NEWAY GROUP HOLDINGS LIMITED

(formerly known as Chung Tai Printing Holdings Limited)

(Incorporated in Bermuda with limited liability)

(Stock Code: 00055)

INTERIM FINANCIAL REPORT

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

Deloitte.
德勤

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
TO THE BOARD OF DIRECTORS OF NEWAY GROUP HOLDINGS LIMITED
(FORMERLY KNOWN AS CHUNG TAI PRINTING HOLDINGS LIMITED)

Introduction

We have reviewed the interim financial information set out on pages 2 to 17 which comprises the condensed consolidated statement of financial position of Neway Group Holdings Limited and its subsidiaries as at 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 months 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 ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). 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 HKICPA. A review of interim financial information consists of making inquiries, 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

23 December 2009

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

		Six months ended	
		30.9.2009	30.9.2008
		(Unaudited)	(Unaudited)
	Notes	**HK$'000**	HK$'000
Revenue	*3*	**343,264**	441,298
Cost of sales		**(259,566)**	(360,270)
Gross profit		**83,698**	81,028
Interest income		**1,727**	4,264
Other income		**246**	470
Distribution costs		**(15,778)**	(18,047)
Administrative expenses		**(31,099)**	(33,245)
Other gains and (losses)		**20,391**	(22,707)
Share of result of an associate		**(636)**	(139)
Finance costs		**(26)**	(5,730)
Profit before taxation		**58,523**	5,894
Taxation	*4*	**(1,650)**	(2,368)
Profit for the period	*5*	**56,873**	3,526
Other comprehensive income			
Exchange differences arising on translation of foreign operations		**2,263**	6,294
Total comprehensive income for the period		**59,136**	9,820
Earnings per share (HK cent)	*7*		
Basic		**0.56**	0.03
Diluted		**N/A**	0.03

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 SEPTEMBER 2009

	Notes	**30.9.2009 (Unaudited) HK$'000**	31.3.2009 (Audited) HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	*8*	**197,164**	212,146
Prepaid lease payments		**3,118**	3,163
Deposits for land use right		**33,793**	33,793
Investment in an associate	*9*	**17,088**	17,724
Goodwill	*15*	**54,914**	–
Intangible assets	*15*	**17,926**	–
		324,003	266,826
Current assets			
Inventories		**81,647**	72,025
Film rights		**4,716**	–
Trade receivables, other receivables and prepayments	*10*	**173,660**	95,943
Prepaid lease payments		**89**	89
Amount due from a related company		**–**	1,363
Short-term bank deposits		**264,882**	264,234
Cash and cash equivalent		**84,226**	116,521
		609,220	550,175
Current liabilities			
Trade payables, other payables and accruals	*11*	**78,641**	47,343
Amounts due to related companies	*11*	**17,227**	–
Tax liabilities		**4,635**	1,243
Bank borrowings	*12*	**4,552**	1,093
		105,055	49,679
Net current assets		**504,165**	500,496
Total assets less current liabilities		**828,168**	767,322
Non-current liability			
Deferred taxation	*13*	**14,542**	12,832
Net assets		**813,626**	754,490
CAPITAL AND RESERVES			
Share capital	*14*	**50,968**	50,968
Reserves		**762,658**	703,522
Total equity		**813,626**	754,490

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

	Share capital HK$'000	Share premium HK$'000	Put option reserve HK$'000	Deemed contribution from a shareholder HK$'000	Convertible notes equity reserve HK$'000	Capital redemption reserve HK$'000	Translation reserve HK$'000	Retained profits HK$'000	Total HK$'000
At 1 April 2008	50,968	210,950	–	–	17,110	63	32,494	467,541	779,126
Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	6,294	–	6,294
Profit for the period	–	–	–	–	–	–	–	3,526	3,526
Total comprehensive income for the period	–	–	–	–	–	–	6,294	3,526	9,820
Dividend paid	–	–	–	–	–	–	–	(9,304)	(9,304)
At 30 September 2008 (Unaudited)	50,968	210,950	–	–	17,110	63	38,788	461,763	779,642
At 1 April 2009	50,968	210,950	–	–	–	63	38,155	454,354	754,490
Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	2,263	–	2,263
Profit for the period	–	–	–	–	–	–	–	56,873	56,873
Total comprehensive income for the period	–	–	–	–	–	–	2,263	56,873	59,136
Arising from acquisition of subsidiaries *(Note 15)*	–	–	(19,561)	19,561	–	–	–	–	–
At 30 September 2009 (Unaudited)	50,968	210,950	(19,561)	19,561	–	63	40,418	511,227	813,626

