NEXTmedia

Next Media Limited

Stock Code: 00282

Interim Report 2009/10

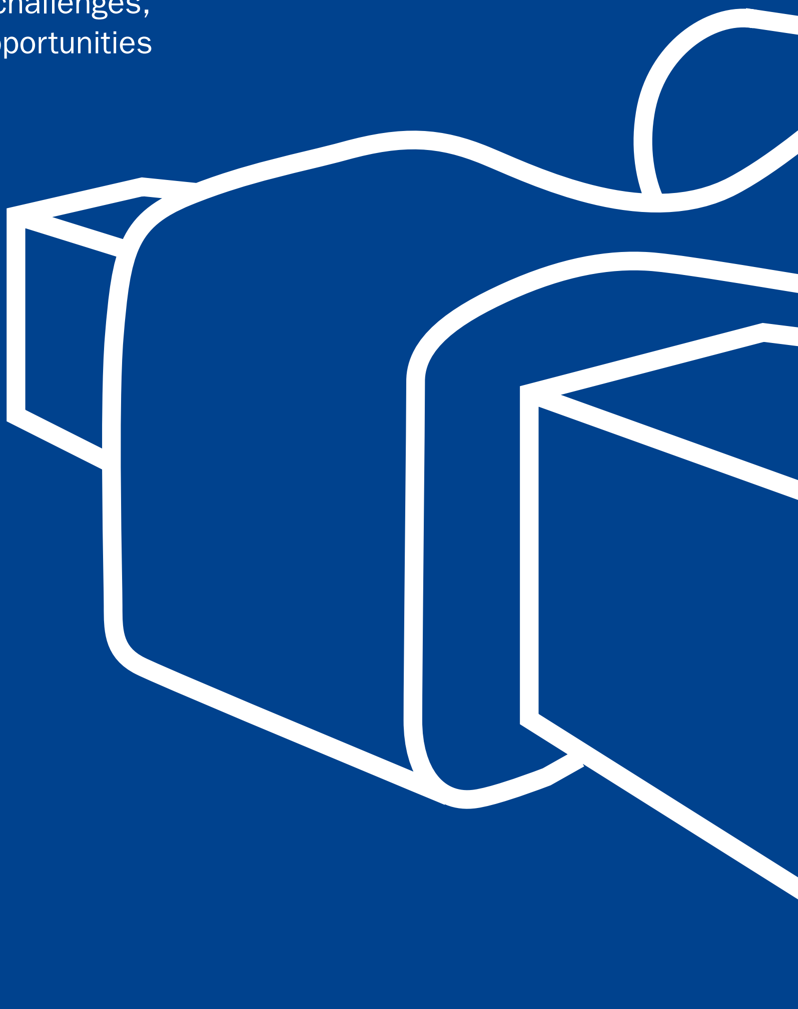
Concept and design: **iOne Financial Press Limited** www.ione.com.hk

