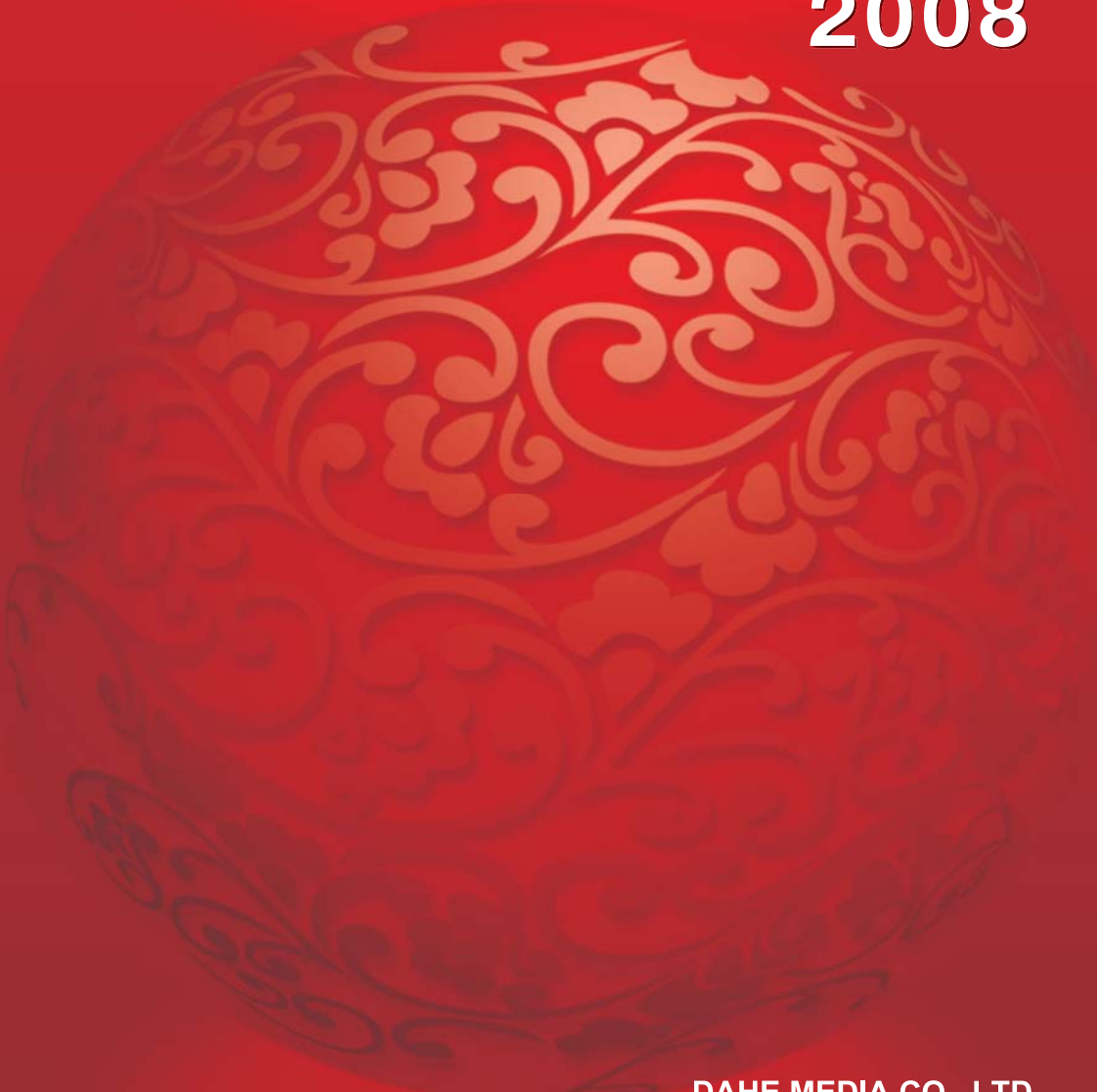




大賀傳媒股份有限公司
DAHE MEDIA CO., LTD.*

(formerly known as “南京大賀戶外傳媒股份有限公司” “NANJING DAHE OUTDOOR MEDIA CO., LTD.”)
(a joint stock limited company incorporated in the People's Republic of China with limited liability) (Stock Code: 8243)

