NEXT MEDIA LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00282)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

The Board of Directors (the "Board" or the "Directors") of Next Media Limited ("Next Media" or the "Company") announces the unaudited interim results of the Company and its subsidiaries (together, the "Group") for the six months ended 30 September 2013, as well as the comparative figures for the same period of last year.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2013

	NOTES	Six months ended 30 September 2013 HK$'000 (unaudited)	2012 HK$'000 (unaudited) (restated)
Continuing operations			
Revenue	3	**1,660,755**	1,756,538
Production costs			
Cost of raw materials consumed		**(451,958)**	(635,817)
Other overheads		**(110,183)**	(106,505)
Staff costs		**(424,068)**	(409,826)
Personnel costs excluding direct production staff costs		**(291,079)**	(271,492)
Other income	3	**34,250**	41,541
Allowance for bad and doubtful debts		**(9,040)**	(9,867)
Depreciation of property, plant and equipment		**(65,210)**	(70,277)
Release of prepaid lease payments		**(899)**	(899)
Other expenses		**(203,359)**	(172,735)
Impairment loss recognised in respect of property, plant and equipment		**—**	(21,685)
Finance costs	5	**(10,344)**	(7,393)
Profit before tax		**128,865**	91,583
Income tax expense	6	**(40,695)**	(55,160)
Profit for the period from continuing operations	7	**88,170**	36,423
Discontinued operations			
Loss for the period from discontinued operations		**(72,281)**	(964,808)
Profit (loss) for the period		**15,889**	(928,385)
Other comprehensive income (expenses)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation		**(3,670)**	(15,360)
Total comprehensive income (expenses) for the period		**12,219**	(943,745)

	NOTES	Six months ended 30 September 2013 HK$'000 (unaudited)	2012 HK$'000 (unaudited) (restated)
Profit (loss) for the period attributable to:			
Owners of the Company			
— Profit for the period from continuing operations		**83,809**	31,563
— Loss for the period from discontinued operations		**(72,281)**	(964,808)
		11,528	(933,245)
Non-controlling interests			
— Profit for the period from continuing operations		**4,361**	4,860
		15,889	(928,385)
Total comprehensive income (expenses) attributable to:			
Owners of the Company		**7,942**	(947,467)
Non-controlling interests		**4,277**	3,722
		12,219	(943,745)
Earnings (loss) per share			
From continuing and discontinued operations	9		
Basic		**HK0.5 cent**	HK(38.7) cents
Diluted		**HK0.5 cent**	HK(38.7) cents
From continuing operations			
Basic		**HK3.5 cents**	HK1.3 cents
Diluted		**HK3.5 cents**	HK1.3 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 September 2013

	NOTES	30 September 2013 HK$'000 (unaudited)	31 March 2013 HK$'000 (audited) (restated)
NON-CURRENT ASSETS			
Intangible assets		**1,300,881**	1,300,881
Property, plant and equipment	10	**1,383,391**	1,411,945
Prepaid lease payments	11	**58,859**	59,758
Programmes and film rights		**4,739**	—
Deposit for acquisition of property, plant and equipment		**1,309**	1,866
Interests in associates		—	—
Loans to associates		**36,676**	46,447
		2,785,855	2,820,897
CURRENT ASSETS			
Inventories		**145,494**	180,997
Trade and other receivables	12	**662,748**	584,520
Prepaid lease payments	11	**1,797**	1,797
Tax recoverable		**6,871**	1,270
Restricted bank balances	13	**5,411**	5,411
Bank balances and cash		**626,692**	565,330
		1,449,013	1,339,325
Assets classified as held for sale		—	489,552
		1,449,013	1,828,877
CURRENT LIABILITIES			
Trade and other payables	14	**525,484**	891,226
Amounts due to associates		**957**	—
Bank overdraft		—	49,790
Borrowings	15	**145,945**	323,734
Provisions		**107,551**	101,863
Tax liabilities		**21,762**	26,942
		801,699	1,393,555
Liabilities associated with assets classified as held for sale		—	66,899
		801,699	1,460,454
NET CURRENT ASSETS		**647,314**	368,423
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,433,169**	3,189,320

	NOTES	30 September 2013 HK$'000 (unaudited)	31 March 2013 HK$'000 (audited) (restated)
NON-CURRENT LIABILITIES			
Borrowings	15	**712,350**	480,672
Retirement benefits plans		**94,259**	92,688
Deferred tax liabilities		**270,450**	270,959
		1,077,059	844,319
NET ASSETS		**2,356,110**	2,345,001
CAPITAL AND RESERVES			
Share capital	16	**2,431,007**	2,431,007
Reserves		**(104,266)**	(113,478)
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**2,326,741**	2,317,529
NON-CONTROLLING INTERESTS		**29,369**	27,472
TOTAL EQUITY		**2,356,110**	2,345,001

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2013

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS 34") *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2013 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2013.

In the current interim period, the Group has applied, for the first time, the following new or revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant for the preparation of the Group's condensed consolidated financial statements:

HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interest in Other Entities: Transition Guidance
HKFRS 13	Fair Value Measurement
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
Amendments to HKFRS 7	Disclosures — Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
Amendments to HKFRSs	Annual Improvements to HKFRSs 2009–2011 Cycle

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In the current interim period, the Group has applied for the first time HKFRS 10, HKFRS 11, HKFRS 12 and HKAS 28 (as revised in 2011) together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding the transitional guidance. HKAS 27 (as revised in 2011) is not applicable to these condensed consolidated financial statements as it deals only with separate financial statements.

The impact of the application of these standards is set out below.

Impact of the application of HKFRS 10

HKFRS 10 replaces the parts of HKAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements and HK(SIC) — Int 12 *Consolidation — Special Purpose Entities*. HKFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

The directors of the Company made an assessment as at the date of initial application of HKFRS 10 (i.e. 1 April 2013) as to whether or not the Group has control over its investments in investees in accordance with the requirements of HKFRS 10. The directors of the Company concluded the application of HKFRS 10 in the current interim period has had no material effect on the scope of consolidation and amounts reported in these condensed consolidated financial statements.

HKFRS 13 *Fair Value Measurement*

The Group has applied HKFRS 13 for the first time in the current interim period. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various HKFRSs. Consequential amendments have been made to HKAS 34 to require certain disclosures to be made in the condensed consolidated financial statements.

The scope of HKFRS 13 is broad, and applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, subject to a few exceptions. HKFRS 13 contains a new definition for "fair value" and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

The application of HKFRS 13 has had no material impact on the Group's financial instrument items since they are mainly carried at amortised cost as at 30 September 2013.

