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)

SECOND INTERIM RESULTS ANNOUNCEMENT FOR THE TWELVE MONTHS PERIOD ENDED 31ST MARCH, 2009

The board of directors (the "Board" or the "Directors") of New Media Group Holdings Limited (the "Company") announces the unaudited condensed consolidated second interim results of the Company and its subsidiaries (collectively referred to as the "Group") for the twelve months ended 31st March, 2009 together with comparative figures for the corresponding period in 2008. This second interim results announcement is prepared due to the change of financial year end date from 31st March to 30th June, details of which were set out in the announcement of the Company dated 23rd February, 2009.

FINANCIAL HIGHLIGHTS

FOR THE TWELVE MONTHS PERIOD ENDED 31ST MARCH

	2009 (unaudited) *HK$'000*	2008 (audited) *HK$'000*
Turnover		
Circulation income	**133,110**	140,108
Advertising income	**314,203**	308,468
Provision of magazine content	**4,134**	3,797
	451,447	452,373
Gross profit	**152,725**	148,674
Less:		
Share option costs	**2,079**	485
Impairment loss of intangible assets	**3,491**	–
Profit for the period attributable to the equity holders of the company	**30,892**	31,174
Earnings per share – Basic	**HK cents 5.15**	HK cents 6.63

CONDENSED CONSOLIDATED INCOME STATEMENT

		Twelve months period ended 31st March,	
		2009	2008
		(unaudited)	(audited)
	NOTES	***HK$'000***	*HK$'000*
Turnover	*4*	**451,447**	452,373
Direct operating costs		**(298,722)**	(303,699)
Gross profit		**152,725**	148,674
Other income		**2,862**	1,529
Selling and distribution costs		**(68,985)**	(62,893)
Administrative expenses		**(47,651)**	(47,677)
Profit before taxation	*5*	**38,951**	39,633
Taxation	*6*	**(8,059)**	(8,459)
Profit for the period		**30,892**	31,174
Earnings per share – Basic	*7*	**HK cents 5.15**	HK cents 6.63
Earnings per share – Diluted	*7*	**N/A**	N/A

CONDENSED CONSOLIDATED BALANCE SHEET

		As at 31st March,	
		2009	2008
		(unaudited)	(audited)
	NOTES	***HK$'000***	*HK$'000*
Non-current assets			
Property, plant and equipment		**16,010**	14,581
Intangible assets		**–**	4,102
Goodwill		**695**	695
Available-for-sale investment – unlisted		**1,500**	–
		18,205	19,378
Current assets			
Inventories		**5,374**	6,543
Trade and other receivables	*8*	**68,015**	79,108
Bank balances and cash		**140,935**	117,022
		214,324	202,673
Current liabilities			
Trade and other payables	*9*	**56,908**	71,490
Taxation payable		**2,730**	934
		59,638	72,424
Net current assets		**154,686**	130,249
Total assets less current liabilities		**172,891**	149,627
Non-current liabilities			
Deferred taxation liabilities		**703**	810
Net assets		**172,188**	148,817
Capital and reserves			
Share capital		**6,000**	6,000
Reserves		**166,188**	142,817
Total equity		**172,188**	148,817

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The Company was incorporated in Hong Kong as a limited liability company on 8th October, 2007 under the Hong Kong Companies Ordinance (Cap. 32) and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with effect from 12th February, 2008.

Under a group reorganisation scheme (the "Group Reorganisation") to rationalise the structure of the Group in preparation for the public listing of the Company's shares on the Stock Exchange, the Company became the holding company of the companies now comprising the Group on 18th 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 29th January, 2008 issued by the Company.

Accordingly, the combined financial statements of the Group for the twelve months ended 31st March, 2008 have been prepared using the principles of merger accounting in accordance with Accounting Guideline 5 "Merger Accounting for Common Control Combinations" as if the group structure under the Group Reorganisation had been in existence throughout such period ended 31st March, 2008.