【 Third Quarterly Report 】 2008



大賀傳媒北京奧運景觀項目作品選

The florilegium of DHA-media-Olympic Project



CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sector or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of the companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The Stock Exchange takes no responsibility for the contents of this report, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

The directors of Dahe Media Co., Ltd. collectively and individually accept full responsibility of this report. This report includes particulars given in compliance with the GEM Listing Rules of the Stock Exchange of Hong Kong for the purpose of giving information with regard to Dahe Media Co., Ltd. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this report is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this report misleading; and (iii) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

HIGHLIGHTS

- For the nine months ended 30 September 2008, the Group achieved a turnover of approximately RMB271,770,000, representing an increase of approximately 14.8% over the same period of 2007.
- Turnover of the Group was mainly from outdoor media dissemination, terminal dissemination service and media production businesses, representing approximately 51.06% (2007: 57.47%), 33.99% (2007: 15.67%) and 14.95% (2007: 26.86%) respectively of the gross turnover.
- For the nine months ended 30 September 2008, profit attributable to the Company's equity holders was approximately RMB18,896,000, representing an increase of approximately 16.40% over the same period of 2007.
- Earnings per share was approximately RMB2.28 cent, representing an increase of approximately 16.33% over the same period of 2007.
- The Board did not recommend the payment of an interim dividend for the nine months ended 30 September 2008 (2007: nil).
- Chongqing Dahe Basu Media Co., Ltd., a subsidiary of the Group, is in the process of liquidation.

CONDENSED CONSOLIDATED INCOME STATEMENT

The Board of Directors (“Board”) of Dahe Media Co., Ltd. (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (together the “Group”) for the three months and nine months ended 30 September 2008, together with the comparative figures for the corresponding periods in 2007 as follows:

		Unaudited For the nine months ended 30 September 2008	Unaudited 2007	Unaudited For the three months ended 30 September 2008	Unaudited 2007
	Notes	RMB'000	RMB'000	RMB'000	RMB'000
Turnover	2	271,770	236,661	99,048	88,152
Cost of sales		(185,951)	(164,690)	(66,700)	(61,841)
Gross profit		85,819	71,971	32,348	26,311
Other revenue and gain		2,164	695	514	732
Distribution costs		(26,859)	(23,142)	(9,150)	(7,799)
Administrative expenses		(25,157)	(24,662)	(8,093)	(8,178)
Profit from operations		35,967	24,862	15,619	11,066
Finance costs		(8,984)	(6,283)	(3,883)	(2,829)
Profit before taxation		26,983	18,579	11,736	8,237
Income tax	3	(4,630)	(2,330)	(1,715)	(1,189)
Profit for the period		22,353	16,249	10,021	7,048
Profit for the period attributable to:					
Equity holders					
of the Company		18,896	16,234	8,177	6,875
Minority interests		3,457	15	1,844	173
		22,353	16,249	10,021	7,048
Dividend to equity holders of the Company attributable to the period	4	—	—	—	—
Earnings per share					
- Basic (RMB)	5	2.28 cent	1.96 cent	0.99 cent	0.83 cent

NOTES TO THE FINANCIAL STATEMENTS:

1. BASIS OF PREPARATION

Except for those mentioned in paragraphs (1) to (3) below, these unaudited condensed consolidated financial statements are prepared in accordance with Hong Kong Accounting standards (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and Chapter 18 of the GEM Listing Rules:

- (1) An application for liquidation of Chongqing Dahe Basu Media Co., Ltd. (“Dahe Basu”), a 60%-owned subsidiary of the Company up to 14 May 2007, was made to a court in the People’s Republic of China (the “PRC”) during 2007 as a result of a dispute between the Company and the 40% equity owner of Dahe Basu (the “Minority Owner”) in relation to the operations of Dahe Basu. Pursuant to a PRC court order dated 15 May 2007, a liquidation team (comprising representatives of the Company and the Minority Owner, and a PRC liquidator) was appointed. As of the date of this report, the liquidation has not been completed and the liquidation team led by the PRC liquidator has not released any sufficient reliable financial information of Dahe Basu to the directors of the Company.