Amendments to HKAS 1 *Presentation of Items of Other Comprehensive Income*

The amendments to HKAS 1 introduce new terminology for statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a statement of profit or loss. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis — the amendments do not change the existing option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 has not resulted in any impact on profit or loss, other comprehensive expenses, and total comprehensive income.

Amendments to HKAS 34 *Interim Financial Reporting*
(as part of the Annual Improvements to HKFRSs 2009–2011 Cycle)

The Group has applied the amendments to HKAS 34 *Interim Financial Reporting* as part of the Annual Improvements to HKFRSs 2009–2011 Cycle for the first time in the current interim period. The amendments to HKAS 34 clarify that the total assets and total liabilities for a particular reportable segment would be separately disclosed in the interim financial statements only when the amounts are regularly provided to the chief operating decision maker ("CODM") and there has been a material change from the amounts disclosed in the last annual financial statements for that reportable segment. Accordingly, the Group has included total assets and total liabilities information for reportable segment in note 4.

HKAS 19 *Employee Benefits* (as revised in 2011)

In the current interim period, the Group has applied HKAS 19 *Employee Benefits* (as revised in 2011) and the related consequential amendments for the first time.

HKAS 19 (as revised in 2011) changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of HKAS 19 and accelerate the recognition of past service costs. All actuarial gains and losses are recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of HKAS 19 are replaced with a 'net interest' amount under HKAS 19 (as revised in 2011), which is calculated by applying the discount rate to the net defined benefit liability or asset. The changes have had an insignificant impact on the amounts recognised in other comprehensive income (expenses) for the six months ended 30 September 2013 and 2012. The Group has applied the relevant transitional provisions and restated the comparative amounts on a retrospective basis (see the tables below for details).

The effect of the application of HKAS 19 (as revised in 2011) on the financial position of the Group as at 31 March 2013 is as follows:

	As previously reported	**Effect of adopting HKAS 19 (as revised in 2011)**	**As restated**
	HK$'000	*HK$'000*	*HK$'000*
TOTAL ASSETS LESS CURRENT LIABILITIES	3,189,320	—	3,189,320
NON-CURRENT LIABILITIES			
Borrowings	480,672	—	480,672
Retirement benefits plans	34,328	58,360	92,688
Deferred tax liabilities	280,880	(9,921)	270,959
	795,880	48,439	844,319
NET ASSETS	2,393,440	(48,439)	2,345,001
CAPITAL AND RESERVES			
Share capital	2,431,007	—	2,431,007
Reserves	(66,993)	(46,485)	(113,478)
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	2,364,014	(46,485)	2,317,529
NON-CONTROLLING INTERESTS	29,426	(1,954)	27,472
TOTAL EQUITY	2,393,440	(48,439)	2,345,001

The effect of the application of HKAS 19 (as revised in 2011) on the financial position of the Group as at 1 April 2012 is as follows:

	As previously reported	Effect of adopting HKAS 19 (as revised in 2011)	As restated
	HK$'000	*HK$'000*	*HK$'000*
TOTAL ASSETS LESS CURRENT LIABILITIES	4,438,681	—	4,438,681
NON-CURRENT LIABILITIES			
Borrowings	724,684	—	724,684
Retirement benefits plans	29,204	53,875	83,079
Deferred tax liabilities	287,542	(9,159)	278,383
	1,041,430	44,716	1,086,146
NET ASSETS	3,397,251	(44,716)	3,352,535
CAPITAL AND RESERVES			
Share capital	2,412,497	—	2,412,497
Reserves	971,847	(42,762)	929,085
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	3,384,344	(42,762)	3,341,582
NON-CONTROLLING INTERESTS	12,907	(1,954)	10,953
TOTAL EQUITY	3,397,251	(44,716)	3,352,535

Except as described above, the application of the other new or revised HKFRSs in the current interim period has had no material effect on the amounts and/or disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND OTHER INCOME

The Group's continuing operations comprise the printing and publication of newspapers, books and magazines, the sales of advertising space in newspapers, books and magazines, the provision of printing and reprographic services, the sales of advertising space on its web portals, as well as subscription to the web portals, delivery of internet content and development of mobile games and apps. Revenue recognised during the period from continuing operations is as follows:

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
		(restated)
Revenue		
Sales of newspapers	**313,840**	340,756
Sales of books and magazines	**85,328**	105,423
Newspapers advertising revenue	**706,544**	767,898
Books and magazines advertising revenue	**322,790**	349,733
Printing and reprographic services revenue	**104,554**	120,801
Internet advertising revenue, internet subscription and content provision ("Internet businesses")	**127,699**	71,927
	1,660,755	1,756,538
Other income		
Sales of waste materials	**9,296**	12,200
Interest income on bank deposits	**440**	538
Interest income on loans to associates	**602**	621
Rental income	**4,980**	1,065
Net exchange gain	**11,364**	22,973
Others	**7,568**	4,144
	34,250	41,541
Total	**1,695,005**	1,798,079

4. SEGMENT INFORMATION

Information reported to the Company's chief operating officer (who is the Group's CODM) for the purposes of resource allocation and assessment of performance focuses on types of goods delivered and services rendered. This is also the basis upon which the Group is organised and specifically focuses on the Group's operating divisions. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments from continuing operations under HKFRS 8 *Operating Segments* are as follows:

Operating segments	**Principal activities**
Newspapers publication and printing	Sales of newspapers and provision of newspapers printing and advertising services in Hong Kong and Taiwan
Books and magazines publication and printing	Sales of books and magazines and provision of books and magazines printing and advertising services in Hong Kong, Taiwan, North America, Europe and Australasia
Internet businesses	Advertising income, internet subscription, content provision and development of mobile games and apps in Hong Kong and Taiwan

All transactions between different operating segments are charged at prevailing market rates.

The reportable and operating segment regarding the television broadcasting, programme production, advertising income, subscription income, and other related activities in Taiwan (i.e. "Television and multi-media") were discontinued since 31 March 2013.

The segment information reported below does not include any amounts for these discontinued operations. Accordingly, the comparative figures have been restated.