The unaudited condensed consolidated interim financial statements are prepared in accordance with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" and other relevant HKASs and Interpretations and the Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and Appendix 16 of the Rules Governing the Listing of Securities ("Listing Rules") on the Stock Exchange.

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies used in the condensed financial statements are consistent with those followed in the preparation of the Group's financial statements for the period ended 31st March, 2008 apart from the adoption of certain new Hong Kong Financial Reporting Standards, amendments and interpretations (collectively the "New HKFRSs"), issued by the HKICPA that are effective for accounting periods beginning on or after 1st April, 2008.

The adoption of the New HKFRSs had no material effect on how the results for the current or prior periods have been prepared and presented.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

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]
HKAS 39 (Amendment)	Eligible Hedged Items[2]
HKFRSs Amendments	Improvements to HKFRS[1]
HKFRS 1 & HKAS 27 (Amendments)	Cost of an investment in a Subsidiary, Jointly Controlled Entity of associates[1]
HKFRS 2 (Amendment)	Vesting conditions and cancellations[1]
HKFRS 3 (Revised)	Business combinations[2]
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments[1]
HKFRS 8	Operating segments[1]
HK(IFRIC)-INT 13	Customer loyalty programmes[3]
HK(IFRIC)-Int 9 & HKAS 39 (Amendment)	Embedded Derivatives[4]
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate[1]
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners[2]
HK(IFRIC)-Int 18	Transfer of Assets from Customers[5]

1 *Effective for annual periods beginning on or after 1st January, 2009.*
2 *Effective for annual periods beginning on or after 1st July, 2009.*
3 *Effective for annual periods beginning on or after 1st July, 2008.*
4 *Effective for annual periods beginning on or after 1st June, 2009.*
5 *Effective for transfer on or after 1st July, 2009.*

* *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 1st 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 and the Company.

3. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segment

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

Geographical segment

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 periods are substantially based in Hong Kong. Accordingly, no geographical segment information is presented.

4. TURNOVER

Turnover represents the net amounts received and receivable from circulation income, advertising income and provision of magazine content during the period. An analysis of the Group's turnover for the period is as follow:

	Twelve months period ended 31st March,	
	2009	2008
	(unaudited)	(audited)
	HK$'000	*HK$'000*
Circulation income	**133,110**	140,108
Advertising income	**314,203**	308,468
Provision of magazine content	**4,134**	3,797
	451,447	452,373

5. PROFIT BEFORE TAXATION

	Twelve months period ended 31st March,	
	2009	2008
	(unaudited)	(audited)
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging:		
Amortisation of intangible assets*	**611**	968
Impairment loss of intangible assets*	**3,491**	–
Depreciation	**7,256**	6,638
Loss on disposal of property, plant and equipment	**4**	629
and after crediting:		
Interest income	**1,479**	542

* *Included in direct operating costs*

6. TAXATION

	Twelve months period ended 31st March,	
	2009	2008
	(unaudited)	(audited)
	HK$'000	*HK$'000*
The charge comprises:		
Current tax		
Hong Kong Profits Tax	**8,166**	1,627
Deferred taxation (credit)/charge	**(107)**	6,832
	8,059	8,459

Hong Kong Profits Tax is calculated at 16.5% (2008: 17.5%) of the estimated assessable profits for the period.

7. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the period of HK$30,892,000 (2008: HK$31,174,000) and the weighted average of 600,000,000 shares (2008: 470,491,803 shares) that would have been in issue throughout the period.

The 450,000,000 shares that were issued prior to the listing of the Company's shares on the Stock Exchange on 12th February, 2008 and pursuant to the Group Reorganisation are treated as if they had been in issue on 1st April, 2007.

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 of the Company's shares for the both periods ended 31st March, 2008 and 2009.