The Minority Owner was responsible for the daily operations and preparation of part of certain books and records of Dahe Basu before its liquidation, and the Group had no access to the books and records of Dahe Basu for the purpose of obtaining the relevant financial information of Dahe Basu. Since 15 May 2007, Dahe Basu was no longer a subsidiary of the Company as the Company lost control over its financial and operating policies after Dahe Basu was subject to control of the liquidation team which was appointed by the PRC court on 15 May 2007. In accordance with HKAS 27 “Consolidated and Separates Financial Statements” and HKAS 39 “Financial Instruments: Recognition and Measurement”, the carrying amount of the Group’s interest in Dahe Basu (the Group’s attributable share of net assets of Dahe Basu) at the date Dahe Basu ceased to be a subsidiary, i.e. 15 May 2007, should have been recognised as the initial cost of an available-for-sale financial asset of the Group, which should be subsequently stated at cost less any impairment losses. However, as mentioned above, the directors were unable to obtain sufficient reliable financial information of Dahe Basu as at 15 May 2007. Accordingly the directors of the Company were unable to obtain reasonable assurance regarding the measurement of the Group’s initial cost of the available-for-sale financial asset.

- (2) As mentioned in (1) above, the directors were still unable to obtain sufficient reliable financial information of Dahe Basu as at 30 September 2008, and accordingly the directors remained unable to obtain reasonable assurance regarding the accuracy of the Group’s aggregate amount due from Dahe Basu of approximately RMB1,506,000 as at 30 September 2008.
- (3) No impairment provision was made by the management in respect of (i) the Group’s equity interest in Dahe Basu which was recognised as an available-for-sale financial asset with the carrying amount of approximately RMB19,922,000 as at 30 September 2008; and (ii) the Group’s aggregate amount due from Dahe Basu of approximately RMB1,506,000 as at 30 September 2008. In the absence of reliable current financial information relating to the assets and liabilities of Dahe Basu made available to the directors, the directors are unable to ensure as to whether any impairment provision is required for (i) the Group’s available-for-sale financial asset, and (ii) the Group’s amounts due from Dahe Basu, as at 30 September 2008.

These unaudited condensed consolidated financial statements should be read in conjunction with the audited annual financial statements of the Group for the year ended 31 December 2007. Except for those mentioned above, the accounting policies and methods of computation used in the preparation of these unaudited condensed consolidated financial statements are consistent with those used in the audited annual financial statements of the Group for the year ended 31 December 2007.

2. TURNOVER

Turnover by segments

	For the nine months ended 30 September	
	2008	2007
	RMB'000	RMB'000
	Unaudited	Unaudited
Income from the business of outdoor advertising painting production business	40,617	63,561
Income from the business of terminal dissemination service	92,386	37,077
Income from the business of outdoor media dissemination	138,767	136,023
	<u>271,770</u>	<u>236,661</u>

3. INCOME TAX

	For the nine months ended 30 September	
	2008	2007
	RMB'000	RMB'000
	Unaudited	Unaudited
Taxation charges		
PRC income tax	4,630	2,330

The provision for PRC Enterprise Income Tax ("EIT") is based on the estimated taxable income for PRC taxation at the rate of taxation applicable for the period.

Pursuant to the relevant laws and regulations in the PRC, the Company, being qualified as a new and high technology enterprise and registered in a high technology zone, calculates its tax based on the preferential EIT rate of 15% for the nine months ended 30 September 2008 (2007: 15%).

Subsidiaries of the Company are subject to a standard EIT rate of 25%.

4. DIVIDEND

The board of directors does not recommend the payment of an interim dividend for the nine months ended 30 September 2008 (2007: nil).

5. EARNINGS PER SHARE

The calculation of the basic earnings per share for the nine months ended 30 September 2008 is based on the profit attributable to equity holders of the Company of RMB18,896,000 (For the nine months ended 30 September 2007: profit of RMB16,234,000) and on the weighted average number of shares in issue of 830,000,000 (2007: 830,000,000).