The following is an analysis of the Group's revenue and results from continuing operations by operating segments for the period under review:

Six months ended 30 September 2013

Continuing operations

	Newspapers publication and printing *HK$'000*	**Books and magazines publication and printing** *HK$'000*	**Internet businesses** *HK$'000*	**Eliminations** *HK$'000*	**Consolidated** *HK$'000*
REVENUE					
External sales	**1,070,565**	**462,490**	**127,700**	**—**	**1,660,755**
Inter-segment sales	**41,232**	**10,690**	**9**	**(51,931)**	**—**
Total	**1,111,797**	**473,180**	**127,709**	**(51,931)**	**1,660,755**
RESULTS					
Segment results	**130,663**	**41,635**	**(30,360)**	**—**	**141,938**
Unallocated expenses					**(16,318)**
Unallocated income					**13,589**
Finance costs					**(10,344)**
Profit before tax from continuing operations					**128,865**

Six months ended 30 September 2012

Continuing operations

	Newspapers publication and printing *HK$'000*	Books and magazines publication and printing *HK$'000*	Internet businesses *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000* (restated)
REVENUE					
External sales	1,170,657	513,954	71,927	—	1,756,538
Inter-segment sales	58,789	7,989	8,851	(75,629)	—
Total	1,229,446	521,943	80,778	(75,629)	1,756,538
RESULTS					
Segment results	106,443	62,386	(60,891)	—	107,938
Unallocated expenses					(15,330)
Unallocated income					6,368
Finance costs					(7,393)
Profit before tax from continuing operations					91,583

Segment result represents the profit earned (loss incurred) by each segment without the allocation of income or expenses resulted from interest income, certain rental and other income, finance costs and certain corporate and administrative expenses. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

As at 30 September 2013

Continuing operations

	Newspapers publication and printing ***HK$'000***	**Books and magazines publication and printing** ***HK$'000***	**Internet businesses** ***HK$'000***	**Consolidated** ***HK$'000***
Segment assets	**2,215,337**	**897,343**	**394,705**	**3,507,385**
Loans to associates				**36,676**
Unallocated assets				**690,807**
				4,234,868
Segment liabilities	**(370,705)**	**(254,712)**	**(269,424)**	**(894,841)**
Unallocated liabilities				**(983,917)**
				(1,878,758)

As at 31 March 2013

Continuing operations

	Newspapers publication and printing *HK$'000*	Books and magazines publication and printing *HK$'000*	Internet businesses *HK$'000*	Consolidated *HK$'000* (restated)
Segment assets	2,276,147	905,973	356,371	3,538,491
Loans to associates				46,447
Assets classified as held for sale				489,552
Unallocated assets				575,284
				4,649,774
Segment liabilities	(335,102)	(238,887)	(258,445)	(832,434)
Liabilities associated with assets classified as held for sale				(66,899)
Unallocated liabilities				(1,405,440)
				(2,304,773)

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than loans to associates, tax recoverable, certain bank balances and cash and corporate assets that are not attributable to segments.
- all liabilities are allocated to operating segments other than certain other payables, amounts due to associates, tax liabilities, certain bank borrowings, deferred tax liabilities and corporate liabilities that are not attributable to segments.

Other segment information

For the six months ended 30 September 2013

Continuing operations

	Newspapers publication and printing ***HK$'000***	**Books and magazines publication and printing** ***HK$'000***	**Internet businesses** ***HK$'000***	**Corporate** ***HK$'000***	**Consolidated** ***HK$'000***
Addition to non-current assets	**12,131**	**10,609**	**4,741**	**26**	**27,507**
Depreciation of property, plant and equipment	**40,836**	**12,890**	**9,673**	**1,811**	**65,210**

For the six months ended 30 September 2012

Continuing operations

	Newspapers publication and printing *HK$'000*	Books and magazines publication and printing *HK$'000*	Internet businesses *HK$'000*	Corporate *HK$'000*	Consolidated *HK$'000* (restated)
Addition to non-current assets	10,031	5,926	15,440	10,726	42,123
Depreciation of property, plant and equipment	53,436	9,974	5,037	1,830	70,277
Impairment losses	—	—	21,685	—	21,685

5. FINANCE COSTS

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000* (restated)
Continuing operations		
Interest expenses on bank borrowings:		
— wholly repayable within five years	**6,689**	7,393
— not wholly repayable within five years	**3,655**	—
	10,344	7,393

6. INCOME TAX EXPENSE

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000* (restated)
Continuing operations		
The charge (credit) comprises:		
Current tax:		
Hong Kong	**20,028**	32,010
Other jurisdiction	**21,177**	25,156
Underprovision in prior years	**—**	76
	41,205	57,242
Deferred tax:		
Credit for the period	**(510)**	(2,082)
	40,695	55,160

Hong Kong Profits Tax is recognised based on management's best estimate of the average annual income tax rate expected for the full financial year. The estimated average annual tax rate used is 16.5% (2012: 16.5%) for the six months ended 30 September 2013.

Taxation arising in other jurisdiction is recognised based on management's best estimate of the average annual income tax rate expected for the full financial year. The estimated average annual tax rate used is 17% (2012: 17%) which is the rate prevailing in the relevant jurisdiction.

The effective tax rate for the six months ended 30 September 2013 is 17% (2012: 18%).

7. PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
		(restated)
Profit for the period from continuing operations has been arrived at after charging:		
Operating lease expenses on:		
Properties	**3,511**	3,337
Plant and equipment	**9,009**	9,178
Loss on disposal of property, plant and equipment (included in other expenses)	**293**	—
Provision for litigation expenses (included in other expenses)	**18,294**	18,351
Share-based payment (included in personnel costs)	**1,758**	1,873

8. DIVIDENDS

No dividends were paid, declared or proposed during the reporting period (2012: nil). The directors do not recommend the payment of an interim dividend (2012: nil).

9. EARNINGS (LOSS) PER SHARE

From continuing operations

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

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
		(restated)
Profit (loss) figures are calculated as follows:		
Profit (loss) for the period attributable to the owners of the Company	**11,528**	(933,245)
Less: Loss for the period from discontinued operations	**(72,281)**	(964,808)
Profit for the purposes of basic and diluted earnings per share from continuing operations	**83,809**	31,563

Number of shares

	Six months ended 30 September	
	2013	2012
	No. of shares	*No. of shares*
Weighted average number of ordinary shares in issue during the period for the purpose of basic earnings per share	**2,431,006,881**	2,412,496,881
Effect of dilutive potential ordinary shares:		
Share options and share subscription and financing plan *(Note)*	**—**	—
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**2,431,006,881**	2,412,496,881

Note: The computation of diluted earnings per share for the six months ended 30 September 2013 and 2012 does not assume the exercise of the Company's outstanding share options and the exercise of rights under the Share Subscription Plan as their exercise price exceeds the average market price of the shares during the periods.

From continuing and discontinued operations

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

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
		(restated)
Profit (loss) for the period attributable to the owners of the Company and profit (loss) for the purposes of basic and diluted earnings (loss) per share	**11,528**	(933,245)

The denominators used are the same as those detailed above for both basic and diluted earnings (loss) per share.