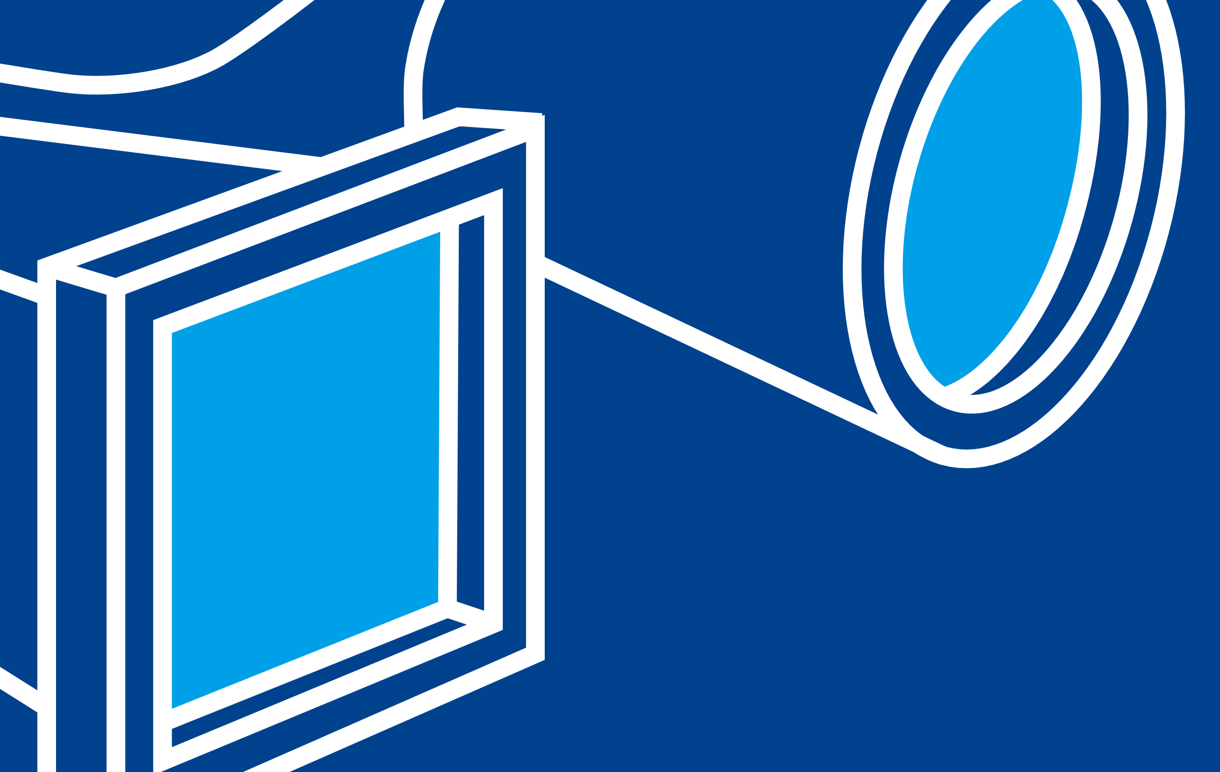
Contents

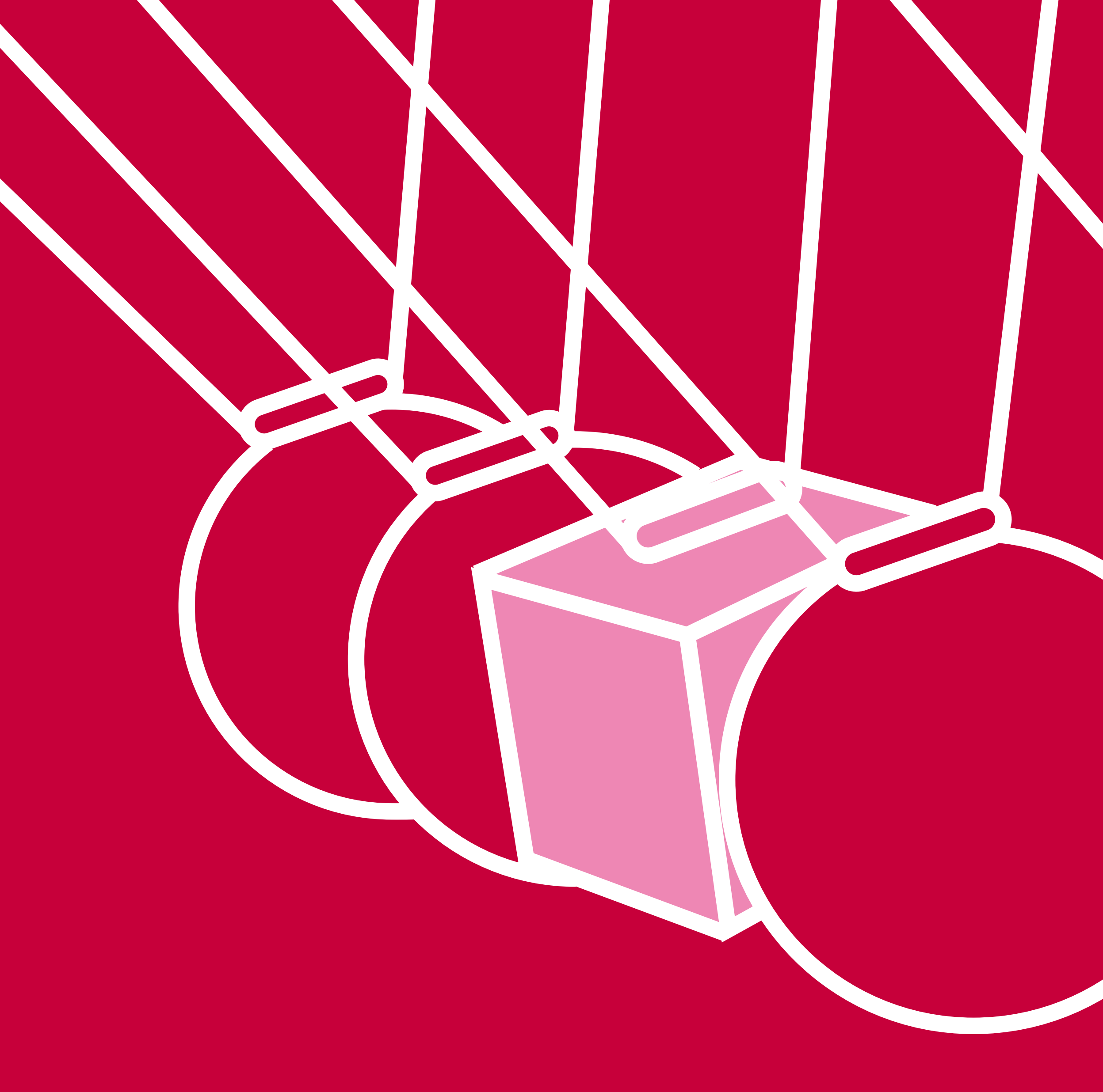
Advancing to Realise

VISION

Fearlessly facing present challenges,
looking ahead to future opportunities

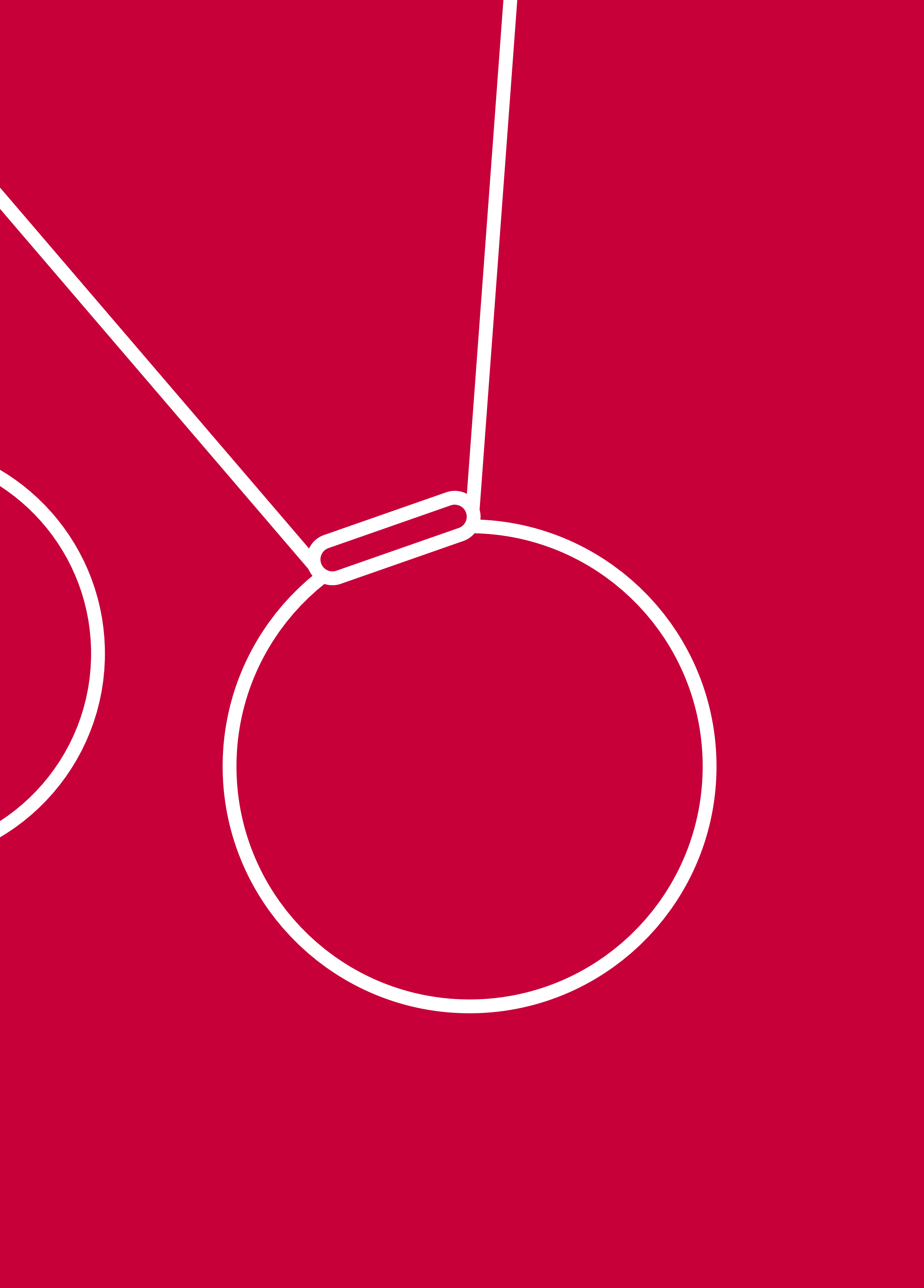






Success through SYNERGY

Integrating and consolidating our strengths
to create ever-greater value



FINANCIAL HIGHLIGHTS

Results	(Unaudited) Six months ended 30 September 2009 HK$'000	2008 HK$'000
Revenue	**1,498,348**	1,795,156
EBITDA after minority interests	**221,415**	312,882
Profit for the period	**122,172**	208,332
Basic earnings per share	**5.0 cents**	8.6 cents
Diluted earnings per share	**5.0 cents**	8.6 cents

Statement of Financial Position	(Unaudited) As at 30 September 2009 HK$'000	(Audited) As at 31 March 2009 HK$'000
Non-current assets	**2,941,167**	2,775,397
Current assets	**1,562,155**	1,557,900
Total assets	**4,503,322**	4,333,297
Current liabilities	**586,889**	537,006
Non-current liabilities	**617,857**	678,873
Total liabilities	**1,204,746**	1,215,879
Net assets	**3,298,576**	3,117,418

Ratio Analysis		
Current ratio	**266.2%**	290.1%
Quick ratio	**245.1%**	254.9%
Gearing ratio	**10.1%**	11.7%

MANAGEMENT DISCUSSION AND ANALYSIS

The board of directors (the "Board" or the "Directors") of Next Media Limited ("Next Media" or the "Company") is pleased to announce the unaudited interim results of the Company and its subsidiaries (together, the "Group") for the six months ended 30 September 2009, as well as comparative figures for the same period of last year.

BUSINESSES

The Group is mainly engaged in publishing and printing newspapers, magazines and books. It also operates websites containing contents from its publications as well as contents specifically created for the websites. It sells advertising space in newspapers and magazines and on websites in Hong Kong and Taiwan, and also internet subscription. In addition, it provides printing and reprographic services.

FINANCIAL RESULTS

The Group's revenue totalled HK$1,498.3 million during the six months ended 30 September 2009. This was HK$296.9 million or 16.5% lower than the figure of HK$1,795.2 million recorded in the same period in 2008. The decline was mainly attributable to a fall of HK$246.6 million in the Group's advertising income from newspapers and magazines, as a result of sluggish economic conditions in both Hong Kong and Taiwan.

The Group's earnings totalled HK$221.4 million during the period under review, before interest, tax, depreciation, amortisation and after minority interests. This represented a decline of 29.2% on the figure of HK$312.9 million for the corresponding period of 2008. Basic earnings per share were HK5.0 cents, compared with HK8.6 cents in the same period last year.

The Group recorded unaudited consolidated profit of HK$122.2 million, which was 41.3% lower than the figure of HK$208.3 million for the same period in 2008. This was mainly due to the substantial decline in advertising income mentioned above.

Despite the difficult business environments in Hong Kong and Taiwan had an adverse effect on the earnings of all the Group's operations, the results of the Group were broadly within the range of its expectations as a result of a number of cost containment measures previously taken and a significant decline in the paper cost.

OVERVIEW OF MAJOR MARKETS

The operating environment for the media and publishing industries in both Hong Kong and Taiwan, while difficult, grew somewhat stabilised and brighter during the latter part of the period under review, and overall was better than in the fourth quarter of 2008. However, the pace of the overall economic recovery was slow and choppy in both places, although the improvement was slightly more noticeable in Hong Kong than in Taiwan.

These adverse economic conditions were reflected by the Group's disappointing advertising revenue – which accounts for around two-thirds of its total revenue. It was still a slight improvement on the figure for the second half of 2008/09 financial year. Meanwhile, circulation income – which makes up most of the remaining one-third – remained relatively stable.

Overall, the Group feels that the results it achieved during the period under review were reasonable, given the general business environment. It feels somewhat disappointed about the weak performance of Taiwan's economy, which prevented it from advancing closer to its goal of deriving 50% of its total revenues from the island. The Group's operations in Hong Kong and elsewhere accounted for about 59.8% of its revenue during the six months ended 30 September 2009, compared with 58.3% in the same months of 2008, whereas its Taiwan operations contributed the other 40.2% (2008: 41.7%).

OPERATIONAL REVIEW

The revenues and segment profits of all the Group's operating units declined during the period under review, primarily due to the slide in its advertising income from newspapers and magazines.

Anticipating the challenges in the general business environment, especially their detrimental effect on advertising income, the Group continued to maintain very strict controls over every area of its operating expenses.

Human resources account for more than one-third of the Group's total expenses, and the existing freeze on the headcounts in almost all its departments remained in place. The ratios of advertising and editorial pages in its publications were carefully monitored, and their layouts were rationalised so that a similar amount of content could be presented in fewer pages. A close watch was also kept over print runs, in order to minimise wastage.

At the same time, the Group paid extra attention to managing its credit and receivables. The trends in the global business environment were likewise scrutinised, and the Group continued to prudently build up its cash reserves and invest them cautiously.

One favourable factor in the period under review was a significant decline in the cost of paper, which also accounted for more than one-third of the Group's total expenses. Its cost is expected to remain stable during the second half of the 2009/10 financial year.

NEWSPAPERS PUBLICATION AND PRINTING DIVISION

The Newspapers Publication and Printing Division accounted for 69.3% of the Group's total external revenue during the six months ended 30 September 2009. *Apple Daily* and *Taiwan Apple Daily* made the largest contributions to the Division's external revenue, which totalled HK$1,038.8 million, a decrease of 14.9% on the figure of HK$1,220.8 million for the corresponding period last year. The Division's segment profit declined by 18.1% to HK$147.4 million, compared with HK$180.0 million in the same period of 2008.

Apple Daily maintained its position as the second most widely read Hong Kong daily newspaper during the past 12-month period. Its sales remained fairly constant between January and June 2009, with a daily average of 314,509 copies, compared with 318,332 in the same period last year[1]. Meanwhile, its readership among readers aged 12+ dipped to 1,577,000 in the 12 months ended 30 June 2009, compared with 1,622,000 in the same period in 2007/08[2].

Apple Daily's revenue totalled HK$534.1 million during the period under review, a decrease of 11.9% on the figure of HK$606.0 million recorded in the same period of 2008. Such revenue included printing revenues from other publishers – including the locally distributed copies of *Asian Wall Street Journal* and two Japanese newspapers – during the six months ended 30 September 2009.

Taiwan Apple Daily continued to be the island's most widely read daily. Its readership increased moderately to 3,067,000 during the six months ended 30 June 2009 compared with 2,944,000 a year earlier[4]. The newspaper's revenue decreased by 17.8% to HK$506.0 million in the six months ended 30 September 2009, compared with HK$615.9 million during the corresponding months of 2008.

Sharp, the Group's free newspaper distributed in Taiwan, maintained its popularity among readers and advertisers alike, thus fulfilling the Group's strategic objective of having a presence in this niche market. Copies of the newspaper are distributed to commuters every morning from Mondays to Saturdays. The publication continued to be particularly effective in attracting smaller local advertisers, who find traditional print media too expensive.

BOOKS AND MAGAZINES PUBLICATION AND PRINTING DIVISION

The Books and Magazines Publication and Printing Division recorded a revenue of HK$448.6 million, a decrease of 21.2% on the figure of HK$569.4 million achieved in the corresponding period of 2008.

The Group retained its strong position in the Hong Kong magazine market by publishing the city's two best-selling and most widely read weeklies.

Its flagship title, *Next Magazine*, generated HK$117.2 million in revenue during the six months ended 30 September 2009, a decline of 14.0% compared with the figure of HK$136.3 million for the corresponding period last year. It had a readership of 675,000 people aged 12+ during the 12 months ended 30 June 2009, compared with 890,000 in the same period of 2008[2], and its average weekly sales rose to 131,095 copies in the first six months of 2009, compared with 128,445 in the same months of last year[1].