No diluted earnings per share amount for the nine months ended 30 September 2007 is presented as the Company has no potential dilutive ordinary shares outstanding during the period. During the nine months ended 30 September 2008, the warrant granted to MediaCorp Pte Ltd. a wholly-owned subsidiary of Temasek Holdings (Private) Limited, which entitled MediaCorp Pte Ltd. to subscribe for 20% equity interest in Beijing Millennium Ankang International Media Co. Ltd., a subsidiary of the Company, had an anti-dilutive effect on the basic earnings per share, and accordingly diluted earnings per share amount for the period has not been disclosed.

6. RESERVES

	Share premium and other reserves RMB'000 Unaudited	Statutory surplus reserve RMB'000 Unaudited	Retained profits RMB'000 Unaudited	Total reserves RMB'000 Unaudited
As at 1 January 2007	95,914	18,260	75,671	189,845
Dividend declared and paid	—	—	(2,490)	(2,490)
Profit for the period	—	—	16,234	16,234
As at 30 September 2007	95,914	18,260	89,415	203,589
Profit for the period	—	—	4,374	4,374
Appropriations from retained profits	—	2,378	(2,378)	—
Release from disposal and liquidation of subsidiaries	—	(983)	983	—
As at 1 January 2008	95,914	19,655	92,394	207,963
Dividend declared and paid	—	—	(5,561)	(5,561)
Amount derived from the transfer of property, plant and equipment to investment properties	1,548	—	—	1,548
Profit for the period	—	—	18,896	18,896
As at 30 September 2008	97,462	19,655	105,729	222,846

MANAGEMENT DISCUSSION AND ANALYSIS

For the nine months ended 30 September 2008, the Group recorded a turnover of approximately RMB271,770,000, representing an increase of approximately 14.8% as compared with the corresponding period of last year. Of which, revenue from media dissemination, terminal dissemination service and media production businesses accounted for approximately 51.06% (2007: 57.47%), 33.99% (2007: 15.67%) and 14.95% (2007: 26.86%) respectively of the gross turnover. During the period, profit attributable to shareholders amounted to approximately RMB18,896,000, representing an increase of approximately 16.40% as compared with the corresponding period of last year. Earnings per share increased by 16.33% to RMB2.28 cent. Currently, the demand for outdoor advertisements is growing rapidly in China due to the push during the Beijing Olympics, thus driving the business development and income of the Group and generating satisfactory income during the period under review.

During the period under review, turnover of the Group's media dissemination business was approximately RMB138,767,000, representing an increase of approximately 2% as compared with the corresponding period of last year. Currently, the Group owns outdoor media resources of approximately 200,000 square metres and its presence has been extended to various cities throughout the country. During the period, the average launching rate for the Group's outdoor media continued to maintain approximately 70%.

During the period under review, "Enkon Express Media" project forged ahead steadily with the coverage extended to the entrances of medium and high income residential communities including cities such as Beijing, Shanghai, Nanjing, Guangzhou, Hangzhou, Shenzhen, Shenyang and Chengdu. Currently, a total of approximately 6,200 "Ankang Classified Express" billboards have been set up. Up to September this year, this project had brought a revenue of approximately RMB29,490,000 and a profit of RMB8,370,000 to the Group, representing an increase of approximately 145% and 420% over the same period last year.

During the period under review, the "Enkon Express Media" business which incorporates "銀聯社區繳費一站通" was developing smoothly. Self-service payment machines with "Enkon Express Media" as the carrier have been launched in various communities in Nanjing. According to the independent market research undertaken by CTR, the media contact rate of "Enkon Express Media" was 100%; the degree of media acceptance was 90% and the degree of attraction was 89%. China UnionPay, Pudong Development Bank and Bank of Communications have commenced cooperation with "Enkon Express Media" and Pudong Development Bank only has chosen tens of communities in Nanjing for the launch. It is believed that this project will bring considerable income for the Group. "Enkon Express Media" was named "Best investment value media of the year" by "2008 China Media Academy Award".

During the period, the "Enkon Express Media" project deepened service functions, and with "Enkon Express Media" as the carrier, developed the function of "惠民榜" through which residents in communities can conveniently obtain coupons in basic necessities of life and more effectively become online and offline interactive marketing platforms.