From discontinued operations

For the six months ended 30 September 2013, basic and diluted loss per share for the discontinued operations were HK3.0 cents per share (2012: HK40.0 cents per share as restated), based on loss for the period from discontinued operations of HK$72,281,000 (2012: HK$964,808,000 as restated) and the denominators detailed above for both basic and diluted loss per share.

10. PROPERTY, PLANT AND EQUIPMENT

	2013
	HK$'000
COST	
At 1 April	**2,842,713**
Exchange difference	**13,940**
Additions	**28,064**
Disposals	**(16,653)**
At 30 September	**2,868,064**
ACCUMULATED DEPRECIATION AND IMPAIRMENT	
At 1 April	**1,430,768**
Exchange difference	**4,481**
Charge for the period	**65,210**
Eliminated on disposals	**(15,786)**
At 30 September	**1,484,673**
CARRYING VALUES	
At 30 September	**1,383,391**
At 31 March	**1,411,945**

11. PREPAID LEASE PAYMENTS

Leasehold land situated in Hong Kong is released on a straight line basis over the lease terms of 50 years.

	30 September 2013	31 March 2013
	HK$'000	*HK$'000*
Analysed for reporting purposes as:		
Current assets	**1,797**	1,797
Non-current assets	**58,859**	59,758
	60,656	61,555

12. TRADE AND OTHER RECEIVABLES

	30 September 2013	31 March 2013
	HK$'000	*HK$'000*
Trade receivables	**669,595**	643,079
Less: Allowance for doubtful debts	**(124,754)**	(113,445)
	544,841	529,634
Prepayments	**64,505**	25,236
Rental and other deposits	**27,116**	14,076
Others	**26,286**	15,574
Total trade and other receivables	**662,748**	584,520

The Group allows credit terms of 7 to 120 days to its trade customers.

The following is an aged analysis of the trade receivables after deducting the allowance for doubtful debts presented based on invoice date at the end of the reporting period:

	30 September 2013	31 March 2013
	HK$'000	*HK$'000*
0–1 month	**263,947**	264,791
1–3 months	**234,485**	219,702
3–4 months	**37,152**	42,653
Over 4 months	**9,257**	2,488
	544,841	529,634

Included in the Group's trade receivable balances are debtors with an aggregate carrying amount of HK$9,257,000 (31 March 2013: HK$2,488,000) which are past due at the end of the reporting period for which the Group has not provided for impairment loss as the directors of the Company assessed that the balances will be recovered based on their settlement records. The Group does not hold any collateral over these balances.

The following is an aged analysis of trade receivables which are past due but not impaired:

	30 September 2013	31 March 2013
	HK$'000	*HK$'000*
Overdue over 1 month	**9,257**	2,488

13. RESTRICTED BANK BALANCES

The amount is restricted for the use of settling certain potential debts and claims as stipulated as part of a share capital reduction exercise carried out during the year ended 31 March 2003. The restricted bank balances carry fixed interest rate at 0.5% per annum for the period (31 March 2013: 0.5% per annum for the year).

14. TRADE AND OTHER PAYABLES

	30 September 2013	31 March 2013
	HK$'000	*HK$'000*
Trade payables	**84,808**	109,185
Accrued staff costs	**155,678**	133,741
Accrued charges	**116,663**	80,942
Deposits received for the potential disposal of Taiwan business *(Note)*	**—**	455,373
Other payables	**168,335**	111,985
	525,484	891,226

Note: The balances represent deposits received from the potential purchasers for the potential disposal of newspapers publication and printing business, books and magazines publication and printing business and television broadcasting business in Taiwan. The amounts were refunded subsequent to 31 March 2013 after termination of the relevant conditional sale and purchase agreement.

The following is an aged analysis of the trade payables presented based on the invoice date at the end of the reporting period:

	30 September 2013 HK$'000	31 March 2013 HK$'000
0–1 month	**48,360**	78,473
1–3 months	**31,377**	22,192
Over 3 months	**5,071**	8,520
	84,808	109,185

15. BORROWINGS

	30 September 2013 HK$'000	31 March 2013 HK$'000
Secured bank loans *(Notes)*	**858,295**	804,406

An analysis of the secured bank loans of the Group is as follows:

Carrying amount repayable		
— within one year or on demand	**145,945**	323,734
— more than one year, but not exceeding two years	**263,049**	82,401
— more than two years, but not exceeding five years	**331,648**	247,203
— more than five years	**117,653**	151,068
	858,295	804,406
Less: Amount due within one year shown under current liabilities	**(145,945)**	(323,734)
Non-current portion	**712,350**	480,672

Notes:

(i) During the period, the Group repaid bank loans amounting to HK$100,000,000 (2012: HK$185,416,000).

(ii) In respect of syndicated bank loans of HK$858,295,000, as at 30 September 2013, the Group fulfilled all the required financial covenants. Therefore, the classification of all the loans is based on the original repayment schedules.

(iii) The directors of the Company believe that alternative sources of finance are available and sufficient for the continuing operations of the Group.

At 30 September 2013, bank loans balance of HK$498,295,000 carry interest at Post Office 2-year Deposit rate in Taiwan plus 1.4275% per annum, balance of HK$360,000,000 carry interest at HIBOR plus 2.75% per annum. At 31 March 2013, bank loans balance of HK$494,406,000 carry interest at Post Office 2-year Deposit rate in Taiwan plus 1.4275% per annum and balance of HK$210,000,000 and HK$100,000,000 carry interest at HIBOR plus 2.75% and 1.25% per annum respectively.

The weighted average effective interest rates (which are equal to contractual interest rates) of borrowings is 2.87% per annum for the period (31 March 2013: 2.70% per annum for the year).

The Group's borrowings are denominated in New Taiwan Dollar ("NT$") and HK$, the functional currencies of the relevant group entities.

(iv) At 30 September 2013, the Group's utilised and unutilised banking facilities were secured by the following:

— Certain of the Group's land and buildings with an aggregate carrying value of HK$1,239,618,000 (31 March 2013: HK$737,775,000); and

— Certain of the Group's plant and machinery with an aggregate carrying value of HK$19,802,000 (31 March 2013: HK$413,000).