8. TRADE AND OTHER RECEIVABLES

	As at 31st March,	
	2009	2008
	(unaudited)	(audited)
	HK$'000	*HK$'000*
Trade receivables from		
– third parties	**62,868**	72,942
– related companies	**279**	697
	63,147	73,639
Prepayment and deposits	**4,868**	5,469
	68,015	79,108

The related companies are companies ultimately owned by a controlling shareholder of the Company.

8. TRADE AND OTHER RECEIVABLES *(Continued)*

The Group normally grants credit terms of 30 days to 120 days to its customers with reference to the 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 limited 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:

	As at 31st March,	
	2009	2008
	(unaudited)	(audited)
	HK$'000	*HK$'000*
Age		
0 – 30 days	**55,967**	65,320
31 – 90 days	**5,146**	7,060
91 – 180 days	**1,897**	1,196
Over 180 days	**137**	63
	63,147	73,639

9. TRADE AND OTHER PAYABLES

	As at 31st March,	
	2009	2008
	(unaudited)	(audited)
	HK$'000	*HK$'000*
Trade payables to		
– third parties	**29,870**	44,942
– related companies	**1,016**	1,887
	30,886	46,829
Accrued charges	**26,022**	24,661
	56,908	71,490

The related companies are companies ultimately owned by 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:

	As at 31st March,	
	2009	2008
	(unaudited)	(audited)
	HK$'000	*HK$'000*
Age		
0 – 90 days	**30,521**	45,661
91 – 180 days	**342**	1,002
Over 180 days	**23**	166
	30,886	46,829

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The Group is one of Hong Kong's leading magazine groups. It owns and publishes five weekly magazines 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)*, each with distinguished and well-established status in their respective markets, possessing community of loyal readers from various market sectors and age groups.

The Group was listed on the Main Board of the Stock Exchange on 12th February, 2008, marking a milestone for the Group and further enhancing its leadership and position in the local publishing market.

Since the second half of 2008, the Group, foreseeing the downturn of the global economy, had implemented measures to ease the negative impacts through streamlining strategies. The Group will continue to streamline its resources such as combining forces of different operational units to provide the best of services to meet clients' needs. In view of the uncertain economic conditions ahead, the Group, while staying focused and maintaining its leadership, will also seed the future cautiously in land of new opportunities, enabling itself to strive, grow stronger and sturdier in the open fields.

Financial Review

The Group was able to maintain a leading position in the sales-driven magazine sector and deliver a promising profit for the 12 months ended 31st March, 2009 (the "Period"). During the Period, the Group achieved a turnover of HK$451.5 million, compared to HK$452.4 million last year. Gross profit improved by 2.7% to HK$152.7 million (2008: HK$148.7 million). Profit for the Period, after impairment loss of some intangible assets of HK$3.5 million (2008: Nil) amounted to HK$30.9 million (2008: HK$31.2 million).

The Group's main sources of revenue are from advertising sales and circulation. The Group reported a stable advertising revenue of HK$314.2 million, slightly increased from HK$308.5 million in the previous year. Income from circulation of magazines as well as pocket books reached HK$133.1 million (2008: HK$140.1 million).

Review of Operations

Oriental Sunday

As one of the leading titles among local weeklies, *Oriental Sunday* covers a wide range of topics, from the latest entertainment news and celebrity gossips to fashion and lifestyle, as well as shopping, dining and health tips. With its rich and diversified editorial content, the magazine has secured a loyal readership base and a strong advertising network over the years.

Although the overall consumer industry had been affected significantly by the global financial crisis and the second half year of the Period had been a tough period for the publication market, the magazine was able to retain its strong position among entertainment magazines. *Oriental Sunday* became the best-selling entertainment magazine in Hong Kong with the highest circulation of its kind in the second half year of 2008. According to The Hong Kong Audit Bureau of Circulations Limited, between the period 1st July and 31st December, 2008, the average net circulation per issue of *Oriental Sunday* was 174,187. Meanwhile, Oriental Sunday's average readership had increased to 426,278 per issue in 2008 Q1-Q4 from 403,613 in 2007 Q1-Q4 (Synovate's Media Atlas report). The high circulation and readership of the magazine proved its popularity among readers and advertisers, thus boosting the advertising, circulation as well as content provision revenue of the Group.