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

	Note	**Six months ended** **30.9.2009** **(Unaudited)** **HK$'000**	30.9.2008 (Unaudited) HK$'000
Net cash from (used in) operating activities		**23,488**	(7,521)
Net cash used in investing activities:			
Acquisition of an associate		**–**	(18,629)
Acquisition of subsidiaries	*15*	**(58,973)**	–
Purchases of property, plant and equipment		**(1,588)**	(6,124)
(Increase) decrease in short term bank deposits		**(648)**	5,778
Other investing cash flows		**1,727**	1,985
		(59,482)	(16,990)
Net cash from (used in) financing activities:			
Dividends paid		**–**	(9,304)
New bank import loans raised		**5,722**	19,135
Repayment of bank import loans		**(2,263)**	(16,680)
Other financing cash flows		**(29)**	(130)
		3,430	(6,979)
Net decrease in cash and cash equivalents		**(32,564)**	(31,490)
Cash and cash equivalents brought forward		**116,521**	112,560
Effect of foreign exchange rate changes		**269**	1,469
Cash and cash equivalents carried forward, represented by		**84,226**	82,539
Short-term bank deposits		**6,104**	46,305
Bank balances and cash		**78,122**	36,234
		84,226	82,539

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

1. GENERAL AND 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 (the "Listing Rules") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

On 17 July 2009, a special resolution by the shareholders of Neway Group Holdings Limited (the "Company") at the special general meeting has been passed to change the English name of the Company from "Chung Tai Printing Holdings Limited" to "Neway Group Holdings Limited".

2. PRINCIPAL ACCOUNTING POLICIES

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

In the current interim period, the Company and its subsidiaries (the "Group") has applied, for the first time, the following new or revised standards, amendments and interpretations issued by the HKICPA, which are or have become effective.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning on or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39
HKAS 1 (Revised)	Presentation of financial statements
HKAS 23 (Revised)	Borrowing costs
HKAS 32 & 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or associate
HKFRS 2 (Amendment)	Vesting conditions and cancellations
HKFRS 7 (Amendment)	Improving disclosures about financial instruments
HKFRS 8	Operating segments
HK(IFRIC) – INT 9 & HKAS 39 (Amendments)	Embedded derivatives
HK(IFRIC) – INT 13	Customer loyalty programmes
HK(IFRIC) – INT 15	Agreements for the construction of real estate
HK(IFRIC) – INT 16	Hedges of a net investment in a foreign operation
HK(IFRIC) – INT 18	Transfer of assets from customers

Except as described below, the same accounting policies, presentation and methods of computation have been followed in these condensed consolidated financial statements as were applied in the preparation of the Group's consolidated financial statements for the year ended 31 March 2009.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

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. HKFRS 8 is a disclosure standard that requires the identification of operating segments to be performed on the same basis as financial information that is reported internally for the purpose of allocating resources between segments and assessing their performance. The predecessor standard, HKAS 14 "Segment Reporting", required the identification of two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group's primary reporting format was geographical segments. The application of HKFRS 8 has resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14 (see note 3).

Revenue recognition

Sales of albums are recognised when the albums are delivered and the title has passed.

Artistes management fee income is recognised when the services are provided.

Promotion income is recognised when the services are provided.

Income from the licensing of the musical works is recognised when the Group's entitlement to such payments has been established.

Income from the production and distribution of films is recognised when the production is completed and released and the amount can be measured reliably.

Income from the licensing of distribution rights over films is recognised when the Group's entitlement to such payments has been established when the notice of delivery is served to the customers.

Film rights

Film rights include the unamortised cost of completed theatrical films and rights of the films acquired or licensed from outsiders for exhibition and other exploitation.

Film rights are stated at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is charged to the consolidated statement of comprehensive income based on the proportion of actual income earned during the period to the total estimated income from the sale of film rights. The total estimated income is reviewed on a regular basis.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 Business combinations are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current assets held for sale and discontinued operations, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

Goodwill

Goodwill arising on an acquisition of subsidiaries represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant subsidiaries at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment losses.