16. SHARE CAPITAL

	Authorised	
	No. of shares	*HK$'000*
Ordinary shares of HK$1.00 each		
At 1 April 2012, 30 September 2012, 1 April 2013 and 30 September 2013	4,600,000,000	4,600,000

	Issued and fully paid	
	No. of shares	*HK$'000*
At 1 April 2012 and 30 September 2012	2,412,496,881	2,412,497
Exercise of share options	18,510,000	18,510
At 1 April 2013 and 30 September 2013	2,431,006,881	2,431,007

17. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 27 September 2013, AtNext Limited ("AtNext"), a wholly owned subsidiary of the Company, as vendor entered into a sale and purchase agreement with Sum Tat Ventures Limited ("STV", a company 100% beneficially owned by Mr. Lai Chee Ying, Jimmy ("Mr. Lai")), as a purchaser and Mr. Lai, as guarantor for the obligations of STV, pursuant to which, AtNext has conditionally agreed to sell and STV has conditionally agreed to purchase the 30 shares, which represents the Group's remaining 30% equity interest in Colored World Holdings Limited ("Colored World" together with its subsidiaries, the "Colored World Group"), and the sale loans at a total cash consideration of US$20.0 million (equivalent to HK$155.1 million) (the "Transaction"). Upon completion of the Transaction on 18 November 2013, AtNext ceased to hold any shares in Colored World and thus, members of the Colored World Group have ceased to be associated companies of the Group. As at the date of approval for issuance of these condensed consolidated financial statements the management of the Group is still assessing the financial effects of the Transaction.

On 18 October 2013, the Company announced that it has decided to cease the publication of the Group's free daily newspaper in Hong Kong, *Sharp Daily*, which was operated by Sharp Daily Limited (a wholly owned subsidiary of the Company), under the Newspapers publication and printing segment, with effect from 21 October 2013, with a view to consolidating the Group's printing operations in Hong Kong and enabling the Group to rationalise its resources and focus on its profitable operations.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESSES

The Group's main business activities during this period were the printing and publication of newspapers, magazines and books in Hong Kong and Taiwan. It also sold advertising space in those and on its Web portals, as well as subscriptions to the Web portals. Furthermore, it provided printing and reprographic services, delivered Internet content and developed mobile games and apps.

FINANCIAL RESULTS

The Group's revenue from continuing operations totalled HK$1,660.8 million during the six months ended 30 September 2013. This was HK$95.7 million or 5.4% less than the restated figure of HK$1,756.5 million in the same period of 2012. The decline was mainly attributable to the decline in advertising and circulation revenue during the period under review.

The Group recorded a profit of HK$201.0 million on its continuing operations during the same period, before interest, tax, depreciation, impairment and amortization, but after non-controlling interests. This represented an increase of 7.5% on the restated profit of HK$187.0 million incurred on its continuing operations during the corresponding period of 2012. The basic earnings per share from its continuing operations was HK3.5 cents, compared with a restated basic earnings per share of HK1.3 cents in the same period last year.

Overall, the Group's print businesses performed disappointingly during the six months ended 30 September 2013, due to lacklustre economic conditions in Hong Kong and Taiwan, as well as the trend away from paid-for print publications towards free newspapers and online media. In disposing the Taiwan TV business during the period under review, the Group has recorded a loss on disposal of HK$8.0 million. As a result, the unaudited consolidated profit from its continuing operations of Next Media stood at HK$88.2 million, compared with the restated profit of HK$36.4 million in the same months of 2012.

DISCONTINUED OPERATIONS

Sale of Taiwan TV Business

Next Media has sold the entire issued share capital of Next TV Broadcasting Limited ("Next TV"), its TV operating subsidiary in Taiwan, to Mr. Lien Tai-sheng ("Mr. Lien"). A transfer of shares representing 55% of the Next TV's issued share capital was completed on 31 May 2013. However, due to the fact that the transfer of legal title to the remaining 2,250,000 shares (representing the remaining 45% of Next TV's entire issued share capital) could only take place with the approval of Taiwan's Investment Commission, the parties to the sale and purchase agreement dated 15 April 2013 (the "Sale and Purchase Agreement") agreed under a supplemental agreement dated 23 September 2013 that, with effect from 31 May 2013, Mr. Lien had the right to manage, deal with and enjoy the benefits of all the shares in Next TV, and that the Group would not be responsible for any losses and profits arising therefrom. Mr. Lien has paid the total consideration under the Sale and Purchase Agreement in full, and Next TV has therefore ceased to be a subsidiary of the Company.

SUBSEQUENT EVENTS

Sale of Animation Business

Next Media has announced on 27 September 2013 that it has sold the remaining 30% equity interest in Colored World, the holding company of Next Media Animation Limited ("NMA"), to STV, a company 100% beneficially owned by its Chairman, Mr. Lai, for a cash consideration of US$20.0 million (equivalent to HK$155.1 million). As this sale constituted a connected transaction for the Company under the Listing Rules and required independent shareholders' approval from the Company, the independent shareholders gave their approval on this sale at an extraordinary general meeting of the Company held on 13 November 2013 and completion of this transaction was taken place on 18 November 2013. Next Media sold the other 70% equity interest of Colored World to STV on 31 October 2011. The successful completion of this transaction marked the exit of the Group's investment in the animation business and thereafter, the Colored World Group has ceased to be associated companies of the Group.

Cessation of Publication of *Sharp Daily* in Hong Kong

As announced by Next Media on 18 October 2013, the publication of the Group's free daily newspaper in Hong Kong — *Sharp Daily*, which was operated by Sharp Daily Limited, an indirect wholly owned subsidiary of the Company, has been ceased with effect from 21 October 2013, with a view to consolidating the Group's printing operations in Hong Kong and enabling the Group to rationalise its resources and focus on its profitable operations.

OVERVIEW OF MAJOR MARKETS

Hong Kong's economy expanded by 3.1% year-on-year in real terms during the first half of 2013, compared with the growth of 1.5% in the same period of 2012. The economy is forecast to grow by 2.5 to 3.5% throughout this year. Local consumption and tourist spending remained resilient, with the value of retail sales in nominal terms increasing by 14.2% year-on-year during the first seven months of 2013. The labour market also remained decent, with a low unemployment rate of 3.3% in the three-month period to the end of August 2013. Consumer prices increased 4.3% year-on-year in the first eight months of 2013, and inflation is forecast to be 4.3% for this year as a whole.

The performance of the Hong Kong advertising market was mixed during the first six months of 2013. Advertising spending increased by 9.0% to HK$19.9 billion, compared with HK$18.2 billion in the same period of 2012. But its growth slowed down in the latter months of the half-year as major advertisers — particularly, retail, cosmetics and skincare and electrical appliances firms — began to cut their advertising and marketing budgets, due to their poor business results and nervousness about the economic outlook for the second half. Total advertising spending in June 2013 amounted to HK$3.4 billion, down from HK$3.6 billion the previous month. It was the first time such a decline has occurred since 2009.