During the period under review, 北京千禧安康國際傳媒廣告有限公司 contributed capital of RMB30,000,000 to establish 南京安康科技有限公司 in Nanjing and branches of 南京安康科技有限公司 in Shenzhen, Shenyang, Hangzhou, Shanghai and Guangzhou.

During the period, Hebei Dahe Media Co., Ltd. (河北大賀傳媒有限公司), the Group's subsidiary, invested RMB1 million in establishing its wholly-owned subsidiary, 北京大賀遠大國際廣告有限公司 to further expand the Beijing market.

During the period, the Group has won the tendering project of “2008 Olympics and Paralympics Site Scenery Implementation Service” through unique innovative designs, which is the only winning enterprise outside Beijing, and is also the only winning enterprise which entered a bid on its own. The successful completion of the project presented a high-standard image and look for the Beijing Olympic Games and also demonstrated the innovative design and exquisite craftwork of Dahe as well as honouring Dahe’s commitment to the Beijing Olympic Games Organizing Committee. For this, Jacques Rogge, Chairman of the International Olympics Committee, gave the Group a personally signed letter of appreciation. In addition, the Group has also succeeded in winning the guiding signs of exit systems and billboard renovation projects of Beijing Western Station which is honored as the “Largest Station in Asia” and won the “2008 Olympics and Paralympics Site Symbol Service” project. The above Olympic-related project is anticipated to generate a turnover of approximately RMB30,000,000 to the Group.

Through undertaking Olympic projects, the Group accumulated experience in the operation of big projects and subsequently won the tender for the “Shanghai South station system improvement” project, which further demonstrated Group’s ability in undertaking big projects.

During the period under review, the Group renewed the contract with DuPont Property Insurance successfully, and in addition to the RMB10 million contract of last year, it also entered into a contract worth RMB18 million. The Group plans to launch outdoor media advertisements in more than 30 cities in the PRC. During the period, the agreement on media dissemination with Amway exceeded RMB27,000,000. At the same time, the Group has also entered into media dissemination contracts with Changan Automobile, 洋河酒業, 神鋼建機, Suning Real Estate and Walmart and entered into a one-year cooperation agreement with the Bank of Jiangsu in September.

In February, the Group entered into Share Subscription Agreement and Media Overseas Sales Agency Agreement with MediaCorp, a wholly-owned subsidiary of Temasek Holdings (Private) Limited, pursuant to which the Group conditionally agreed to allot and issue 154,000,000 New Non-circulating Shares to MediaCorp, representing approximately 18.55% of the Group’s existing issued share capital, and representing approximately 15.65% of the Group’s enlarged issued share capital subsequent to the issue of Subscription Shares. In addition, MediaCorp will also acquire part of the Group’s Domestic Shares. Upon completion of the acquisition, MediaCorp will become the second largest shareholder of Dahe Media. During the period, review and approval of the project is progressing smoothly. As at the end of September, the Group has successfully obtained approval from MOF, while Nanjing Hi-Tech Venture Capital Co., Ltd. has also obtained approval from SASAC to transfer the 50 million domestic shares it held.

During the period, Chongqing Dahe Bashu Media Co., Ltd. (重慶大賀巴蜀傳媒有限公司), a subsidiary of the Group, was still under the liquidation process. At present, outdoor media resources are being distributed before the court and the Group has been allocated 11,552.50 square metres of outdoor media resources and has started their sale.

During the period under review, the Group had received various honours and awards, including the "Award for Outstanding Contribution to China's advertising industry in 30 Years" accredited to Mr. He Chaobing, the Group's Chairman, who was elected the vice chairman of China Advertising Association. In addition, at the third session of the Media Innovation Annual Meeting, Mr. He Chaobing, Chairman of the Group, was crowned with the honour of "The advertiser that has secured the most concern from the Media in China", and the Group was also honored as "The advertising Company that has secured the most concern from the Media in China". In addition, Mr. Chaobing was named the "New Media Personality 2008" in the 2008 China Media Academy Award.

