31 March 2008, the Group had no bank and other borrowing (2007: Nil).

As at 31 March 2008, the Group's gearing ratio was Nil (2007: Nil) (calculated based on the basis of total bank and other borrowings over total assets).

The Group had limited exposure to fluctuation in exchange rates.

EMPLOYEE AND REMUNERATION POLICY

As at 31 March 2008, the Group has 501 employees (2007: 485). Total staff costs (including directors' remuneration) were approximately HK$148.5 million (2007: HK$134.3 million). Employee remuneration was determined in accordance with individual's responsibility, performance and experience. Staff benefits include contributions to retirement benefit scheme, medical allowances and other fringe benefits.

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 31 March 2008.

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 31 March 2008 and accordingly the outstanding share options as at 31 March 2008 were 7,500,000 share options.

CHARGE ON ASSETS

None of the Group's assets were pledged as at 31 March 2007 and 31 March 2008.

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 balance sheet is considered necessary.

DIVIDEND

During the year ended 31 March 2008, Wide Connection Limited and World Sources (HK) Limited, the subsidiaries of the Company, paid special interim dividends for the year ended 31 March 2008 of HK$2 million and HK$3 million, respectively to their then shareholders prior to the Group Reorganisation which took place in January 2008.

The Board recommended the payment of a final dividend of HK$0.016 per share ("Final Dividend") for the year ended 31 March 2008, amounting to HK$9.6 million. The Final Dividend, if approved at the forthcoming Annual General Meeting, will be paid on 26 September 2008 to the shareholders whose names appear on Register of Members of the Company on 28 August 2008.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed, for the purpose of determining shareholders' entitlement to the Final Dividend, from 26 August 2008 (Tuesday) to 28 August 2008 (Thursday) (both days inclusive), during which period no share transfer will be effected.

In order to qualify for the Final Dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 25 August 2008 (Monday).

CAPITAL STURCTURE

(a) The Company was incorporated in Hong Kong on 8 October 2007 with an authorised share capital of HK$10,000 divided into 1,000,000 ordinary shares of HK$0.01 each. One ordinary share of HK$0.01 was allotted and issued at nil-paid to the subscriber on 10 October 2007.

(b) On 18 January 2008, the authorised share capital of the Company was increased from HK$10,000 to HK$100,000,000 by the creation of an additional 9,999,000,000 ordinary shares of HK$0.01 each.

(c) On 18 January 2008, as part of the Group Reorganisation, the Company (i) issued to Velba Limited an aggregate of 9,999,999 new ordinary shares of HK$0.01 each credited as fully paid at par, and (ii) credited as fully paid at par for the then existing one share issued at nil-paid on 10 October 2007 held by Velba Limited as set out in (a) above, in consideration of and in exchange for the acquisition of the entire issued share capital of Merslake Limited held by Top Queen Investments Limited.

(d) On 11 February 2008, 440,000,000 new ordinary shares of HK$0.01 each were allotted and issued as fully paid at par to the sole shareholder of the Company on the register of members of the Company at the close of business on 18 January 2008, by way of capitalisation of the sum of HK$4,400,000 standing to the credit of the share premium account of the Company, conditional on the share premium account being credited as a result of the new issue and placing of shares as set out in (e) below. For the purpose of preparing the financial statements, these shares were deemed to have been in issue throughout the year ended 31 March 2008.

(e) On 11 February 2008, 150,000,000 new ordinary shares of HK$0.01 each were issued by way of placing to professional, institutional and private investors and public offer to the public at a price of HK$0.68 per share. On 12 February 2008, the Company's shares were listed on the Main Board of the Stock Exchange.

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 partially 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 usage	**Planned amount** *HK$' million*	**For the year ended 31 March 2008** *HK$' million*	**For the quarter ended 30 June 2008** *HK$' million*
Enhancement and enrichment of the contents of the magazines	37.28	0.67	1.50
Promotion and marketing of magazines to readers and advertisers	20.98	1.15	0.97
Strengthening the contents of the Group's existing website	8.74	0.10	0.90
Upgrading of the Group's existing machineries and equipment thereby improving the efficiency of publication workflow	14.15	0.55	3.31
General working capital	7.40	4.22	–
	88.55	6.69	6.68

REVIEW OF ANNUAL RESULTS

The Company's annual results for the year ended 31 March 2008 have been reviewed by the Audit Committee of the Company.

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.

CORPORATE GOVERNANCE

Code on Corporate Governance Practices

The Company's shares were listed on the Main Board of the Stock Exchange on 12 February 2008. The Company has adopted with all the code provisions of the Code on Corporate Governance Practices ("the Corporate Governance Code") as set out in Appendix 14 of the Listing Rules. The Company will endeavour to comply with the Corporate Governance Code for the coming years. The Board will also review and monitor the practices of the Company from time to time with an aim to maintaining and improving a high standard of corporate governance practices.

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. 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.

PUBLICATION OF THE AUDITED ANNUAL RESULTS AND ANNUAL REPORT

The annual results announcement is published on the website of the Stock Exchange (http://www.hkex.com.hk) and the Company's website (http://www.nmg.com.hk). The annual report will be dispatched to the shareholders of the Company and will be available on websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 22 July 2008

As at the date of this announcement, Ms. Percy Hughes, Shirley, Mr. Lee Che Keung, Danny, Mr. Wong Chi Fai and Ms. Fan Man Seung, Vanessa are the executive directors; Ms. Hui Wai Man, Shirley, Mr. Tse Hin Lin, Arnold and Ms. Kwan Shin Luen, Susanna are independent non-executive directors.