Half of all Hong Kong's media categories recorded a year-on-year drop in advertising. Traditional newspapers were the hardest hit, although the advertising revenue of the city's free newspapers continued to rise. Online advertising revenue also grew. A survey by the Hong Kong Advertising Association and market-measurement firm Nielsen has found that marketers expect only a modest increase in advertising expenditure this year.

Taiwan's export-driven economy beat market expectations during the second quarter of 2013, with year-on-year growth of 2.3% compared with 1.7% in the first quarter. Despite concerns about the slow expansion of overseas trade and the softening of China's economic growth, consumer spending on the island picked up with the growth of 5.3% quarter-on-quarter, compared with a 0.4% fall in the first three months of the year, according to seasonally adjusted estimates by JPMorgan. However, it is doubtful whether the rise in consumer spending will be sustainable. Despite low unemployment, real wages on the island have been falling gradually over the years, and average earnings in May 2013 were 0.3% lower than a year earlier. The government is forecasting that the economy will grow by 2.4% in 2013, but this largely depends on whether growth recovers in China and the western markets that buy its electronic goods, which account for one third of all Taiwan's exports.

OPERATIONAL REVIEW

The Group's continuing operations in Hong Kong and elsewhere accounted for about 59.6% of its revenue during the six months ended 30 September 2013, compared with 58.4% in the same months of 2012. Its Taiwan operations contributed 40.4% of its total revenue, against 41.6% in the corresponding period last year. Given the challenging conditions in the print media industry, which have been brought about by the increasing encroachment of online and electronic media on the advertising and sale revenue of traditional print publications, the overall financial results of Next Media's print operations in both Hong Kong and Taiwan were broadly in line with its management's expectations. On the other hand, the Group's internet business has made further inroads and is well positioned to capture the fastest growing segment of the industry.

NEWSPAPERS PUBLICATION AND PRINTING DIVISION

As anticipated, the financial results of the Newspapers Publication and Printing Division during the six months ended 30 September 2013 were rather mediocre, due to the abovementioned factors. *Apple Daily* and *Taiwan Apple Daily* were the largest contributors to the Division's revenue, which totalled HK$1,070.6 million and accounted for 64.5% of the Group's total revenue. This represented a decrease of 8.6% on the figure of HK$1,170.7 million for the corresponding period last year. However, the Division's segmental profit rose by 22.8% to HK$130.7 million, compared with HK$106.4 million in the same period of 2012, this was mainly due to the decrease in operating loss of *Hong Kong Sharp Daily* resulting from the reduction of print run during the period.

Apple Daily remained Hong Kong's most widely read paid-for daily during the past half-year, and one of its best-selling ones. The newspaper's advertising revenue totalled HK$262.7 million during the period under review, a decrease of 10.5% on the figure of HK$293.5 million recorded in the same period of 2012. The automobile, personal items and pharmaceuticals sectors accounted for the largest shares of its advertising revenue, followed by travel and banking, in that order.

In light of the operating loss incurred by *Hong Kong Sharp Daily*, the Group's free tabloid in Hong Kong, on 21 October 2013, Next Media has ceased the publication of *Hong Kong Sharp Daily* with a view to consolidating the Group's print operations in Hong Kong and enabling the Group to rationalize its resources and focus on its profitable operations.

Taiwan Apple Daily's incisive editorial style and colourful layout kept it well in the lead as the island's best-selling and most widely read daily, its revenue was close to budget at HK$525.6 million during the period under review, a decline of 8.9% against the HK$577.1 million recorded in the corresponding months of 2012. The biggest contributors to *Taiwan Apple Daily*'s advertising income were the property, department and chain store, cosmetics, household and electrical appliance and automobile sectors.

Taiwan Sharp Daily, the Group's free newspaper in Taipei, remained highly popular. Copies of the newspaper are distributed to commuters outside the city's Metro stations every morning from Mondays to Fridays. Although the Group trimmed its print run to around 174,000 copies daily during the period under review, it was still read by an average of 249,000 people every day. *Taiwan Sharp Daily* particularly appeals to smaller local advertisers, who baulk at the cost of traditional print media, especially businesses in the computer/communications/consumer electronics, food and beverages sectors, and banking and telecommunications.

Apple Daily Printing Limited ("ADPL")

Due to reductions in the paginations and print run of the Next Media publications it prints, the newspaper printing operation's revenue during the period under review amounted to HK$163.4 million, a decrease of 24.0% over the figure of HK$215.1 million achieved in the corresponding period last year.

ADPL derived HK$48.7 million in revenue from external customers during the period under review (total revenue minus transactions related to printing Next Media's own publications). Most of it came from contracts to print the local editions of overseas newspapers. This was 19.0% less than the HK$60.1 million it generated in the same months of 2012.

BOOKS AND MAGAZINES PUBLICATION AND PRINTING DIVISION

The Books and Magazines Publication and Printing Division performed stable in the period under review, considering the challenging business environment and rising popularity of online and mobile media — factors that adversely affected all print media publishers. Its revenue totalled HK$462.5 million, a decrease of 10.0% on the HK$514.0 million it achieved in the same period of 2012.

Although the advertising and sales figures of its magazines all suffered some decline, they remained profitable and kept the Group in its unassailable position as the leader in Hong Kong's Chinese-language media industry, where it publishes the two best-selling and most widely read weekly magazines.

The revenue of *Next Magazine Bundle*, consisting of its flagship title, *Next Magazine*, and a supplement named *NEXT+ONe*, amounted to HK$119.3 million in the six months ended 30 September 2013, a decline of 11.4% compared with the figure of HK$134.7 million for the corresponding period last year. Skincare and cosmetics, watches, fashion, health equipment and pharmaceuticals sectors accounted for the lion's share of its advertising revenue.

Sudden Weekly Bundle — which consists of *Sudden Weekly, Eat & Travel Weekly* and *ME!* — remained the best-selling and most widely read weekly publication in Hong Kong. This title's total revenue decreased by 8.1% to HK$143.8 million in the six months up to 30 September 2013, compared with HK$156.5 million in the same period of 2012.

The largest segments of *Sudden Weekly*'s advertising revenue were contributed by beauty salons, food and beverages, health foods, pharmaceuticals and toiletries. Food and beverages, restaurants, finance, banking and insurance were the biggest ad spenders in *Eat & Travel Weekly*. Perfume/cosmetics/skincare/toiletries, fashion and accessories, retail cosmetics shops and jewellery were the top advertisers in *ME!*.

FACE Bundle — which incorporates *FACE*, *Ketchup*, *Auto Express* and *Trading Express* — retained its status as an upmarket infotainment weekly that targets younger Hong Kong readers. In the face of strong competition for advertising dollars in this segment, it achieved total revenue of HK$47.5 million in the six months up to 30 September 2013, compared with HK$50.5 million during the same period last year, a decrease of 5.9%. The largest shares of its advertising revenue came from the toiletries, beauty and fashion, education and telecoms/mobile phones sectors.