OUTLOOK

Given the continual growth of China's economy, national income and purchasing power have increased simultaneously. China has become one of the largest consumer markets in the world, enterprises are paying more attention to their brand image and product popularity in China's market. They also hope to attract more consumer sales by strengthening their brand marketing through advertising. Hence, the Group believes there will be enormous potential in developing China's advertising market and the role of outdoor advertising media business within overall economy will gain rising importance. The Group will increase the growing pace of outdoor advertising in line with the prevailing market development.

After China's accession to WTO, more foreign enterprises will enter China's market as the pace of open policy to the external world accelerated. The launching of international events such as World Expo 2010 in Shanghai will further stimulate the development of the advertising industry as well as the demand for outdoor advertising services. The Group expects to leverage on the rapid growing opportunities of the advertising market in China and continues to expand its media network to all major provinces in China through various means in order to increase the Group's market share in large-scale outdoor advertising media.

In addition to the continuous development of cross-regional advertising media network, the Group will continue to enhance its existing business and develop new outdoor media business proactively, in particular the Group's "Enkon Express Media" project. With the new growth point of the "銀聯社區繳費一站通" and "惠民榜" project, "Enkon Express Media" is positioned as a "media of high-end lifestyle", and through the financial transaction platform, attracts the attention of residents. In the short run, the advertising value and the posting rate will be increased, which will serve as the basis for developing the e-commerce business gradually in the future, thus creating an integrated information outdoor dissemination transaction platform incorporating advertising plus ecommerce B2C, and having a profound impact on the way of outdoor advertisement dissemination in China.

The global financial crisis erupted since this year is gradually affecting entity enterprises. The business of some export enterprises in China are seriously affected. However, export enterprises generally do not advertise in China, therefore the advertising market in China will not be substantially affected. Pressure from the international market made many enterprises realise that they have to rely on expanding domestic demand in order to sustain and develop their enterprises in the coming few years. Many enterprises, especially quick consumable enterprises have now increased their advertising budget for 2009 correspondingly. The spending of the customers of the Group are mainly in China. The increase in domestic demand and intensified competition in the next stage is posed to boost advertising activities in China. The Group remains optimistic towards the advertising market of China in the future.

Looking forward, the Group will continue to expand its business platform by fully leveraging on the existing business network, enhance its service quality and asset size, strengthen corporate governance system, acquire more famous local and foreign clients actively, produce and lease more multi-media advertising, and be dedicated to become the largest media group in the PRC winning respect from the world.

FINANCIAL REVIEW

TURNOVER

For the nine months ended 30 September 2008 ("Period under review"), the Group's turnover was approximately RMB271,770,000, representing an increase of approximately 14.8% as compared with the corresponding period of last year. The increase was mainly attributable to the increase from the incomes in terminal dissemination service business and the "Enkon Express Media" business.

GROSS PROFIT

During the period under review, gross profit was approximately 31.6%, representing an increase of approximately 1.2 percentage points over 30.4% of the corresponding period of last year.

DISTRIBUTION COSTS

During the period under review, distribution costs increased by approximately 16% as compared with the corresponding period of last year. The increase was mainly due to the increase in staff salaries, building rentals and travel expenses.

ADMINISTRATION EXPENSES

During the period under review, administration expenses increased by approximately 2% as compared with the corresponding period of last year.

FINANCIAL EXPENSES

During the period under review, financial expenses were approximately RMB8,984,000, representing an increase of approximately 43% as compared with the corresponding period of last year. The increase was mainly due to the increase in the interest rates of RMB loans in the PRC and the increase of credit facilities.

DIVIDENDS

The Directors do not recommend distribution of an interim dividend for the nine months ended 30 September 2008 (2007: nil).

FUTURE MAJOR INVESTMENT PLANS AND EXPECTED SOURCE OF FUNDS

The Group will continue to integrate the existing operations, at the same time identify new business opportunities which may supplement or strengthen the existing operations. As at 30 September 2008, the Group has yet not set up any specific plans.

WORKING CAPITAL AND FINANCIAL RESOURCES

The Group has adopted a prudent financial management policy and maintained a strong financial status. As at 30 September 2008, net current asset was approximately RMB49,903,000 (As at 31 December 2007: approximately RMB73,517,000).

As at 30 September 2008, bank balance and cash held by the Group amounted to approximately RMB132,762,000 (As at 31 December 2007: approximately RMB171,247,000).