Capitalised goodwill arising on an acquisition of subsidiaries is presented separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated statement of comprehensive income. An impairment loss for goodwill is not reversed in subsequent periods.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Put Option in relation to Neway Entertainment Limited

The settlement of put option which is made by receiving a fixed amount of cash and delivering a fixed number of the shares of Neway Entertainment Limited, a subsidiary of the Company, is accounted for as an equity instrument. The option is measured at fair value on initial recognition and debited to put option reserve.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

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

HKFRSs (Amendments)	Improvements to HKFRSs [1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009 [2]
HKAS 24 (Revised)	Related party disclosures [3]
HKAS 27 (Revised 2008)	Consolidated and separate financial statements [1]
HKAS 32 (Amendment)	Classification of right issues [4]
HKAS 39 (Amendment)	Eligible hedged items [1]
HKFRS 1 (Amendment)	Additional exemptions for first-time adopters [5]
HKFRS 2 (Amendment)	Group cash-settled share-based payment transactions [5]
HKFRS 3 (Revised 2008)	Business combinations [1]
HKFRS 9	Financial instruments [6]
HK(IFRIC) – INT 17	Distributions of non-cash assets to owners [1]

[1] Amendments to HKFRS 5 as part of Improvement to HKFRSs issued in 2008, effective for annual periods beginning on or after 1 July 2009.
[2] Amendments that are effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate.
[3] Effective for annual periods beginning on or after 1 January 2011.
[4] Effective for annual periods beginning on or after 1 February 2010.
[5] Effective for annual periods beginning on or after 1 January 2010.
[6] Effective for annual periods beginning on or after 1 January 2013.

The adoption of HKFRS 3 (Revised 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 2008) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary. The directors of the Company anticipate that the application of the other new or revised standards, amendments and interpretations will have no material impact on the results and the financial position of the Group.

3. 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, represented by the board of directors of the Company, in order to allocate resources to the segment and to assess its performance. The application of HKFRS 8 has resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14.

In prior years, primary segment information was analysed based on the location of the Group's customers – (i) Hong Kong, (ii) other regions in The People's Republic China ("PRC"), (iii) United States of America, (iv) Europe and (v) others. However, information reported to the Company's board of directors who are the chief operating decision makers for the purposes of resource allocation and assessment of performance focuses more specifically on the type of business. The Group's reportable segments under HKFRS 8 are therefore as follows:

(a) sales of printing products ("Printing"); and

(b) artistes management, production and distribution of music albums and movies ("Music and entertainment"). This business is newly acquired during the period and the details of the acquisition is disclosed in note 15.

3. SEGMENT INFORMATION (Continued)

The comparative segment information has been restated upon the adoption of HKFRS 8.

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

	Revenue		Segment profit	
	Six-month period ended		Six-month period ended	
	30.9.2009	30.9.2008	**30.9.2009**	30.9.2008
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	HK$'000	**HK$'000**	HK$'000
Printing	**336,236**	441,298	**47,507**	33,588
Music and entertainment	**7,028**	–	**939**	–
Total	**343,264**	441,298	**48,446**	33,588
Interest income			**1,727**	4,264
Other income			**246**	470
Central corporate expenses			**(11,625)**	(11,869)
Net foreign exchange gains and (losses)			**20,391**	(14,690)
Share of result of an associate			**(636)**	(139)
Finance costs			**(26)**	(5,730)
Profit before taxation			**58,523**	5,894
Taxation			**(1,650)**	(2,368)
Profit for the period			**56,873**	3,526

All of the segment revenue reported above is from external customers.

Segment profit represents the profit earned by each segment without allocation of interest income, other income, central corporate expenses, net foreign exchange gains and losses, share of result of an associate and finance costs. This is the measure reported to the Group's board of directors for the purpose of resource allocation and assessment of segment performance.