The *Taiwan Next Magazine*'s advertising revenue amounted to HK$73.2 million during the first half of the financial year, compared with HK$82.6 million in the same period last year, a decrease of 11.4%. Beauty and perfume, watches and eyeglasses, food and beverages, and computers and electronics peripherals accounted for the biggest shares of its advertising revenue.

Paramount Printing Company Limited

Besides printing the Group's own magazines, the Division continued to produce high-quality printing work for external customers. Against a backdrop of intense competition, this generated revenue of HK$54.4 million in the six months ended 30 September 2013, which was 7.5% less than its earnings of HK$58.8 million in the same period last year.

INTERNET BUSINESSES DIVISION

Next Media made major progress in the development of the content and services that it offers to online and mobile users, both in Hong Kong and Taiwan, during the period under review.

The Group's digital businesses have been brought together under the "nxTomo" brand in the four categories of Information, (including content of the Group's publications), e-Commerce, Entertainment and Community.

During the period under review, the online version of *Apple Daily* maintained its status as most visited interactive news destination in Hong Kong. Consistently, total daily viewcounts for all devices are at over 32.0 million and the number of unique users have reached 1.5 million. The growth of *Apple Action News* via mobile devices in Hong Kong also attained daily downloads of above 12.5 million. The popularity of the *Taiwan Apple Daily* portal also further increased.

By acquiring the games operations from NMA during the period under review, the Division has devoted further resources in launching mobile games with high monetization potentials. Following the successful launch of *Life is Crime* last year, a location based Massive Multiplayer Online (MMO) game, the Division introduced *Barcode Footballer*, a mobile football management game this year. Since launch, the game has constantly ranked as a top grossing mobile game on Apple Inc.'s App Store.

Leveraging the NMA's unique capabilities of fast animation production and low cost, the Division successfully introduced a new genre of animated entertainment called *TomoToon*. It blends licensed Japanese Manga content with 3D animation in a new and interesting way. The pilots, which were distributed on Apple's web and mobile apps, have been well received by audiences in both Hong Kong and Taiwan.

The Division's external revenue consisted of subscription fees, online advertising revenue, content licensing payments and development of mobile games and apps. This amounted to HK$127.7 million during the period under review, which represented a rise of 77.6% on the figure of HK$71.9 million recorded in the same months last year. The bulk of this income, around 85.3%, was generated in Hong Kong, where there was considerable growth in online advertising revenue.

The Division's segmental loss was reduced to HK$30.4 million, taking into account investments in revamping the platform and the continued development of softwares and systems during the period under review.

FUTURE PROSPECTS AND OUTLOOK

The export-focused economies of the two markets in which Next Media operates, namely Hong Kong and Taiwan, are of course dominated by those of their much larger trading partners, Mainland China, the United States and the Eurozone. Their prospects depend a lot on whether China's economic growth regains its previous momentum, whether the United States economy recovers after several years in the doldrums, and whether the Eurozone can resolve the fundamental issues that sparked off its sovereign debt crisis and economic and political uncertainties in a number of its member states.

Any significant improvement of these issues would give business sentiment a boost in both places. Yet Next Media maintains that the economic outlook for Hong Kong and Taiwan remains fairly stable in any case, and only major economic upheavals further afield would be likely to change that picture.

The Group has now reshaped its operations, divesting itself of its Taiwan TV venture and refocusing on its print businesses in Hong Kong and Taiwan, as well as boosting its online offerings. While the trend away from traditional print publications and towards online media is a fundamental and irreversible one, the Group's print media remains profitable. With prudent management that will remain the case for the foreseeable future. At the same time, it has embraced the spirit of the age and is truly positioned as a pioneer in online media in order to ensure its sustained success in the months and years to come.

LIQUIDITY AND FINANCIAL RESOURCES

The Group finances its operations principally with cash flow generated by its continuing operating activities and, to a lesser extent, bank facilities by its principal bankers.

As at 30 September 2013, the Group had available banking facilities in a total of HK$878.5 million, all of which had been utilised. All its bank borrowings bear interest at floating rates, and there is no seasonality for its borrowing requirements. The Group's bank borrowings are denominated in HK$ and NT$.

On 12 November 2012, the Group accepted a term credit facility for an aggregate amount of HK$210.0 million offered by a syndicate of four banks (the "2012 Facility") and on 20 March 2013, the Group also accepted a term credit facility for an aggregate amount of HK$150.0 million offered by a syndicate of four banks (the "2013 Facility") for the working capital requirements of ADPL and Apple Daily Limited. Pursuant to the terms of the 2012 Facility, ADPL as borrower, the Company and certain of its subsidiaries, which are acting as guarantors and pursuant to the terms of the 2013 Facility, the Company as borrower and certain of its subsidiaries, which are acting as guarantors, must ensure that Mr. Lai will continue to be the chairman of the Company, and that he will continue to hold directly or indirectly at least 51.0% of the total issued share capital of the Company. Non-compliance with this term may constitute a breach of their general undertakings, and the respective syndicates may declare that any commitments under the respective 2012 Facility and the 2013 Facility are cancelled, and/or declare that all outstanding amounts (together with interest thereon) are immediately due and payable. As announced by the Company on 7 June 2013, based on the audited consolidated annual results of the Company for the year ended 31 March 2013, the Company failed to fulfill certain required financial covenants of both 2012 Facility and 2013 Facility. As further announced by the Company on 2 July 2013, the Company has, through the agent bank, obtained the consents from all lending banks to waive the breach of certain financial covenants for the year ended 31 March 2013 pursuant to the terms of the 2012 Facility and 2013 Facility respectively. As at 30 September 2013, the 2012 Facility and the 2013 Facility were fully utilised.

As at 30 September 2013, the Group's aggregate bank balances and cash reserves amounted to HK$632.1 million. The Group's current ratio on the same date was 180.7%, compared to 96.1% as at 31 March 2013. On the same date, its gearing ratio amounted to 20.3%, compared to 19.3% as at 31 March 2013. These figures were calculated by dividing its long-term liabilities, including current portions, by total asset value.

ASSETS PLEDGED

As at 30 September 2013, the Group had pledged its properties and printing equipment situated in Hong Kong and Taiwan with an aggregate carrying value of HK$1,259.4 million to various banks as security for banking facilities granted to it.