Weekend Weekly

Weekend Weekly maintained a steady readership in 2008 Q1-Q4, with an average readership of 247,373 per issue, according to Synovate's Media Atlas report. Riding on its well-established branding in the market, *Weekend Weekly* continues to serve quality readers as an indispensable travel and dining guide on print, while expanding its services rapidly to the online and mobile platforms to capture sales and marketing opportunities.

Targeting young active internet users who are attracted to social networking communities and multi-functional interactive sites, *Weekend Weekly*'s website had undergone significant restructuring and upgrading to provide tailor-made features to cater specifically to the unique lifestyle of the new generation in Hong Kong. These include trendy Web 2.0 elements, blogging, mapping, as well as information and photo-sharing features that leverage on the magazine's expertise in the travel and dining areas.

The magazine also continued to explore and develop new business opportunities in the world of mobile applications, working closely with the technical support teams and responded quickly to market needs. During the Period, *Weekend Weekly* launched a data searching application for iPhone users to access to its 16,000 dining database on their mobile phones, locate the restaurants with GPS function and instantly upload their photos and comments onto the website.

Weekend Weekly jointly launched with *New Monday* a highly publicised cross-media campaign "*Doodmeco*" in September 2008. The service allowed readers to use their handsets to interact with the barcodes printed in the magazines to get enhanced audio and visual content through the mobile network.

"*Doodmeco*" had won a Bronze Award in the prestigious "Hong Kong ICT Award 2008" (香港資訊及通訊科技獎) under the "Best Ubiquitous Networking (Mobile Infotainment Application) Award" (最佳無間斷網絡(流動資訊娛樂)獎) category. Its PSP Travel Robot series was also rewarded a "Certificate of Special Mention" (特別嘉許證書) under the "Best Digital Entertainment Award" (最佳數碼娛樂獎) category in the competition, as a tribute to the magazine's efforts to make the best use of the latest technologies to bring to its readers an innovative, useful and enjoyable experience with trendy devices and gadgets.

New Monday

New Monday is among the most popular youth magazines in Hong Kong, with an average readership of 255,581 per issue during the period between 2008 Q1-Q4 as disclosed in the Synovate's Media Atlas report.

The magazine targets the brand-conscious youths of both genders aged 15 to 29 with high spending power. To best fit their rapid-changing lifestyle and tastes, the magazine had successfully blended into their channels of communication and provide them with infotainment updates on popular culture. Serving as a trendsetter for the readers, *New Monday* has fine-tuned its positioning from heavily-focused on pop idols and fashion to tipping balance more in favour of youth entertainment news and trends. Since March 2009, the magazine has focused more on hot entertainment and trendy lifestyle topics such as entertainment news and gossips, popular culture, fashion, movies, games, as well as the latest gadgets and accessories.

During the past six months, the magazine has also put great efforts in further enhancing its presence and brand-name in the online community. The *New Monday* website, which has been revamped to 2.0 version, contains daily updated news on entertainment stars, voting corners and discussion groups. A new website called "*BEE*" was launched in late November 2008, dedicated to young male users with trendy fashion news and discussion of the talking points in town. Backed by effective marketing and networking activities, the popularity of "*BEE*" has been climbing with an accumulative page view of over 500,000 per month.

Fashion and Beauty

Fashion and Beauty has a distinctive positioning as a fashion and beauty guide, serving the market of style-conscious and trend-loving young female readers, especially office ladies aged between 20 and 35 with a passion for quality life. Its readership has continued to be steady and strong, with an average of 105,071 per issue during 2008 Q1-Q4, according to Synovate's Media Atlas report.