The following is an analysis of the Group's assets by operating segment:

	30.9.2009	31.3.2009
	(Unaudited)	(Audited)
	HK$'000	HK$'000
Printing	**479,688**	416,095
Music and entertainment	**83,823**	–
Total segment assets	**563,511**	416,095

4. TAXATION

	Six months ended 30.9.2009 (Unaudited) HK$'000	30.9.2008 (Unaudited) HK$'000
The charge comprises:		
Current tax for the period:		
Hong Kong	**3,587**	3,323
Other jurisdictions	**344**	387
	3,931	3,710
Overprovision in prior year	**(1,033)**	–
	2,898	3,710
Deferred taxation *(note 13)*:		
Current period	**(1,248)**	(460)
Attributable to change in tax rate	**–**	(882)
	(1,248)	(1,342)
	1,650	2,368

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for the period ended 30 September 2009 and 30 September 2008.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

5. PROFIT FOR THE PERIOD

	Six months ended 30.9.2009 (Unaudited) HK$'000	30.9.2008 (Unaudited) HK$'000
Profit for the period has been arrived at after charging (crediting):		
Allowance for doubtful debts (included in other gains and losses)	**–**	8,017
Amortisation of film rights	**810**	–
Net foreign exchange (gains) losses (included in other gains and losses)	**(20,391)**	14,690
Depreciation of property, plant and equipment	**17,079**	17,655
Prepaid lease payments charged to profit or loss	**45**	45
Write-down of inventories *(Note)*	**–**	3,000
Loss on disposal of fixed assets	**75**	–

Note: Write-down of inventories represented the write-down of printing materials which became obsolete during the six months ended 30 September 2008.

6. DIVIDENDS

	Six months ended	
	30.9.2009	30.9.2008
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Interim dividend proposed	**8,155**	3,058
Dividend recognised as distribution (2008: HK0.03 cent per share)	**–**	9,304

Subsequent to the statement of financial position date, the directors proposed an interim dividend of HK0.08 cent per share be paid to the shareholders of the Company whose names appear on the Register of Members on 8 January 2010.

7. EARNINGS PER SHARE

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

	Six months ended	
	30.9.2009	30.9.2008
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Earnings for the purposes of basic and diluted earnings per share (profit for the period)	**56,873**	3,526

	30.9.2009	30.9.2008
Number of shares		
Weighted average number of shares for the purpose of basic and diluted earnings per share	**10,193,545,600**	10,193,545,600

No diluted earnings per share has been presented as there were no potential ordinary shares outstanding during the current period.

The computation of diluted earnings per share does not assume the conversion of the Company's outstanding convertible notes since their exercise would result in an increase in earnings per share for the six months ended 30.9.2008.

8. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent approximately HK$1,588,000 (for the six months period ended 30.9.2008: HK$6,124,000) on additions to manufacturing plant in the PRC to expand its manufacturing capacity.

9. INVESTMENT IN AN ASSOCIATE

The investment represents 30% interest in an associate in the PRC which mainly holds a piece of leasehold land in the PRC.

10. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

The Group's credit terms on sales generally range from 60 to 90 days. A longer period is granted to a few customers with whom the Group has a good business relationship and which are in sound financial condition. The credit terms of the music and entertainment projects are determined by project basis.

An aged analysis of the trade and other receivables is as follows:

	30.9.2009 (Unaudited) HK$'000	31.3.2009 (Audited) HK$'000
0 – 30 days	**80,683**	74,967
31 – 60 days	**59,340**	8,192
61 – 90 days	**20,541**	5,806
Over 90 days	**4,270**	3,197
	164,834	92,162
Deposits, prepayments and other debtors	**8,826**	3,781
	173,660	95,943

11. OTHER FINANCIAL LIABILITIES

An aged analysis of the trade and other payables is as follows:

	30.9.2009 (Unaudited) HK$'000	31.3.2009 (Audited) HK$'000
0 – 30 days	**53,810**	28,591
31 – 60 days	**452**	665
61 – 90 days	**911**	929
Over 90 days	**200**	863
	55,373	31,048
Accrued expenses and other payables	**23,268**	16,295
	78,641	47,343

Amounts due to related companies are unsecured, interest free and repayable on demand. Dr. Suek Chai Kit, Christopher ("Dr. Suek") is one of the ultimate beneficial owners of the related companies.

12. BANK BORROWINGS

The bank borrowings are unsecured bank import loans denominated in United States dollars, carry interest at market rates of 1.9% to 3.0% per annum and are repayable within one year.