EXCHANGE EXPOSURE AND CAPITAL EXPENDITURE

The Group's assets and liabilities are mainly denominated in HK$ or NT$. Its exchange exposure to NT$ is due to its existing magazines and newspapers publishing, Internet businesses in Taiwan.

As at 30 September 2013, the Group's net currency exposure stood at NT$3,394.8 million (equivalent to HK$890.3 million), a decrease of 25.1% on the figure of NT$4,534.3 million (equivalent to HK$1,179.9 million) as at 31 March 2013.

SHARE CAPITAL

As of 30 September 2013, the Company's total issued share capital was HK$2,431,006,881 divided into 2,431,006,881 ordinary shares with a par value of HK$1.0 each.

CONTINGENT LIABILITIES

As at 30 September 2013, the Group had contingent liabilities in respect of a number of legal proceedings in Hong Kong and Taiwan arising in the normal course of its publishing business.

In addition, the Group had a dispute with UDL Contracting Limited ("UDL") as contractor for the construction of a printing facility of ADPL, over amounts payable in respect of the construction of the facility. As the aforesaid dispute is now under arbitration, the final outcome remains uncertain.

The Group has accrued for HK$107.6 million (as at 31 March 2013: HK$101.9 million) in legal and professional expenses in trade and other payables. This provision was recognised in respect of the outstanding legal proceedings based on advice obtained from legal counsel.

In connection with the acquisition of Database Gateway Limited and its subsidiaries (the "Acquired Group") on 26 October 2001, Mr. Lai, the chairman and a controlling shareholder of the Company, has undertaken to provide unlimited personal indemnities to the Acquired Group against all payments, claims, suits, damages and settlement payments and any associated costs and expenses arising, made or incurred after 26 October 2001 arising out of or in connection with (1) any third party claims made against the Acquired Group on and before 26 October 2001; (2) defamation claims, claims for infringement of intellectual property rights and other proceedings and claims which may in the future arise from the content of the newspaper and magazine published by the Acquired Group on and at any time before 26 October 2001; and (3) the contractor dispute with UDL (the "Indemnity"). In relation to the Indemnity, Mr. Lai procured a bank guarantee of HK$60.0 million for a term of three years up to 25 October 2013 and the guarantee was renewed on 26 October 2013 for a further term of three years up to 25 October 2016 in favour of the Company and the Acquired Group in respect of his obligations under the Indemnity.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2013, the Group employed a total of 4,041 employees, of whom 2,339 were in Hong Kong, 1,698 were in Taiwan and 4 were in Canada. There were no material changes to the policies regarding employee remuneration, bonuses, share incentive schemes and staff development disclosed in the 2012/13 annual report of the Company.

During the period under review, the total staff costs for the continuing operations of the Group amounted to HK$715.1 million, compared to HK$681.3 million incurred for the same period last year.

INTERIM DIVIDEND

The Directors have resolved not to declare an interim dividend for the six months ended 30 September 2013 (2012: Nil).

AUDIT COMMITTEE

The Audit Committee consisted solely of the Company's three Independent Non-executive Directors (the "INEDs"), and it chaired by Dr. Lee Ka Yam, Danny. Full details of the Audit Committee, including its role and terms of reference, can be found on the Company's website. All the members of the Audit Committee attended the meeting held on 6 June 2013 (with the external auditor) and in the absence of the Executive Directors.

The Audit Committee also reviewed, with the management, the Group's accounting principles and practices, internal controls and risk management systems, as well as financial reporting matters, including the review of the interim financial statements of the Company for the six months ended 30 September 2013 (the "Interim Financial Statements").

Deloitte Touche Tohmatsu has reviewed the Interim Financial Statements in accordance with the Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", and the HKAS 34 "Interim Financial Reporting", both of which were issued by the HKICPA.

CORPORATE GOVERNANCE

During the six months ended 30 September 2013, the Company complied fully with the applicable provisions of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 of the Listing Rules (the "CG Code"), except for Code provisions A.6.7 and E.1.2. Due to another business engagement, Mr. Lai, the chairman of the Board, Mr. Ip Yut Kin, an Executive Director (the "ED"), Mr. Fok Kwong Hang, Terry, Mr. Wong Chi Hong, Frank and Dr. Lee Ka Yam, Danny, the INEDs, did not attend the Company's annual general meeting held on 22 July 2013 (the "2013 AGM"). Instead, Mr. Cheung Ka Sing, Cassian, the ED and the chief executive officer of the Group, chaired the 2013 AGM in accordance with the provisions of the Company's Articles of Association.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code"). Following specific enquiries by the Company, all its Directors have confirmed that they fully complied with the required standards of the Model Code throughout the period under review.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

There was no purchase, sale or redemption of listed securities of the Company by the Company or any of its subsidiaries during the six months ended 30 September 2013.

PUBLICATION OF THE INTERIM REPORT ON THE WEBSITES OF HONG KONG EXCHANGES AND CLEARING LIMITED (THE "STOCK EXCHANGE") AND THE COMPANY

The interim report of the Company for the six months ended 30 September 2013 will be printed in English and Chinese and will be available in the Investor Relations section of the Company's website at www.nextmedia.com and the Stock Exchange's website at www.hkexnews.hk. Shareholders of the Company may elect to receive either a printed or electronic version. They can change their choice of language or means of receiving the Company's corporate communications free of charge at any time by giving not less than 7 days' notice in writing to the Company by e-mail at ir@nextmedia.com or to the Company's Share Registrar, Computershare Hong Kong Investor Services Limited (the "Share Registrar"), by post at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong. For environmental-protection purposes, shareholders of the Company are encouraged to access the Company's corporate communications electronically via the Company's website.

Please note that the English and Chinese versions of all future corporate communications will be available on request in printed form from the Company or the Share Registrar, as well as on the websites of the Company at www.nextmedia.com or the Stock Exchange at www.hkexnews.hk.

By order of the Board
Lai Chee Ying, Jimmy
Chairman

Hong Kong, 22 November 2013

FORWARD-LOOKING STATEMENTS

This announcement contains several statements that are "forward-looking", or which use various "forward-looking" terminologies. Such statements are based on the current beliefs, assumptions, expectations and projections of the Directors regarding the industry and markets in which the Group is active. Readers are reminded that such statements are subject to risks, uncertainties and other factors that are beyond the Group's control.

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

Executive Directors:
Mr. Lai Chee Ying, Jimmy *(Chairman)*
Mr. Cheung Ka Sing, Cassian
Mr. Ting Ka Yu, Stephen
Mr. Ip Yut Kin

Independent Non-executive Directors:
Mr. Fok Kwong Hang, Terry
Mr. Wong Chi Hong, Frank
Dr. Lee Ka Yam, Danny