The total revenue of the *Sudden Weekly Bundle* – consisting of *Sudden Weekly*, *Eat & Travel Weekly* and *ME!* – declined slightly to HK$134.4 million during the six months up to 30 September 2009, compared with HK$143.0 million in the same period of 2008.

Sudden Weekly Bundle remained Hong Kong's best-selling and most widely read weekly publication. Its cover price was raised from HK$12.0 to HK$15.0 in June 2008. As such, its average weekly sale declined from 193,640 copies for the first six months of 2008 to 165,853 copies for the corresponding period of 2009[1], while it enjoyed an average readership of 738,000 during the 12 months ended 30 June 2009, compared with 895,000 in the same period a year earlier[2].

FACE Bundle – which incorporates *FACE*, *Auto Express* and *Trading Express* – continued to be a popular, infotainment weekly among Hong Kong youngsters. It achieved a total revenue of HK$43.0 million in the six months up to 30 September 2009, compared with HK$59.3 million during the same period last year, a decrease of 27.5%. Its weekly sales averaged 70,413 copies between January and June 2009, compared with 80,201 in the corresponding months of 2008. Meanwhile, its readership averaged 203,000 people in the 12 months ended 30 June 2009, compared with 296,000 in the preceding 12 months[2].

Taiwan Next Magazine remained the island's best-selling and most widely read weekly. Its revenues totalled HK$93.3 million in the six months ended 30 September 2009, compared with HK$130.7 million in the same period last year, a decrease of 28.6%.

The average weekly sales of *Taiwan Next Magazine* were 113,298 copies between January and June 2009, compared with 122,460 copies in the corresponding months of last year[3]. However, its readership grew steadily to 1,651,000 people in this period, up from 1,593,000 in the first six months of 2008[4].

The printing section of the Division continued to enjoy a high reputation for the quality of its printing work. Its revenue from work on behalf of internal customers within the Group during the six months ended 30 September 2009 remained fairly stable. The Division's external revenue for the period amounted to HK$45.6 million, 43.4% lower than the HK$80.5 million it earned in the same period last year. This was mainly the result of a fall in the amount of business it received from Europe and North America, where economic conditions remained poor.

The Division's segment profit of HK$64.3 million was 40.3% lower than the figure of HK$107.7 million recorded in the corresponding period of 2008.

INTERNET BUSINESSES DIVISION

The Internet Businesses Division continued to play a valuable role in the Group, especially as a channel to strengthen its brand image among younger people. The webcasting services have begun to attract a modest amount of advertising revenue.

The Division's business continued to be stable. Its revenue totalled HK$24.0 million during the period under review, which was an increase of 2.1% on the figure of HK$23.5 million recorded in the same months of 2008. However, the operating expenses incurred in the services mentioned above meant that the Division recorded a segment loss of HK$29.3 million, compared with a loss of HK$28.8 million in the corresponding period last year.

TELEVISION DIVISION

The Group has always regarded Taiwan as an ideal location for building and further extending the scope of its business operations. It continued to make steady progress towards this goal by establishing a new television division and investing HK$15.4 million in its set-up costs during the period under review.

FUTURE PROSPECTS AND OUTLOOK

Although there have been some "green shoots of recovery", especially the improvements seen in many stock markets during recent months, the shadow of last year's major financial downturn still hangs heavily over the global business community.

Hong Kong's economy has fared better than those of many other countries and regions during recent months, thanks to the strength it has derived from China's resilience during the recession. On the other hand, Taiwan, which is more exposed to fluctuations in global markets, is moving at a slower pace, and its recovery from the downturn will probably be a longer process.

Taking all these indicators into account, the Group has decided to maintain an attitude of cautious optimism. While it hopes the positive feelings many people have about a worldwide economic recovery will be justified, and that it will happen relatively soon and on a sustainable basis, it still intends to remain very careful in the way it manages its businesses in Hong Kong and Taiwan.

One important initiative it is now taking is to continue investing in its television operation in Taiwan. It is currently building studios, hiring professional staff and applying for the necessary licences. If things progress according to plan, it will have its new channels on air in the first half of 2010.

SOURCES:

1. Hong Kong Audit Bureau of Circulations Ltd.
2. 2009 Nielsen Media Index: Hong Kong Report (July 2008 – June 2009)
3. The Audit Bureau of Circulations, R.O.C.
4. Media Index (January – June 2009), Nielsen Media Research, Taiwan

LIQUIDITY AND FINANCIAL RESOURCES

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

As of 30 September 2009, the Group had available banking facilities totalling HK$724.9 million, of which HK$459.2 million had been utilised. All its bank borrowings bear interest at floating rates. There is no seasonality for its borrowing requirements. The Group's bank borrowings are denominated in Hong Kong Dollars (HK$) and New Taiwan Dollars (NT$).

The Group also had HK$914.1 million in bank balances and cash reserves, as of 30 September 2009. Its current ratio on the same date was 266.2%, compared to 290.1% on 31 March 2009. The Group's gearing ratio on the same date – calculated by dividing its long-term liabilities including current portions by total asset value – decreased to 10.1%, compared with 11.7% as of 31 March 2009.

ASSETS PLEDGED

As of 30 September 2009, the Group had pledged its Taiwan properties, Hong Kong and Taiwan printing equipment with an aggregate carrying value of HK$634.2 million to various banks as security for bank loans granted to the Group.

EXCHANGE EXPOSURE AND CAPITAL EXPENDITURE

The Group's assets and liabilities are mainly denominated either in HK$ or NT$. Its exchange exposure to NT$ is due to its existing magazine and newspaper publishing, internet businesses and the development of the television operation in Taiwan.

As of 30 September 2009, the Group's net currency exposure stood at NT$3,968.6 million (equal to about HK$956.1 million), a decrease of 13.2% on the figure of NT$4,574.1 million (equal to about HK$1,045.3 million) as of 31 March 2009.

The Group's strategy is to reduce its exchange rate exposure by arranging local currency bank loans. It therefore arranged various term loan facilities with a local bank in Taiwan, and the outstanding balance of the aforesaid term loan facilities amounted to NT$1,545.8 million (equal to about HK$372.4 million) as of 30 September 2009. The Group will closely monitor its overall currency exposure and, when considered appropriate, it will take further necessary actions to hedge against it.

During the six months ended 30 September 2009, the Group's capital expenditure amounted to HK$125.3 million, including HK$115.6 million for its Taiwan operations. A deposit amounting to HK$71.8 million was paid to various suppliers for the acquisition of property, plant and equipment, but this was not capitalised as property, plant and equipment as of 30 September 2009. As of the same date, the capital expenditure it had committed for its operations amounted to HK$366.1 million, including HK$363.0 million for its Taiwan operations.

SHARE CAPITAL STRUCTURE

As of 30 September 2009, the Company's total issued share capital was HK$2,412,496,881. This was divided into 2,412,496,881 ordinary shares with a par value of HK$1.0 each.

CONTINGENT LIABILITIES

During the period under review, Next Media incurred contingent liabilities arising as a result of a number of litigation proceedings in Hong Kong and Taiwan. Such proceedings are an occupational hazard in the publishing business.

In addition, the Group had a dispute with UDL Contracting Limited ("UDL"), the contractor for the construction of a printing facility of Apple Daily Printing Limited, a subsidiary of the Company, over amounts payable in respect of the facility's construction. This dispute is now under arbitration, and the final outcome remains uncertain.

In connection with the acquisition of Database Gateway Limited and its subsidiaries (the "Acquired Group") on 26 October 2001, Mr. Lai Chee Ying, Jimmy ("Mr. Lai"), the Company's Chairman and its substantial shareholder, 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 connected 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 magazines published by the Acquired Group on and at any time before 26 October 2001, and (3) the contractual dispute with UDL (the "Indemnity"). Mr. Lai also procured a bank guarantee of HK$60.0 million for a term of three years from 25 October 2007 in favour of the Company and the Acquired Group in respect of his obligations in relation to the Indemnity.

The Directors of the Company are of the opinion that it is unlikely that the Group would have any liability if UDL pursues its various claims to their ultimate conclusion. Accordingly, it is the opinion of the Company's Directors that the outstanding claims brought by UDL would not have any adverse material impact on the Group's financial position.

Next Media also maintains contingent liabilities that are related to various corporate guarantees the Company has provided to financial institutions for facilities utilised by some of its subsidiaries. As of 30 September 2009, these contingent liabilities stood at HK$5.5 million.

EMPLOYEES AND REMUNERATION POLICY

As of 30 September 2009, the Group employed a total of 3,697 employees, of whom 1,969 were in Hong Kong, 1,722 were in Taiwan, and 6 were in Canada. There were no material changes to the policies regarding employee remuneration, bonuses, share incentive schemes and staff development disclosed in the 2008/09 annual report. The Group's total staff costs for the six months ended 30 September 2009 amounted to HK$551.9 million, compared with HK$586.7 million during the same period of last year.

INTERIM DIVIDEND

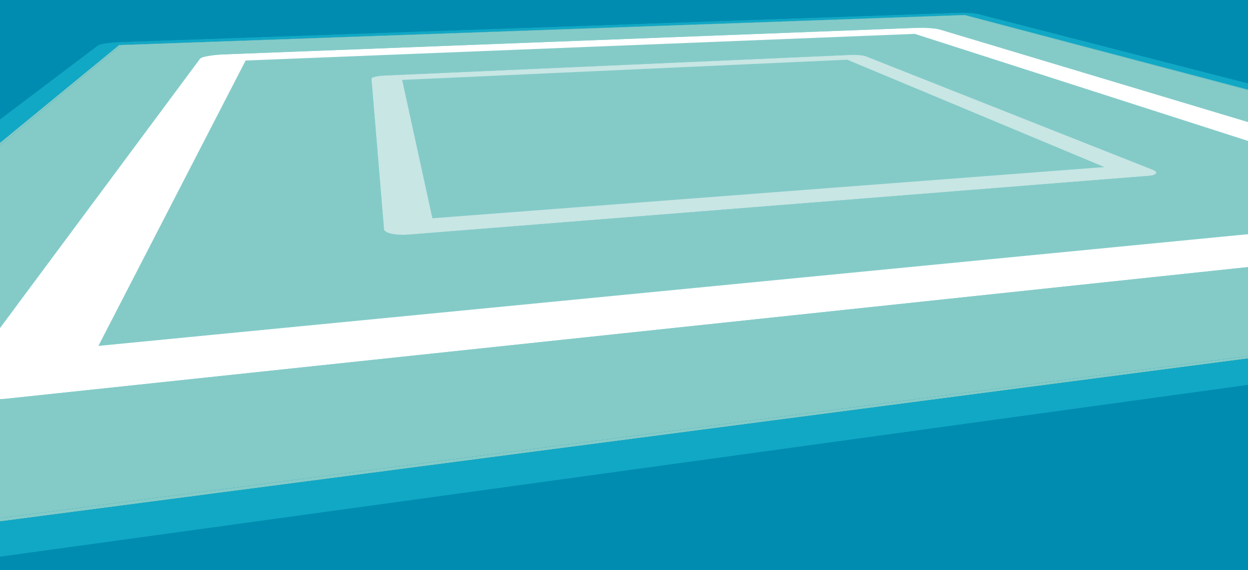
The Directors have resolved not to declare an interim dividend for the six months ended 30 September 2009 (for the six months ended 30 September 2008: Nil).