During the period, the Group has raised and repaid bank import loans of approximately HK$5,722,000 and HK$2,263,000 (for the six months period ended 30.9.2008: HK$19,135,000 and HK$16,680,000) respectively.

13. DEFERRED TAXATION

The following are the major deferred tax liability and asset recognised and movements thereon during the current and prior periods:

	Accelerated tax depreciation HK$'000	Tax losses HK$'000	Intangible assets HK$'000	Total HK$'000
At 1 April 2008	15,970	(536)	–	15,434
(Credit) charge to profit and loss for the period	(591)	131	–	(460)
Effect of change in tax rate	(882)	–	–	(882)
At 30 September 2008	14,497	(405)	–	14,092
Credit to profit and loss for the period	(1,195)	(56)	–	(1,251)
Effect of change in tax rate	(36)	27	–	(9)
At 31 March 2009	13,266	(434)	–	12,832
Acquisition of subsidiaries	–	–	2,958	2,958
Credit to profit and loss for the period	(1,248)	–	–	(1,248)
At 30 September 2009	12,018	(434)	2,958	14,542

At 30 September 2009, the Group has estimated unused tax losses of approximately HK$45,185,000 (31.3.2009: HK$41,281,000) available to offset against future profits. A deferred tax asset has been recognised in respect of approximately HK$2,469,000 (31.3.2009: HK$2,635,000) of such losses. No deferred tax asset has been recognised in respect of the remaining HK$42,716,000 (31.3.2009: HK$38,646,000) due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

14. SHARE CAPITAL

	Number of shares	Share capital HK$'000
Ordinary shares of HK$0.005 each		
Authorised:		
At 1 April 2009 and 30 September 2009	100,000,000,000	500,000
Issued and fully paid:		
At 1 April 2009 and 30 September 2009	10,193,545,600	50,968

15. ACQUISITION OF SUBSIDIARIES

On 16 June 2009, the Group acquired the entire equity interest in Neway Entertainment Limited and its subsidiaries (collectively referred to as the "Neway Entertainment Group") for cash consideration of HK$65,000,000 from Neway Enterprise Holdings Limited ("Neway Enterprise"). The acquisition had been accounted for using the purchase method of accounting.

Dr. Suek, the beneficial owner of Neway Enterprise, has grant a put option ("Put Option") to the Group, exercisable at any time from the completion of this acquisition ("Completion") and ending on the second anniversary date of the Completion to require Dr. Suek to buy back the entire equity interest in Neway Entertainment Group at a consideration of HK$65,000,000 and any investment cost contributed by the Group after the Completion. The directors considered the consideration paid of HK$65,000,000 represents the fair value of business acquired, accordingly, the fair value of the Put Option of approximately HK$19,561,000 at initial recognition is considered as a deemed contribution and hence credited to the equity.

The net liabilities acquired in the transaction, and the goodwill arising, are as follows:

	Acquiree's carrying amounts before combinations HK$'000	**Fair value adjustments** HK$'000	**Fair value** HK$'000
Net liabilities acquired:			
Bank balances and cash	6,510	–	6,510
Film rights	5,526	–	5,526
Trade and other receivables	8,109	–	8,109
Other creditors and accruals	(2,579)	–	(2,579)
Amounts due to related parties	(21,219)	–	(21,219)
Tax payable	(746)	–	(746)
Intangible assets in relation to artiste contracts and trademark	–	17,926	17,926
Deferred tax	–	(2,958)	(2,958)
	(4,399)	14,968	10,569
Goodwill			54,914
			65,483
Total consideration satisfied by:			
Cash			65,000
Directly attributable costs			483
			65,483
Net cash outflow arising on acquisition:			
Cash consideration paid			(65,483)
Bank balances and cash			6,510
			(58,973)

15. ACQUISITION OF SUBSIDIARIES (Continued)

Management has engaged an independent valuer to assess the fair values of the identifiable assets and liabilities of Neway Entertainment Group as at the date of acquisition. The initial accounting for the acquisition has been determined provisionally, awaiting the finalisation of professional valuations in relation to certain underlying assets and liabilities (film rights, intangible assets in relation to artiste contracts, trademark and deferred tax liability) of the acquiree.

Neway Entertainment Group contributed approximately HK$939,000 to the Group's profit for the period between the date of acquisition and reporting date.