The magazine launched its website in January 2009. It features blogs and forums by beauty experts, fashion designers as well as hair and make-up artists, creating an interactive OL community for sharing tips on fashion style and makeup trends.

Economic Digest

Economic Digest is a professional and authoritative finance and investment guide with over 20 years in Hong Kong, and is highly sought after by loyal readers looking for the most up-to-date market outlooks and tips from prominent investment and finance experts. According to the Synovate's Media Atlas report for the period between 2008 Q1-Q4, *Economic Digest* recorded an average readership of 147,714 per issue. It is focused and detailed in providing the most current market information and analysis to affluent, young well-educated investors and entrepreneurs.

The magazine has recently launched an electronic direct marketing campaign as part of the Group's business diversification strategy to provide up-to-date financial data and summary analysis in the format of online mailing. It aims at broadening the magazine's readership base and creating additional value for its content.

Books Publishing

The Group publishes books on hot topics and titles based on market demands, such as travel and dining guide series and self-help books. During the Period, a total of 48 new titles were published and sold in Hong Kong through various retail points.

Outlook

While the Group's magazines are all growing healthily and sturdily in the weeklies market, the Group has cautiously and continuously studied diversification opportunities to enable the highest possible leverage on its business. With the existing manpower, the Group has formed a core multimedia development team dedicated to exploring new ideas and developments in the online and mobile environments.

Facing a weakened consumer market with an unpredictable global economy, the Group is well-prepared and confident to maintain its operation efficiencies and to sustain its healthy financial conditions and market presence and enhance its returns for shareholders..

OTHER ANALYSIS

Capital Structure, Liquidity and Financial Resources

There is no change in the capital structure of the Company for the Period.

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

As at 31st March, 2009, the Group had no bank and other borrowing (2008: Nil).

As at 31st March, 2009, the Group's gearing ratio was Nil (2008: 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 Share Option Scheme

As at 31st March, 2009, the Group has 564 employees (2008: 499). Total staff costs (including Directors' remuneration) were approximately HK$153 million (2008: HK$143 million).

To provide incentives or rewards to the staff and Directors, the Company adopted a share option scheme on 18th January, 2008. No option was granted by the Company under such share option scheme since its adoption and up to 31st March, 2009.

On 18th 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 18th January, 2008. No share options were exercised since 18th January, 2008 and up to 31st March, 2009 and accordingly the outstanding share options as at 31st March, 2009 were 7,500,000 share options.

Charge on Assets

None of the Group's assets were pledged as at 31st March, 2008 and 31st March, 2009.

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 Period. 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.

INTERIM DIVIDEND

The Board is pleased to declare an interim dividend of HK$0.012 per share (2008: HK$0.016 per share as final dividend) for the period ended 31st March, 2009, amounting to HK$7,200,000 (2008: HK$9,600,000).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 24th June, 2009 to Friday, 26th June, 2009, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim 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, Wanchai, Hong Kong before 4:30 p.m. of Tuesday, 23rd June, 2009. Dividend warrants will be despatched on 2nd July, 2009.

CORPORATE GOVERNANCE

Code on Corporate Governance Practices

During the Period, the Group has complied with all provisions of the Code on Corporate Governance Practice 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 the rules governing dealings by the Directors in the listed securities of the Company. 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.

REVIEW OF SECOND INTERIM RESULTS

These condensed consolidated second interim financial statements of the Group have not been audited nor reviewed by the Company's auditor, Deloitte Touche Tohmatsu, but have been reviewed by the Audit Committee of the Company which comprises the three Independent Non-executive Directors 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 Period.

PUBLICATION OF THE UNAUDITED SECOND INTERIM RESULTS AND SECOND INTERIM REPORT

The second interim 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 second interim report will be dispatched to the shareholders of the Company and will be available on the 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, 27th May, 2009

As at the date of this announcement, the Board of the Company 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