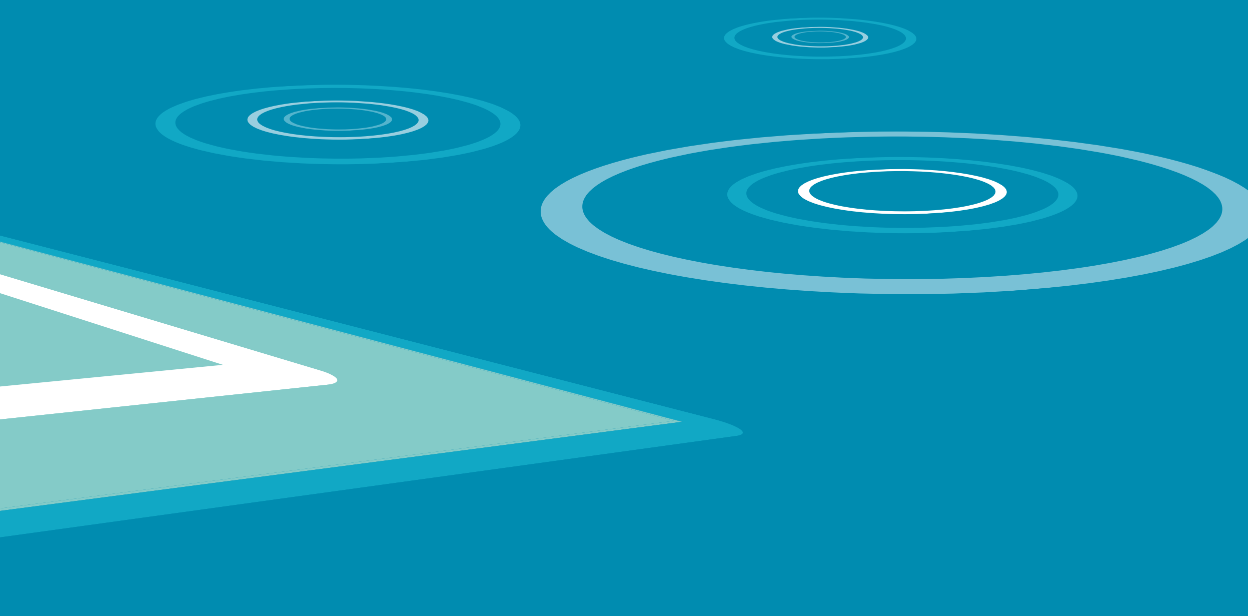
FORWARD LOOKING STATEMENTS

This interim report contains statements that are "forward-looking" or which use certain forward-looking terminology. These statements are based on the current beliefs, assumptions, expectations and projections of the Directors of the Company regarding the industry and markets in which the Group operates. These statements are subject to risks, uncertainties and other factors beyond the control of the Group.

Speaking Out LOUD

An unwavering mission to provide
more informative and exciting media





Firm Yet
FLEXIBLE

Adapting to a changing environment
in a principled way

CORPORATE GOVERNANCE

BOARD OF DIRECTORS

As of 30 September 2009, the Board consisted of eight Directors – four Executive Directors, one Non-executive Director ("NED") and three Independent Non-executive Directors ("INEDs"). The Executive Directors were Mr. Lai Chee Ying, Jimmy ("Mr. Lai"), the Chairman of the Board; Mr. Chu Wah Hui, the Chief Executive Officer; Mr. Ting Ka Yu, Stephen, the Chief Operating Officer and Chief Financial Officer; and Mr. Ip Yut Kin. The NED was Mr. Cheung Ka Sing, Cassian. The INEDs were Mr. Fok Kwong Hang, Terry; Mr. Wong Chi Hong, Frank; and Dr. Lee Ka Yam, Danny. Detailed profiles of the eight Directors are posted on the Company's website at http://www.nextmedia.com.

The three INEDs participated in the Company's Board meetings in order to bring their independent judgment to bear on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct. They also served on the Audit Committee and Remuneration Committee.

BOARD ACTIVITIES

During the six-month period ended 30 September 2009, the Board held two meetings on 5 June 2009 and 21 September 2009. All the Directors attended both meetings, with the exception of Mr. Lai, who was only available to attend the meeting on 5 June 2009.

AUDIT COMMITTEE

The Audit Committee consisted solely of the Company's three INEDs, and it was 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. During the six months ended 30 September 2009, the Audit Committee held two meetings, on 1 June 2009 and 4 September 2009, and all its members attended both meetings. The Audit Committee reviewed, with its management, the Group's accounting principles and practices, internal controls and risk management systems, and financial reporting matters, including the review of the unaudited condensed consolidated financial statements for the six months ended 30 September 2009 and the fee proposal of the Company's external auditor for the year ending 31 March 2010.

The Group's external auditor, Deloitte Touche Tohmatsu, has reviewed the Company's unaudited condensed consolidated financial statements for the six months ended 30 September 2009 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 Hong Kong Accounting Standard 34, "Interim Financial Reporting", both of which were issued by the Hong Kong Institute of Certified Public Accountants.

REMUNERATION COMMITTEE

The Remuneration Committee consisted of four members, of whom three were INEDs and the fourth (Mr. Ting Ka Yu, Stephen) was Executive Director. Full details of the Remuneration Committee, including its functions and terms of reference, can be found at http://www.nextmedia.com.

INTERNAL CONTROLS

The Board acknowledges its responsibility to maintain sound and effective internal controls to safeguard the Group's assets and shareholders' interests. Monthly management meetings are held to review the Company's financial performance and strategic planning objectives. Stringent internal control policies and procedures are in place to ensure that transactions are carried out with proper approval by the senior management. The Board conducts half-year reviews of its internal control systems, particularly in the areas of financial reporting, operational controls, compliance and risk management, with the involvement of the Audit Committee and the assistance of the external auditor. The Board has engaged a professional firm to conduct an assessment to evaluate the Group's entity-level controls with reference to the COSO (Committee of Sponsoring Organisations) framework covering control environment, risk assessment, control activities, information and communication and monitoring. During the period ended 30 September 2009, the Group:

- Evaluated several business units with reference to the COSO framework;
- Followed up opportunities for improvements identified in the previous financial year's assessment and the implementation status of the management's action plans;
- Processed documentation and tested the controls of different business units;
- Updated the risk assessment plan for the year ending 31 March 2010;
- Implemented the self-assessment of controls conducted by various departments; and
- Discussed and reviewed the Group's internal audit reporting structure.

INVESTOR RELATIONS

The Company has established various channels for communicating with its shareholders and investors. It disseminates information in a timely manner through the publication of press releases, formal announcements and corporate documents. The Company's annual general meeting also provides a forum for Board members and shareholders to exchange opinions and ideas. The Company's 2009 Annual General Meeting was held on 20 July 2009. All the resolutions tabled at the meeting were voted on by poll, and the result of each poll was subsequently published on the website of Hong Kong Exchanges and Clearing Limited and the Company's own website.

Investors and shareholders can obtain updated information about the Group via the Company's website. They can also communicate directly with the Company by sending correspondence marked "for the attention of the Company Secretary" to the Company's registered office address, or via its designated investor relations e-mail account at: ir@nextmedia.com.

CODE ON CORPORATE GOVERNANCE PRACTICES (THE "CODE")

During the six months ended 30 September 2009, the Company fully complied with the applicable provisions of the Code set out in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except for the following deviation:

Code provision E.1.2

Under Code provision E.1.2, the Chairman of the Board shall attend the Company's annual general meeting.

Mr. Lai was unable to attend the 2009 Annual General Meeting held on 20 July 2009 due to another business engagement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

CORPORATE INFORMATION

Directors	Lai Chee Ying, Jimmy (Chairman) Chu Wah Hui (Chief Executive Officer) Ting Ka Yu, Stephen (Chief Operating Officer and Chief Financial Officer) Ip Yut Kin Cheung Ka Sing, Cassian$^{\Delta}$ Fok Kwong Hang, Terry* Wong Chi Hong, Frank* Lee Ka Yam, Danny* $^{\Delta}$ Non-executive Director * Independent Non-executive Director
Authorised Representatives	Chu Wah Hui Ting Ka Yu, Stephen
Company Secretary	Wong Shuk Ha, Cat
Auditor	Deloitte Touche Tohmatsu
Principal Bankers	Standard Chartered Bank (Hong Kong) Limited The Shanghai Commercial & Savings Bank Limited The Hongkong and Shanghai Banking Corporation Limited DBS Bank (Hong Kong) Limited Sumitomo Mitsui Banking Corporation China Construction Bank (Asia) Corporation Limited
Legal Advisors	Richards Butler in association with Reed Smith LLP Deacons
Registered Office	1/F., 8 Chun Ying Street Tseung Kwan O Industrial Estate Tseung Kwan O New Territories Hong Kong
Share Registrars and Transfer Office	Computershare Hong Kong Investor Services Limited Shops 1712-1716 17/F., Hopewell Centre 183 Queen's Road East Hong Kong
Shareholders' Enquiries	For additional information, please contact the Company Secretary by mail to the Company's registered office address or by fax at (852) 2623 9386 or by e-mail at ir@nextmedia.com
Website	http://www.nextmedia.com