If the acquisition had been completed on 1 April 2009, total group revenue and profit for the six months ended 30 September 2009 would have been HK$353,387,000 and HK$53,669,000 respectively. The pro forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of the operations of the Group that actually would have been achieved had the acquisition been completed on 1 April 2009, nor is it intended to be a projection of future results.

16. CAPITAL COMMITMENTS

	30.9.2009 (Unaudited) HK$'000	31.3.2009 (Audited) HK$'000
Capital expenditure in respect of property, plant and equipment contracted for but not provided for in the condensed consolidated financial statements	**46,873**	46,441

17. RELATED PARTY TRANSACTIONS

(a) During each of the six month periods ended 30 September 2009 and 2008, the Group had entered into the following significant transactions with related companies:

	30.9.2009 (Unaudited) HK$'000	30.9.2008 (Unaudited) HK$'000
Sales of goods *(Note i)*	**144**	209
Song license fee income *(Note i)*	**830**	–
Promotion income *(Note i)*	**2,670**	–
Office rental expenses *(Note i)*	**180**	–
Production and service charges *(Note i)*	**240**	–
Premise rental expenses *(Note ii)*	**420**	420

Notes: The transactions were carried out with related companies, which are beneficially owned by Dr. Suek, a substantial shareholder of the Company, and his family members.

(i) Dr. Suek is one of the ultimate beneficial owners of the related company.

(ii) The transaction was carried out with a related company, a company beneficially owned by the spouse and sons of Dr. Suek.

17. RELATED PARTY TRANSACTIONS (Continued)

(b) Compensation of key management personnel

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

	30.9.2009	30.9.2008
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Short-term benefits	**4,654**	3,972
Post-employment benefits	**86**	118
	4,740	4,090

(c) On 16 June 2009, Gain Capital International Limited, a wholly-owned subsidiary of the Company, and Neway Enterprise entered into the sales and purchase agreement pursuant to which Neway Enterprise has agreed to sell and Gain Capital has agreed to purchase Neway Entertainment Limited and its subsidiaries (including Star Entertainment (Universe) Limited, Neway Star Limited, Sansible Corporation Limited, Neway Star Artiste Management Limited, Neway Star Music Limited, Neway Star Pictures Limited and Star Entertainment Limited) at an aggregate consideration of HK$65,000,000.

Neway Enterprise is indirectly wholly-owned by a discretionary trust for the benefits of Dr. Suek, a substantial shareholder of the Company, and his family members.

Details of the acquisition of the subsidiaries are set out in note 15.

INTERIM DIVIDEND

The board of directors (the "Board") of the Company has declared an interim dividend of HK0.08 cent per share for the six months ended 30 September 2009 to the shareholders of the Company whose names appear on the register of members on 8 January 2010. The interim dividend is expected to be paid on 20 January 2010.

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from 11 January 2010 to 15 January 2010, both days inclusive, during which period no transfer of shares will be registered. To qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:30 p.m. on 8 January 2010.

REVIEW OF FINANCIAL RESULTS

The Group's consolidated turnover was HK$343.3 million representing a drop of 22% from last period's HK$441.3 million.

The gross profit for the period under review has increased a bit to HK$83.7 million, being 24.4% of revenue, from HK$81.0 million for the corresponding period in last year. The gross profit percentage has increased by 6.0% from 18.4% for the same period in last year.

The distribution costs were decreased by approximately 12.6% to HK$15.8 million (for the six months period ended 30.9.2008: HK$18.0 million) due to the decrease in sales. The administrative expenses dropped by 6.5% to HK$31.1 million from HK$33.2 million for the corresponding period in last year. The net profit has increased from HK$3.5 million to HK$56.9 million.

REVIEW OF OPERATIONS AND PROSPECTS

Printing businesses

Due to the declined demand in global market, turnover for the period was decreased by 23.8% from HK$441.3 million in last corresponding period to HK$336.2 million.

The profit for the period increased to HK$47.5 million (for the six months period ended 30.9.2008: HK$33.6 million). Such improvements were due to the moderate correction of material prices, effort of our purchasing department as well as cost control policy introduced.

The effect of cost control policy together with the determination of the whole Group resulted in the decrease in administrative and distribution expenses from HK$51.3 million for the corresponding period in last year to HK$46.9 million for the period under review.