SHARE INFORMATION

As at 30 September 2009

Shareholders of Ordinary Shares	
Mr. Lai Chee Ying, Jimmy (“Mr. Lai”)	74.04%
Directors other than Mr. Lai	0.61%
Others	25.35%
Authorised Share Capital	HK$4,600,000,000
	4,600,000,000 Ordinary Shares at HK$1.00 each
Issued Share Capital	HK$2,412,496,881
Share Options for Ordinary Shares granted under the 2000 Share Option Scheme of the Company and remaining unexpired	
at an exercise price of HK$1.670 each	2,274,000 Option Shares
at an exercise price of HK$3.325 each	1,000,000 Option Shares
at an exercise price of HK$3.102 each	18,850,000 Option Shares
at an exercise price of HK$2.784 each	600,000 Option Shares
at an exercise price of HK$2.760 each	400,000 Option Shares
Share Options for Ordinary Shares granted under the 2007 Share Option Scheme of the Company and remaining unexpired	
at an exercise price of HK$1.880 each	10,000,000 Option Shares
at an exercise price of HK$1.000 each	400,000 Option Shares
Market Capitalisation	
at HK$0.99 per Ordinary Share (closing price on 30 September 2009)	HK$2.39 billion
Stock Code	
The Stock Exchange of Hong Kong Limited Main Board	00282
Board Lot	2,000 Ordinary Shares

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As of 30 September 2009, the Directors and the Chief Executive of the Company and their associates had the following interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code in the Listing Rules:

(a) Interests in the Company

The table below sets out the long positions in the shares and underlying shares of each Director and the Chief Executive of the Company:

	Number of shares				Interests in underlying		Percentage of
Name of Director/ Chief Executive	Personal interests	Family interests	Corporate interests	Other interests	shares/equity derivatives	Total shares	issued share capital
Lai Chee Ying, Jimmy	1,720,594,935	–	1,000,000	64,538,230	–	1,786,133,165	74.04
Chu Wah Hui	20,000	10,000	–	–	10,000,000 (Note 1)	10,030,000	0.42
Ting Ka Yu, Stephen	90,314	–	–	–	1,618,000 (Note 2) 1,194,000 (Note 3)	2,902,314	0.12
Ip Yut Kin	10,200,377	2,630,000	–	–	1,060,000 (Note 3)	13,890,377	0.58
Cheung Ka Sing, Cassian	172,000	–	–	–	–	172,000	0.01
Fok Kwong Hang, Terry	1,500,000	–	–	–	–	1,500,000	0.06

(b) Interests in Associated Corporation

The table below sets out the long positions in underlying shares of the Company's associated corporation (within the meaning of Part XV of the SFO) of each Director and the Chief Executive of the Company:

Apple Daily Publication Development Limited ("ADPDL")

	Number of shares				Interests in underlying shares/equity derivatives		Percentage of issued share capital
Name of Director/ Chief Executive	Personal interests	Family interests	Corporate interests	Other interests		Total shares	
Ting Ka Yu, Stephen	108,344 (Note 4)	–	–	–	–	108,344	1.00
Ip Yut Kin	200,000 (Note 4)	–	–	–	–	200,000	1.85

Notes:

1. These interests represented the share options granted by the Company under its 2007 Share Option Scheme to the Director as beneficial owner, the details of which are set out in the Section headed "Share Incentive Schemes". Further options representing the rights to subscribe for a total of 40,000,000 Shares would be granted to the Director under the 2007 Share Option Scheme in four tranches, each representing 10,000,000 Shares, over a period of four years pursuant to the terms of the employment agreement entered into between the Director and a wholly-owned subsidiary of the Company dated 22 September 2008 provided that the Director stays within the employment of the Group at the relevant time.

2. These interests represented the share options granted by the Company under its 2000 Share Option Scheme to the Director as beneficial owner, the details of which are set out in the Section headed "Share Incentive Schemes".

3. These interests represented the Shares to be subscribed for under the invitations issued by the Company pursuant to its share subscription and financing plan to these Directors as beneficial owners, the details of which are set out in the Section headed "Share Incentive Schemes".

4. These interests represented the shares of ADPDL issued upon the exercise of the share options granted under the 2007 ADPDL Share Option Scheme, the details of which are set out in the Section headed "Share Incentive Schemes".

Save as disclosed above and as disclosed in the Section headed "Discloseable Interests and Short Positions of Shareholders under the SFO" below, none of the Directors and the Chief Executive of the Company or their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as at 30 September 2009.

DISCLOSEABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS UNDER THE SFO

As of 30 September 2009, the following person (other than a person who is a Director or Chief Executive of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO and so far as is known to any Directors or Chief Executive of the Company:

Name of shareholder	Number of shares/ underlying shares held	Percentage of issued share capital
Li Wan Kam, Teresa	1,786,133,165 (Note)	74.04

Note: These represent the same total number of Shares held by Mr. Lai as disclosed in the Section headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures". Ms. Li Wan Kam, Teresa, is the spouse of Mr. Lai and is deemed to be interested in these Shares.

Save as disclosed above, the Company had not been notified of any other person (other than Directors or Chief Executive of the Company) who had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO and so far as is known to any Directors or Chief Executive of the Company as at 30 September 2009.

SHARE INCENTIVE SCHEMES

(a) Share Option Schemes of the Company

2000 Share Option Scheme

The share option scheme was adopted by the Company on 29 December 2000 and amended to comply with the requirements of Chapter 17 of the Listing Rules on 31 July 2002 (the "2000 Share Option Scheme"). The limit of number of ordinary shares of HK$1.00 each of the Company which may be issued upon exercise of all options to be granted was refreshed to 10% of the issued ordinary share capital of the Company as at 31 July 2002. The 2000 Share Option Scheme was terminated by the shareholders of the Company at its 2007 annual general meeting held on 30 July 2007. However, options granted under the 2000 Share Option Scheme that remain unexpired shall continue to be exercisable in accordance with their terms of issue.

Details of the outstanding share options granted under the 2000 Share Option Scheme as at 30 September 2009 are as follows:

Name or category of participants	Date of grant	Exercise price per share	Exercisable period	Balance as at 01.04.2009	Balance as at 30.09.2009
Director					
Ting Ka Yu, Stephen	18.03.2002	HK$1.670	19.03.2003-28.12.2010	1,618,000	1,618,000
Employees					
In aggregate	18.03.2002	HK$1.670	19.03.2003-28.12.2010	656,000	656,000
	24.08.2005	HK$3.325	25.08.2006-28.12.2010	1,000,000	1,000,000
	06.12.2006	HK$3.102	07.12.2007-28.12.2010	17,850,000	17,850,000
	06.12.2006	HK$3.102	07.12.2007-28.12.2010	1,000,000	1,000,000
	08.01.2007	HK$2.784	09.01.2008-28.12.2010	600,000	600,000
	09.03.2007	HK$2.760	10.03.2008-28.12.2010	400,000	400,000
Total outstanding				23,124,000	23,124,000

During the period, no options granted under the 2000 Share Option Scheme were exercised, lapsed or cancelled.

The options granted under the 2000 Share Option Scheme (except the 1 million options granted on 6 December 2006) vest as follows:

On 1st anniversary of the date of grant	30% vested
On 2nd anniversary of the date of grant	further 30% vested
On 3rd anniversary of the date of grant	remaining 40% vested

The 1 million options granted under the 2000 Share Option Scheme on 6 December 2006 vest as follows:

On 1st anniversary of the date of grant	20% vested
On 2nd anniversary of the date of grant	further 20% vested
On 3rd anniversary of the date of grant	further 20% vested
The seven-month period after the 3rd anniversary of the date of grant	remaining 40% vested

2007 Share Option Scheme

The share option scheme was adopted by the Company on 30 July 2007 with terms that complied with the requirements under Chapter 17 of the Listing Rules (the "2007 Share Option Scheme").

Details of the outstanding share options granted under the 2007 Share Option Scheme as at 30 September 2009 are as follows:

Name or category of participants	Date of grant	Exercise price per share	Exercisable period	Balance as at 01.04.2009	Balance as at 30.09.2009
Director					
Chu Wah Hui	02.10.2008	HK$1.880	03.10.2008-01.10.2013	10,000,000	10,000,000
Employee					
In aggregate	20.01.2009	HK$1.000	06.01.2009-04.01.2014	400,000	400,000
Total outstanding				10,400,000	10,400,000

The options granted under the 2007 Share Option Scheme shall be 100% fully vested on the 1st anniversary date from their respective dates of grant.

During the period, no options were granted, exercised, lapsed or cancelled under the 2007 Share Option Scheme.

(b) Share Option Schemes of the Subsidiaries

2002 Subsidiary Share Option Schemes

On 31 July 2002, each of ADPDL and Next Media Publishing Limited ("NMPL"), both are subsidiaries of the Company (collectively the "Subsidiaries"), adopted a share option scheme with terms in compliance with Chapter 17 of the Listing Rules ("2002 ADPDL Share Option Scheme" and "2002 NMPL Share Option Scheme", collectively, "2002 Subsidiary Share Option Schemes").

On 28 July 2004, the shareholders of ADPDL and the shareholders of the Company approved the refreshment of the mandate limit of the 2002 ADPDL Share Option Scheme up to a new 10% limit.

On 30 July 2007, the 2002 Subsidiary Share Option Schemes were terminated by the respective shareholders of ADPDL and NMPL and the shareholders of the Company.

No share options were outstanding under the 2002 Subsidiary Share Option Schemes during the six months ended 30 September 2009.

Subsidiary Share Option Schemes

On 12 June 2009, Aim High Investments Limited ("AHIL"), a wholly-owned subsidiary of the Company, adopted a new share option scheme. During the period, the following subsidiaries of the Company (collectively the "Other Subsidiaries") have their respective share option schemes (collectively, "Subsidiary Share Option Schemes") with terms in compliance with the requirements under Chapter 17 of the Listing Rules:

Name of subsidiary	Adoption date	Share option scheme title
ADPDL	30 July 2007	2007 ADPDL Share Option Scheme
NMPL	30 July 2007	2007 NMPL Share Option Scheme
Apple Community Infonet Limited ("ACIL")	20 February 2008	2008 ACIL Share Option Scheme
Next Media Animation Limited ("NMAL")	20 February 2008	2008 NMAL Share Option Scheme
Next Media Webcast Limited ("NMWL")	20 February 2008	2008 NMWL Share Option Scheme
AHIL	12 June 2009	2009 AHIL Share Option Scheme

The tables below set out movements in the share options under the Subsidiary Share Option Schemes during the period:

2008 ACIL Share Option Scheme

Name or category of participants	Date of grant	Exercise price per share	Exercisable period	Balance as at 01.04.2009	Granted during the period	Lapsed during the period	Balance as at 30.09.2009
Employees							
In aggregate	01.04.2008	(Note)	Not yet determined	60,000	–	(60,000)	–
	22.04.2009	(Note)	Not yet determined	–	30,000	(30,000)	–
Total outstanding				60,000	30,000	(90,000)	–

Note: The exercise price shall be determined solely by the board of ACIL but shall always be higher than or equal to the nominal value of a share of ACIL. For any option granted after ACIL has resolved to seek a listing or granted during the period commencing six months before the lodgement of an application with the relevant stock exchange for the listing and at any time thereafter, the exercise price shall be not less than the higher of (i) the issue price of a share at listing; and (ii) the nominal value of a share of ACIL.

The Company has used the Binomial Model to assess the fair values of the share options granted under the 2008 ACIL Share Option Scheme during the six months ended 30 September 2009. This is an appropriate method to assess the fair value of an option which can be exercised before the expiry of the option period.

The assumptions used in the calculation are as follows:

	2008 ACIL Share Option Scheme
Risk free rate	2.02% per annum
Expected volatility	46.29% per annum
Expected dividend yield	0% per annum
Weighted expected term	6.50 years

According to the valuation, the value of the share options granted during the period was insignificant.

In calculating the fair value of the share options granted under the 2008 ACIL Share Option Scheme during the six months ended 30 September 2009, no allowance has been made for forfeiture prior to vesting. It should be noted that the value of a share option under each grant varies with different variables of certain subjective assumptions; and change in variables so adopted may materially affect the fair value estimate.

Save for the above movement in the 2008 ACIL Share Option Scheme, no options were granted, exercised, lapsed or cancelled under the Subsidiary Share Option Schemes during the period ended 30 September 2009.

Share Subscription and Financing Plan

The share subscription and financing plan adopted by the Company on 29 October 2007 (the "Plan") allows the Board to make invitations to eligible persons to subscribe for new Shares of the Company.

The table below sets out movements of the invitations for subscription issued pursuant to the Plan during the period:

Name or category of participants	Invitation date	Subscription price per share	Subscription period	Balance as at 01.04.2009	Lapsed during the period	Balance as at 30.09.2009
Directors						
Ting Ka Yu, Stephen	08.11.2007	HK$2.120	09.11.2008–07.11.2012	1,194,000	–	1,194,000
Ip Yut Kin	08.11.2007	HK$2.120	09.11.2008–07.11.2012	1,060,000	–	1,060,000
Employees						
In aggregate	08.11.2007	HK$2.120	09.11.2008–07.11.2012	43,218,000	(1,064,000)	42,154,000
	25.02.2008	HK$2.490	26.02.2009–24.02.2013	1,000,000	–	1,000,000
Total outstanding				46,472,000	(1,064,000)	45,408,000

The vesting conditions of the invitations for subscription made under the Plan are as follows:

After 1st anniversary of the invitation date	1/3 vested
After 2nd anniversary of the invitation date	further 1/3 vested
After 3rd anniversary of the invitation date and before the expiry date of the subscription period	remaining 1/3 vested

PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the percentage of the Shares in public hands exceed 25% as at 30 September 2009, the latest practicable date to ascertain such information prior to the issue of this interim report.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

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 2009.

By order of the Board
Chu Wah Hui
Director

Hong Kong, 30 November 2009

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2009

	NOTES	Six months ended 30 September 2009 HK$'000 (unaudited)	2008 HK$'000 (unaudited)
Revenue	3	**1,498,348**	1,795,156
Production costs			
Cost of materials consumed		**(526,833)**	(700,522)
Other overheads		**(61,632)**	(89,411)
Staff costs		**(337,617)**	(362,415)
Personnel costs excluding direct production staff costs		**(214,263)**	(224,298)
Other income	3	**16,928**	40,756
Depreciation of property, plant and equipment		**(64,783)**	(67,866)
Other expenses		**(151,812)**	(147,283)
Finance costs	5	**(7,268)**	(6,121)
Profit before tax		**151,068**	237,996
Income tax expense	6	**(28,896)**	(29,664)
Profit for the period	7	**122,172**	208,332
Other comprehensive income (expense)			
Exchange differences arising on translation and other comprehensive income (expense) for the period		**50,876**	(71,419)
Total comprehensive income for the period		**173,048**	136,913
Profit for the period attributable to:			
Owners of the Company		**119,569**	208,332
Minority interests		**2,603**	–
		122,172	208,332
Total comprehensive income attributable to:			
Owners of the Company		**170,527**	136,913
Minority interests		**2,521**	–
		173,048	136,913
Earnings per share	10		
Basic		**HK 5.0 cents**	HK 8.6 cents
Diluted		**HK 5.0 cents**	HK 8.6 cents

Condensed Consolidated Statement of Financial Position

At 30 September 2009

	NOTES	**30 September 2009 HK$'000 (unaudited)**	31 March 2009 HK$'000 (audited)
NON-CURRENT ASSETS			
Intangible assets		**1,300,881**	1,300,881
Property, plant and equipment	11	**1,502,405**	1,404,015
Prepaid lease payments	12	**66,048**	66,947
Deposit for acquisition of property, plant and equipment		**71,833**	3,554
		2,941,167	2,775,397
CURRENT ASSETS			
Inventories		**123,593**	188,872
Trade and other receivables	13	**514,249**	456,319
Prepaid lease payments	12	**1,797**	1,797
Derivative financial instruments		**–**	27
Tax recoverable		**8,402**	10,102
Restricted bank balances	14	**5,411**	5,411
Bank balances and cash		**908,703**	895,372
		1,562,155	1,557,900
CURRENT LIABILITIES			
Trade and other payables	15	**422,083**	385,118
Borrowings	16	**148,654**	142,724
Obligations under finance leases		**32**	242
Current tax liabilities		**16,120**	8,922
		586,889	537,006
NET CURRENT ASSETS		**975,266**	1,020,894
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,916,433**	3,796,291

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 30 September 2009

	NOTES	30 September 2009 HK$'000 (unaudited)	31 March 2009 HK$'000 (audited)
NON-CURRENT LIABILITIES			
Borrowings	16	**305,008**	364,822
Obligations under finance leases		**10**	–
Retirement benefits obligations		**21,446**	19,441
Deferred tax liabilities		**291,393**	294,610
		617,857	678,873
NET ASSETS		**3,298,576**	3,117,418
CAPITAL AND RESERVES			
Share capital	17	**2,412,497**	2,412,497
Reserves		**883,515**	704,878
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**3,296,012**	3,117,375
MINORITY INTERESTS		**2,564**	43
TOTAL EQUITY		**3,298,576**	3,117,418

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2009

	Attributable to owners of the Company								
	Share capital HK$'000	Share premium HK$'000	Translation reserve HK$'000	Share based payment reserve HK$'000	Accumulated profits (losses) HK$'000	Total HK$'000	Share based payment reserve of subsidiaries HK$'000	Minority interests HK$'000	Total HK$'000
At 1 April 2008 (audited)	2,411,829	918,264	40,965	28,789	9,649	3,409,496	–	43	3,409,539
Exchange differences arising on translation	–	–	(71,419)	–	–	(71,419)	–	–	(71,419)
Profit for the period	–	–	–	–	208,332	208,332	–	–	208,332
Total comprehensive income (expense) for the period	–	–	(71,419)	–	208,332	136,913	–	–	136,913
Dividends (Note 9)	–	–	–	–	(458,375)	(458,375)	–	–	(458,375)
Employee share option benefits	–	–	–	14,315	–	14,315	3,187	–	17,502
Exercise of share options	668	448	–	–	–	1,116	(3,187)	3,187	1,116
Minority shareholder's share of loss previously not recognised	–	–	–	–	3,187	3,187	–	(3,187)	–
At 30 September 2008 (unaudited)	2,412,497	918,712	(30,454)	43,104	(237,207)	3,106,652	–	43	3,106,695
Exchange differences arising on translation	–	–	(49,501)	–	–	(49,501)	–	–	(49,501)
Profit for the period	–	–	–	–	49,152	49,152	–	–	49,152
Total comprehensive income (expense) for the period	–	–	(49,501)	–	49,152	(349)	–	–	(349)
Employee share option benefits	–	–	–	10,109	–	10,109	963	–	11,072
Exercise of share options	–	–	–	–	–	–	(963)	963	–
Lapse of share options	–	–	–	(117)	117	–	–	–	–
Minority shareholder's share of loss previously not recognised	–	–	–	–	963	963	–	(963)	–
At 31 March 2009 (audited)	2,412,497	918,712	(79,955)	53,096	(186,975)	3,117,375	–	43	3,117,418
Exchange differences arising on translation	**–**	**–**	**50,958**	**–**	**–**	**50,958**	**–**	**(82)**	**50,876**
Profit for the period	**–**	**–**	**–**	**–**	**119,569**	**119,569**	**–**	**2,603**	**122,172**
Total comprehensive income (expense) for the period	**–**	**–**	**50,958**	**–**	**119,569**	**170,527**	**–**	**2,521**	**173,048**
Employee share option benefits	**–**	**–**	**–**	**8,110**	**–**	**8,110**	**–**	**–**	**8,110**
Lapse of share options	**–**	**–**	**–**	**(611)**	**611**	**–**	**–**	**–**	**–**
At 30 September 2009 (unaudited)	**2,412,497**	**918,712**	**(28,997)**	**60,595**	**(66,795)**	**3,296,012**	**–**	**2,564**	**3,298,576**

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2009

	Six months ended 30 September	
	2009	2008
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Net cash from operating activities	**260,462**	176,285
Net cash used in investing activities		
Acquisition of property, plant and equipment	**(121,778)**	(34,498)
Interest income	**1,651**	4,315
Deposits for purchase of property, plant and equipment	**(71,833)**	(495)
Other investing cash flow	**133**	520
	(191,827)	(30,158)
Net cash used in financing activities		
Dividends paid	**–**	(458,375)
Repayments of bank borrowings	**(76,119)**	(36,205)
Other financing cash flow	**(7,468)**	(5,404)
	(83,587)	(499,984)
Net decrease in cash and cash equivalents	**(14,952)**	(353,857)
Cash and cash equivalents at beginning of the period	**895,372**	872,003
Effect of foreign exchange rate changes	**28,283**	(12,477)
Cash and cash equivalents at end of the period	**908,703**	505,669
Analysis of cash and cash equivalents		
Bank balances and cash	**908,703**	505,669

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2009

1. BASIS OF PREPARATION

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

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under the historical cost convention except for certain financial instruments, which are measured at fair values, as appropriate.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the annual financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 March 2009.