Music and entertainment businesses

The Group has completed the acquisition of music and entertainment businesses (the "Entertainment division") by the end of June 2009. The revenue for the first three months after the acquisition amounted to HK$7.0 million and the profit for this three-month period amounted to HK$0.9 million approximately. The revenue mainly consisted of the promotional fee revenue received from certain promotional activities in connection with the business and operations of a Karaoke group.

The Entertainment division currently manages a pool of young and dynamic artists in Hong Kong, and also takes part in the production and distribution of music albums. It is the plan of the Entertainment division to cooperate with more talented artists, either by artist management arrangement or production of music albums, to increase the market share in the industry. The Entertainment division also plans to invest in television series in China through the co-operation with a Chinese local entertainment group.

REVIEW OF OPERATIONS AND PROSPECTS (Continued)

Music and entertainment businesses (Continued)

The Board believes music and entertainment businesses is a future growing area and is optimistic about the future prospects and the business potential of the artistes management, music production and distribution of music albums. The Board has the confidence that the acquisition of the music and entertainment businesses enables the Group to quickly establish a platform and step into the music and entertainment industry.

Other non-operating income

During the period, an exchange gain amounting to HK$20.4 million in the fixed deposits held in Australian dollars was brought by the appreciation of the Australian dollars against Hong Kong dollars. The said deposits are still held by the Group at the time of this result announcement.

LIQUIDITY AND FINANCIAL POSITION

As at 30 September 2009, the Group had approximately HK$84 million cash and cash equivalent. The current ratio stood at 5.8, indicating an ample cash flow and stable liquidity position over the period under review. The Group's bank balances and cash and short-term bank deposits were approaching HK$344.6 million (31 March 2009: HK$379.7 million), after deducting bank borrowings of HK$4.6 million (31 March 2009: HK$1.1 million). The gearing ratio was 0.6% (31 March 2009: 0.1%), which is calculated on the basis of the Group's total borrowings of HK$4.6 million (31 March 2009: HK$1.1 million) and the shareholders' fund of HK$813.6 million (31 March 2009: HK$754.5 million).

At 30 September 2009, the Group had working capital of HK$504.2 million (31 March 2009: HK$500.5 million), which comprised primarily inventories of HK$82 million, trade and other receivables of HK$174 million, bank balances, cash and short-term deposit of HK$349 million, and less trade and other payables of HK$79 million, tax liabilities of HK$5 million and bank borrowings of HK$5 million.

Save for the Australian dollars time deposits held by the Company, the Group's transactions are mainly denominated in Hong Kong dollars, Renminbi and United States dollars and the foreign currency risk exposure is not significant during the period under review. During the period, the Group did not use any financial instruments for hedging purpose and did not have any hedging instruments outstanding as at 30 September 2009.

The Group generally finances its operation with internally generated cash flows and facilities provided by banks in Hong Kong. The Group continues to maintain a high level of operating cash position, thus reflecting the strength of its operating performance. Considering the anticipated internally generated funds and available banking facilities, the management believes that the Group has adequate resources to meet its future capital expenditures and working capital requirements. The management will continue to follow a prudent policy in managing its cash balances and maintaining a strong and healthy liquidity to ensure that the Group is well positioned to take advantage of opportunities for the business growth.

EMPLOYEE

As at 30 September 2009, the total number of employees of the Group was approximately 3,000.

The remuneration schemes are generally structured with reference to market conditions and the qualifications of the employees. The reward packages of the Group's staff are normally reviewed on an annual basis based on the staff and the Group's performance. Apart from salary payment, other staff benefits include contribution to Retirement Benefit Scheme and medical insurance for eligible employees. In-house and external training programmes are provided as and when required.

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 30 September 2009, the interests of the directors and their associates in the shares and underlying shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (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 for Securities Transactions by Directors of Listed Issuers (the "Model Code"), as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

(i) Long positions of ordinary shares of HK$0.005 each of the Company

Name of director	Capacity	Number of shares held	Percentage of the issued share capital of the Company
Mr. Suek Ka Lun, Ernie	Other interests *(Note)*	3,713,200,000	36.43%
Dr. Ng Wai Kwan	Beneficial owner	800,000	0.01%

Note: These shares are beneficially owned by CNA Company Limited ("CNA") which in turn is beneficially owned by the CNA Trust, a discretionary trust whose beneficiaries include Mr. Suek Ka Lun, Ernie.