In the current interim period, the Group has applied, for the first time, a number of new and revised standards, amendments and interpretations ("new or revised HKFRSs") issued by the HKICPA. Except as described below the adoption of the new or revised HKFRSs which had no material effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

HKAS 1 (revised 2007) "Presentation of Financial Statements"
(effective for annual periods beginning on or after 1 January 2009)

HKAS 1 (revised 2007) has introduced a number of terminology changes (including revised titles for the condensed consolidated financial statements) and has resulted in a number of changes in presentation and disclosure. However, HKAS 1 (revised 2007) has had no impact on the reported results or financial position of the Group.

The Group has not early applied any new and revised standards, amendments or interpretations that have been issued but are not yet effective. The adoption of HKFRS 3 (Revised in 2008) may affect the Group's accounting for business combinations for which the acquisition dates are on or after 1 April 2010. HKAS 27 (Revised in 2008) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary. The directors of the Company (the "Directors") anticipate that the application of these new and revised standards, amendments or interpretations will have no material impact on the condensed consolidated financial statements of the Group.

3. REVENUE AND OTHER INCOME

The Group is engaged in the 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 websites, internet subscription and the provision of internet content. Revenue recognised during the period is as follows:

	Six months ended 30 September	
	2009	2008
	HK$'000	HK$'000
Revenue		
Sales of newspapers	**396,732**	408,018
Sales of books and magazines	**133,693**	139,088
Newspapers advertising income	**583,160**	754,211
Books and magazines advertising income	**255,830**	331,372
Printing and reprographic service income	**104,500**	138,997
Advertising income, internet subscription and content provision ("Internet businesses")	**24,433**	23,470
	1,498,348	1,795,156
Other income		
Sales of waste materials	**7,833**	14,575
Interest income on bank deposits	**1,651**	4,315
Rental income	**923**	852
Net exchange gain	**4,016**	18,611
Others	**2,505**	2,403
	16,928	40,756
Total	**1,515,276**	1,835,912

4. SEGMENT INFORMATION

The Group has adopted HKFRS 8 "Operating Segments" with effect from 1 April 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the chief operating officer of the Group) in order to allocate resources to segments and to assess their performance. In contrast, the predecessor standard (HKAS 14, Segment Reporting) required an entity to identify two sets of segments (business and geographical) using a risks and returns approach, with the entity's "system of internal financial reporting to key management personnel" serving only as the starting point for the identification of such segments. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14, nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss. In the current period, a new reportable segment, television, is presented under HKFRS 8 which represents the business engaged in television broadcasting, programme production and other related activities which the Group established in the current period.

The Group's reportable segments under HKFRS 8 are as follows:

Business segments	**Regions of operations**
Newspapers publication and printing	Hong Kong and Taiwan
Books and magazines publication and printing	Hong Kong, Taiwan, North America, Europe and Australasia
Internet businesses	Hong Kong and Taiwan
Television	Taiwan

All transactions between different business segments are charged at market rates.

4. SEGMENT INFORMATION (continued)

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

Six months ended 30 September 2009

	Newspapers publication and printing HK$'000	Books and magazines publication and printing HK$'000	Internet businesses HK$'000	Television HK$'000	Eliminations HK$'000	Consolidated HK$'000
REVENUE						
External sales	1,038,750	435,165	24,433	–	–	1,498,348
Inter-segment sales	1,369	13,416	(441)	–	(14,344)	–
Total	1,040,119	448,581	23,992	–	(14,344)	1,498,348
RESULTS						
Segment results	147,369	64,286	(29,267)	(15,399)	–	166,989
Unallocated expenses						(13,732)
Unallocated income						5,079
Finance costs						(7,268)
Profit before tax						151,068
Income tax expense						(28,896)
Profit for the period						122,172

4. SEGMENT INFORMATION (continued)

Six months ended 30 September 2008

	Newspapers publication and printing HK$'000	Books and magazines publication and printing HK$'000	Internet businesses HK$'000	Television HK$'000	Eliminations HK$'000	Consolidated HK$'000
REVENUE						
External sales	1,220,756	550,930	23,470	–	–	1,795,156
Inter-segment sales	1,102	18,482	1	–	(19,585)	–
Total	1,221,858	569,412	23,471	–	(19,585)	1,795,156
RESULTS						
Segment results	179,991	107,662	(28,758)	–	–	258,895
Unallocated expenses						(22,348)
Unallocated income						7,570
Finance costs						(6,121)
Profit before tax						237,996
Income tax expense						(29,664)
Profit for the period						208,332

Segment profit represents the profit earned by each segment without allocation of income resulted from interest income, paper reel handing income and finance costs. This is the measure reported to management for the purposes of resource allocation and performance assessment.

5. FINANCE COSTS

	Six months ended 30 September 2009 HK$'000	Six months ended 30 September 2008 HK$'000
Interest expense on bank borrowings wholly repayable within five years	**7,259**	6,082
Interest expenses on finance leases	**9**	39
	7,268	6,121

6. INCOME TAX EXPENSE

	Six months ended 30 September 2009 HK$'000	Six months ended 30 September 2008 HK$'000
The charge comprises:		
Current tax:		
Hong Kong	**30,303**	42,673
Other jurisdictions	**2,906**	6,368
Overprovision in prior years	**(1,097)**	–
Deferred tax:		
Credit for the period	**(3,216)**	(1,189)
Attributable to change in tax rate	**–**	(18,188)
	28,896	29,664

6. INCOME TAX EXPENSE (continued)

Hong Kong Profits Tax is recognised based on management's best estimate of the annual income tax rate expected for the full financial year. On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which includes the reduction in corporate profit tax rate by 1% to 16.5% effective from the year of assessment 2008-2009. The effect of such decrease has been reflected in measuring the current and deferred tax for the six months ended 30 September 2008. The estimated average annual tax rate used is 16.5% (2008: 16.5%) for the six months ended 30 September 2009.

Taxation arising in other jurisdictions is recognised based on management's best estimate of the annual income tax rate expected for the full financial year. The estimated average annual tax rate used is 27% (2008: 27%) which is the rates prevailing in the relevant jurisdictions.

7. PROFIT FOR THE PERIOD

	Six months ended 30 September	
	2009	2008
	HK$'000	HK$'000
Profit for the period has been arrived at after charging (crediting) the following items:		
Allowance for (reversal of) bad and doubtful debt (included in other expenses)	**11,019**	(6,114)
Operating lease expenses on:		
Properties	**3,639**	3,579
Plant and equipment	**6,375**	6,585
Amortisation of prepaid lease payments (included in other expenses)	**899**	899
Loss on disposal of property, plant and equipment	**1,377**	88
Legal and professional fees	**27,127**	26,390

8. SHARE INCENTIVE SCHEMES

(a) Share Option Schemes adopted by the Company

The Company adopted a share option scheme on 29 December 2000 (the "2000 Share Option Scheme", which was amended pursuant to an ordinary resolution dated 31 July 2002) and a new share option scheme on 30 July 2007 (the "2007 Share Option Scheme"). Upon adoption of the 2007 Share Option Scheme, the 2000 Share Option Scheme was terminated. However, options granted under the 2000 Share Option Scheme, which remained unexpired, shall continue to be exercisable in accordance with their terms of issue.

2000 Share Option Scheme

The Group recognised a total expense of HK$1,343,000 for the period ended 30 September 2009 (2008: HK$2,854,000) in relation to share options granted under the 2000 Share Option Scheme in prior periods.

2007 Share Option Scheme

The Group recognised a total expense of HK$1,711,000 for the period ended 30 September 2009 (2008: Nil) in relation to share options granted under the 2007 Share Option Scheme in prior periods.

During the six months ended 30 September 2009, no shares options were granted, exercised or cancelled under the 2000 Share Option Scheme and 2007 Share Option Scheme.

8. SHARE INCENTIVE SCHEMES (continued)

(b) Share Subscription and Financing Plan adopted by the Company

The Company adopted a Share Subscription and Financing Plan (the "Share Subscription Plan") on 29 October 2007. Under the Share Subscription Plan, the Company may issue share invitations to any of their employees (including part-time or full-time) and directors (including executive or non-executive) of the relevant group subsidiaries to subscribe for shares in the Company except that a director of the relevant group subsidiaries cannot apply for a plan loan. The number of shares which may be issued upon exercise of all outstanding share invitations issued under the Share Subscription Plan is limited to 70,000,000 shares, representing 2.9% of the total issued shares of the Company as at 29 October 2007.

Movements in the number of shares under invitations pursuant to the Share Subscription Plan during the period are as follows:–

	Number of shares under relevant invitations
At 1 April 2009	46,472,000
Lapsed during the period	(1,064,000)
At 30 September 2009	45,408,000

The Group recognised a total expense of HK$5,056,000 for the period ended 30 September 2009 (2008: HK$11,461,000) in relation to the Share Subscription Plan of the Company.

8. SHARE INCENTIVE SCHEMES (continued)

(c) Share Option Schemes adopted by certain subsidiaries

Each of Apple Daily Publication Development Limited ("ADPDL") and Next Media Publishing Limited ("NMPL") (collectively the "Subsidiaries"), subsidiaries of the Company, adopted share option schemes on 31 July 2002 (the "2002 Subsidiary Share Option Schemes"). Under the 2002 Subsidiary Share Option Schemes, the Subsidiaries may grant to any of their full-time employees and directors or employees and directors of any of their subsidiaries options to subscribe for the respective ordinary shares of ADPDL and NMPL. The number of shares which may be issued upon exercise of all outstanding options granted under the 2002 Subsidiary Share Option Schemes and any other share option scheme of the Subsidiaries is limited to 30% of the Subsidiaries' shares in issue from time to time.

On 30 July 2007, the Subsidiaries adopted another subsidiary share option schemes (the "2007 Subsidiary Share Option Schemes"). Upon adoption of the 2007 Subsidiary Share Option Schemes, the operation of the 2002 Subsidiary Share Option Schemes was terminated. However, share options granted under the 2002 Subsidiary Share Option Schemes, which remain unexpired, shall continue to be exercisable in accordance with their terms of issue.

On 20 February 2008, each of Apple Community Infonet Limited ("ACIL"), Next Media Animation Limited ("NMAL") and Next Media Webcast Limited ("NMWL") (collectively the "Another Subsidiaries") adopted their respective share option schemes (the "2008 Subsidiary Share Option Schemes"). Under the 2008 Subsidiary Share Option Schemes, the Another Subsidiaries may grant to any of their full-time employees and directors or employees and directors of any of their subsidiaries and any person who the directors of the Another Subsidiaries consider to be able to enhance the operation or value of the Another Subsidiaries options to subscribe for the respective ordinary shares of ACIL, NMAL and NMWL.