(ii) Long positions of shares in associated corporations

At 30 September 2009, CNA beneficially owned deferred non-voting shares in the following subsidiaries of the Company:

Name of subsidiary	Name of owner	Number and par value of deferred non-voting shares
Chung Tai Management Limited	CNA	2 shares of HK$1 each
Chung Tai Printing (China) Company Limited	CNA	100 shares of HK$100 each
Chung Tai Printing Company Limited	CNA	3,000 shares of HK$100 each
Profit Link Investment Limited	CNA	2 shares of HK$1 each
The Greatime Offset Printing Company Limited	CNA	9,500 shares of HK$100 each

Other than as disclosed above, none of the directors or their associates had any interests or short positions in any shares and underlying shares of the Company or any of its associated corporations as at 30 September 2009.

SUBSTANTIAL SHAREHOLDERS

At 30 September 2009, the interests or short positions of the substantial shareholders (other than the directors of the Company) in the shares and underlying shares of the Company as recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO were as follows:

Long positions of ordinary shares of HK$0.005 each of the Company

Name of shareholder	Capacity	Number of shares held	Percentage of the issued share capital of the Company
Newcorp Ltd.	Held by controlled corporations	4,095,600,000	40.18%
Trustcorp Limited	Trustee	4,095,600,000	40.18%
CNA Company Limited	Beneficial owner	3,713,200,000	36.43%

CONNECTED TRANSACTIONS AND DIRECTORS' INTERESTS IN CONTRACTS

Details of the discloseable connected transaction and directors' interests in contracts for the current period are set out in note 17 to the financial statements.

The independent non-executive directors of the Company have reviewed and confirmed that the connected transactions as set out in note 17 to the financial statements entered into by the Group were in the ordinary course of its business and on normal business terms.

Save as disclosed above, no contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the current period or at any time during the period under review.

CHANGES IN DIRECTORS' BIOGRAPHICAL DETAILS

Changes in directors' biographical details since the last publication of the relelvant information which are required to be disclosed pursuant to Rule 13.51B of the Listing Rules are set out below:

Mr. Suek Ka Lun, Ernie, Chairman and Executive Director

Director's emoluments and benefits payable to Mr. Suek Ka Lun, Ernie has been revised to HK$180,000 per month from 1 September 2009.

Mr. Suek Chai Hong, Chief Executive Officer and Executive Director

Director's emoluments and benefits payable to Mr. Suek Chai Hong has been revised to HK$105,000 per month from 1 September 2009.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for securities transactions by the directors. Having made specific enquiry of all directors, all directors confirmed that, in respect of the six months ended 30 September 2009, they have complied with the required standard set out in the Model Code regarding securities transactions by the directors.

AUDIT COMMITTEE

The audit committee comprises one non-executive director and two independent non-executive directors. The audit committee has reviewed with the management the Group's accounting policies and discussed auditing, internal controls, financial reporting matters, and have also reviewed the interim results and financial statements of the Company for the six months ended 30 September 2009.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the period under review.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Board recognises that good corporate governance practices are vital to maintain and promote shareholder value and investor confidence and has introduced corporate governance practices appropriate to the conduct and growth of our business. The Company has complied with the Code Provisions in the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules save for the following deviations:

The Company has not formalized and adopted written terms on the division of functions reserved to the Board and those delegated to the management. However, in practice, the Board takes responsibility for decision making in major matters of the Company while the day-to-day management, administration and operation are delegated to the senior executives. The Board also considers that the respective responsibilities of the Chairman and the Chief Executive Officer are clear and distinctive and hence written terms thereof are not necessary.

None of the directors are appointed for a specific term but they are subject to retirement by rotation once every three years pursuant to the Company's Bye-laws.

REVIEW OF INTERIM RESULTS

The interim results of the Group for the six months ended 30 September 2009 have not been audited, but have been reviewed by the Audit Committee of the Company and the Group's auditors, Messrs. Deloitte Touche Tohmatsu.

On behalf of the Board
NEWAY GROUP HOLDINGS LIMITED
Suek Ka Lun, Ernie
Chairman

23 December 2009