8. SHARE INCENTIVE SCHEMES (continued)

(c) Share Option Schemes adopted by certain subsidiaries (continued)

Movements in the number of share options granted pursuant to the 2008 Subsidiary Share Option Schemes during the period are as follows:–

	Number of share options ACIL
At 1 April 2009	60,000
Granted during the period	30,000
Lapsed during the period	(90,000)
At 30 September 2009	–

The Company has used the Binomial Model for assessing the fair values of the share options granted during the period. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. Changes in variables and assumptions may result in changes in the fair value of the options. The fair value of the options granted in the current period is insignificant. The Group recognised a total expense of HK$3,187,000 for the six months ended 30 September 2008 in relation to share options granted by ADPDL and ACIL in prior period.

Save as disclosed above, during the six months ended 30 September 2009, no share options were granted, exercised or cancelled under the 2002 Subsidiary Share Option Schemes, the 2007 Subsidiary Share Option Schemes and the 2008 Subsidiary Share Option Schemes.

8. SHARE INCENTIVE SCHEMES (continued)

(c) Share Option Schemes adopted by certain subsidiaries (continued)

On 12 June 2009, Aim High Investments Limited ("AHIL"), a wholly-owned subsidiary of the Company, adopted a share option scheme (the "2009 AHIL Share Option Scheme"). Under the 2009 AHIL Share Option Scheme, AHIL may grant to any of its full-time employees and directors or employees and directors of any of its subsidiaries and any person who the directors consider to be able to enhance the operations or value of AHIL options to subscribe for its ordinary shares. During the six months ended 30 September 2009, no share options were granted under the 2009 AHIL Share Option Scheme.

9. DIVIDENDS

	Six months ended 30 September	
	2009	2008
	HK$'000	HK$'000
Dividends recognised as distribution during the period:		
Ordinary shares:		
Final dividend for 2008/09 – Nil (2007/08: HK9.0 cents per share)	–	217,125
Special dividend for 2008/09 – Nil (2007/08: HK10.0 cents per share)	–	241,250
	–	458,375

The Directors have resolved not to declare an interim dividend for the six months ended 30 September 2009.

10. EARNINGS PER SHARE

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

	Six months ended 30 September	
	2009	2008
	HK$'000	HK$'000
Earnings:		
Earnings for the purposes of basic and diluted earnings per share for the period	**119,569**	208,332

	No. of shares	No. of shares
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**2,412,496,881**	2,412,219,460
Effect of dilutive potential ordinary shares:		
Share options	**–**	11,346,797
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**2,412,496,881**	2,423,566,257

The computation of diluted earnings per share does not assume the exercise of certain share options outstanding during the both periods since their adjusted exercise price was higher than the average market price of the Company's shares.

11. PROPERTY, PLANT AND EQUIPMENT

	HK$'000
COST	
At 1 April 2009	2,343,741
Currency realignment	58,094
Additions	125,332
Disposals	(11,718)
At 30 September 2009	2,515,449
ACCUMULATED DEPRECIATION	
At 1 April 2009	939,726
Currency realignment	18,742
Charge for the period	64,783
Eliminated on disposals	(10,207)
At 30 September 2009	1,013,044
CARRYING VALUES	
At 30 September 2009	1,502,405
At 31 March 2009	1,404,015

Notes:

(a) The carrying amount of the Group's property, plant and equipment includes an amount of HK$32,000 (At 31 March 2009: HK$58,000) in respect of assets held under finance leases.

(b) Pursuant to the lease agreements dated 25 May 1999 and 22 December 1999 with Hong Kong Science and Technology Parks Corporation ("HKSTP") (formerly known as "The Hong Kong Industrial Estates Corporation"), the buildings situated in Hong Kong are solely used for the publishing and printing of newspapers, magazines, directories and books. The Group's interests in the properties are transferable subject to the right of first refusal to purchase by HKSTP.

12. PREPAID LEASE PAYMENTS

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

Analysed as:

	30 September 2009 HK$'000	31 March 2009 HK$'000
Non-current assets	**66,048**	66,947
Current assets	**1,797**	1,797
	67,845	68,744

13. TRADE AND OTHER RECEIVABLES

	30 September 2009 HK$'000	31 March 2009 HK$'000
Trade receivables, net	**442,967**	402,563
Prepayments	**25,083**	13,981
Rental and other deposits	**16,547**	9,930
Others	**29,652**	29,845
	514,249	456,319

The Group's sales are made on credit terms of 7 to 120 days.

13. TRADE AND OTHER RECEIVABLES (continued)

The following is an aged analysis of trade receivables after deducting the allowance for doubtful debt at the end of the reporting period:

	30 September 2009 HK$'000	31 March 2009 HK$'000
0 – 1 month	**208,041**	178,475
1 – 3 months	**231,593**	186,631
Over 3 months	**3,333**	37,457
	442,967	402,563

14. 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.

15. TRADE AND OTHER PAYABLES

	30 September 2009 HK$'000	31 March 2009 HK$'000
Trade payables	**100,649**	162,992
Other payables	**321,434**	222,126
	422,083	385,118

15. TRADE AND OTHER PAYABLES (continued)

The following is an aged analysis of the trade payables at the end of the reporting period:

	30 September 2009 HK$'000	31 March 2009 HK$'000
0 – 1 month	**68,960**	96,887
1 – 3 months	**22,091**	56,439
Over 3 months	**9,598**	9,666
	100,649	162,992

16. BORROWINGS

	30 September 2009 HK$'000	31 March 2009 HK$'000
Secured bank loans (Note)	**453,662**	507,546
An analysis of the above is as follows:		
Secured bank loans repayable		
– within one year	**148,654**	142,724
– in the second year	**148,654**	142,724
– in the third year	**129,933**	140,055
– in the fourth year	**26,421**	82,043
	453,662	507,546
Less: Current portion	**(148,654)**	(142,724)
Non-current portion	**305,008**	364,822

During the period, the Group repaid bank loans amounting to HK$76 million.

16. BORROWINGS (continued)

Note:

At 30 September 2009, the Group's banking facilities were secured by the following:

– Certain of the Group's freehold land and buildings situated outside Hong Kong with an aggregate carrying value of approximately HK$350 million (At 31 March 2009: HK$379 million); and

– Certain of the Group's plant and machinery with an aggregate carrying value of approximately HK$284 million (At 31 March 2009: HK$287 million).

17. SHARE CAPITAL

	Authorised	
	Ordinary shares	
	No. of shares	HK$'000
Ordinary shares of HK$1.00 each		
At 1 April 2008, 30 September 2008, 1 April 2009 and 30 September 2009	4,600,000,000	4,600,000

	Issued and fully paid	
	Ordinary shares	
	No. of shares	HK$'000
At 1 April 2008	2,411,828,881	2,411,829
Exercise of share options	668,000	668
At 30 September 2008, 1 April 2009 and 30 September 2009	2,412,496,881	2,412,497

18. CONTINGENCIES

(a) Pending litigations

As at 30 September 2009, 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 a subsidiary, namely Apple Daily Printing Limited ("ADPL"), over amounts payable in respect of the construction of the facility and legal action was taken by UDL with the High Court against ADPL and Mr. Lai Chi Ying, Jimmy ("Mr. Lai") for the claim stated in 2007.

Pursuant to the judgment issued by the High Court on 18 January 2008, the default judgment against ADPL had been set aside and the proceedings against ADPL had been referred to arbitration. UDL had been ordered to pay 20% of ADPL's cost on the application to set aside the default judgment. ADPL also obtained an order for payment of all of its costs in relation to the application for a stay of proceedings to arbitration from UDL and the amount had been received in July 2008.

This legal case has no further development since the issue of the audited consolidated financial statements for the year ended 31 March 2009 dated 5 June 2009 ("2009 Financial Statements"). The details are set in the note 34 of the 2009 Financial Statements.

The Group has accrued approximately HK$52 million legal and professional expenses in trade and other payables as at 30 September 2009 (At 31 March 2009: HK$36 million) and provision has been recognised in respect of the outstanding legal proceedings based on advice obtained from legal counsel. The Directors are of the opinion that the claims can be successfully defended by the Group.

The Directors are of the opinion, that it is unlikely that the Group would have any liability if UDL pursues its various claims to their ultimate conclusion. Accordingly, it is the opinion of the Directors that the outstanding claims brought by UDL would not have any adverse material impact on the financial position of the Group.

18. CONTINGENCIES (continued)

(b) Guarantees

In connection with the acquisition of Database Gateway Limited and its subsidiaries (the "Acquired Group") on 26 October 2001, Mr. Lai, the Company's Chairman and its substantial shareholder, 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 connected 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 magazines published by the Acquired Group on and at any time before 26 October 2001 and (3) the contractual dispute with UDL (the "Indemnity"). In relation to the Indemnity, Mr. Lai also procured a bank guarantee of HK$60.0 million for a term of three years from 25 October 2007 in favour of the Company and the Acquired Group in respect of his obligations under the Indemnity.

19. COMMITMENTS

(a) Capital commitments in respect of the acquisition of property, plant and equipment

	30 September 2009 HK$'000	31 March 2009 HK$'000
Authorised but not contracted for	**287,401**	50
Contracted but not provided for	**78,687**	9,235
	366,088	9,285

(b) Commitments under operating leases

At 30 September 2009, the Group had future aggregate minimum lease payments under non-cancellable operating leases which fall due as follows:

	30 September 2009			31 March 2009		
	Properties HK$'000	**Plant and equipment HK$'000**	**Total HK$'000**	Properties HK$'000	Plant and equipment HK$'000	Total HK$'000
Within one year	**3,889**	**11,068**	**14,957**	4,179	8,143	12,322
In the second to fifth years inclusive	**1,302**	**3,644**	**4,946**	392	4,174	4,566
	5,191	**14,712**	**19,903**	4,571	12,317	16,888

Leases are negotiated for lease term of 2 to 3 years and rentals are fixed during lease period.

20. RELATED PARTY DISCLOSURE

Compensation of key management personnel

The remuneration of the Directors and other members of key management personnel during the period was as follows:

	Six months ended 30 September	
	2009	2008
	HK$'000	HK$'000
Short-term benefits	**10,270**	8,781
Share-based payments	**2,418**	4,739
	12,688	13,520

There are no other related party transactions for the six months ended 30 September 2009 and 30 September 2008.

Report on Review of Interim Financial Information

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TO THE BOARD OF DIRECTORS OF NEXT MEDIA LIMITED
壹傳媒有限公司
(incorporated in Hong Kong with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 44 to 70, which comprises the condensed consolidated statement of financial position of Next Media Limited and its subsidiaries as of 30 September 2009 and the related condensed consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended and certain explanatory notes. The Main Board Listing Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
30 November 2009