As at 30 September 2008, the Group has total bank borrowings of approximately RMB210,000,000 and total assets of approximately RMB641,745,000. Gearing ratio was approximately 33% (As at 31 December 2007: Gearing ratio was approximately 32%).

RISK OF FOREIGN EXCHANGE

As the Group's income and expenditure are denominated in RMB, therefore, the Group has no exposure to foreign exchange risks.

IMPORTANT INVESTMENT

During the review period, the Group has no increase in important investment.

IMPORTANT ACQUISITION AND DISPOSAL

During the reviewing period, the Group has no important acquisition and disposal.

STAFF

As at 30 September 2008, the Group has about 1,200 full-time staff. During the period under review, cost of staff was approximately RMB24,760,000 (Corresponding period in 2007: approximately RMB21,270,000).

CONTINGENT LIABILITIES

As at 30 September 2008, the Group has not any material contingent liabilities.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Group and the Company did not purchase, sell or redeem any of its listed securities during the period under review.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

None of the Directors nor supervisors of the Company ("Supervisors") nor any of their respective associates was granted by the Company or its subsidiaries any right to acquire shares or debentures of the Company or any other body corporate, or had exercised any such right as at 30 September 2008.

RIGHT OF FIRST REFUSAL

There is no provision of any right of first refusal in the Company's Articles of Association requiring the Company to issue new shares proportionately to the existing shareholders.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the period under review, the Company has continued to adopt a set of transaction standards in respect of securities transactions by directors, which are no less stringent than that stipulated in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has also made specific inquiries to all the Directors, and is not aware of any violation of the transaction standards and the standard code in respect of securities transactions by Directors as required.

DIRECTORS' AND SUPERVISORS' INTERESTS IN SHARES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As at 30 September 2008, the interests and short positions of the Directors and the Supervisors (as if the requirements applicable to Directors under the Securities and Futures Ordinance ("SFO") were also applicable to the Supervisors) in the shares, underlying shares and debentures of the Company and 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 Rules 5.46 of the GEM Listing Rules were as follows:

Name of Director/Supervisor (note 1)	Name of company/ associated corporation	Capacity	Number and class of securities (note 2)	Approximate percentage of shareholding in the relevant class of securities
He Chaobing	The Company	Interest of a controlled corporation (note 3)	405,200,000 domestic shares of RMB0.10 each (L)	69.86%
He Lianyi	The Company	Beneficial owner	6,400,000 domestic shares of RMB0.10 each (L)	1.10%
Wang Mingmei	The Company	Beneficial owner	3,800,000 domestic shares of RMB0.10 each (L)	0.66%

Notes:

1. All of the persons named above are Directors, except Ms. Wang Mingmei who is a Supervisor.
2. The letter "L" denotes the Director's/Supervisor's long positions in such shares.
3. The interests in the domestic shares were held through Jiangsu Dahe International Advertising Group Co., Ltd. ("Dahe International") which was 90% owned by Mr. He Chaobing.

Save as disclosed above, as at 30 September 2008, none of the Directors and the Supervisors has any 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 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 Rules 5.46 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTEREST AND SHORT POSITION IN SHARES AND UNDERLYING SHARES IN THE COMPANY

A. Substantial shareholders

As at 30 September 2008, the following persons/entities 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 under section 336 of the SFO and were directly or indirectly interested in 10% or more of the shares of the Company:

Name of shareholder	Capacity	Number and class of securities (note 1)	Approximate percentage of shareholding in the relevant class of securities	Approximate percentage of shareholding in the share capital of the Group (note 4)
Dahe International	Beneficial owner	405,200,000 domestic shares of RMB0.10 each (L)	69.86%	48.82%
He Chaobing	Interest of a controlled corporation (note 2)	405,200,000 domestic shares of RMB0.10 each (L)	69.86%	48.82%
Yan Fen	Interest of spouse (note 3)	405,200,000 domestic shares of RMB0.10 each (L)	69.86%	48.82%
Mediacorp Pte Ltd	Beneficial Owner	273,000,000 domestic shares of RMB0.10 each (L)	47.07%	32.90%
Temasek Holdings (Private) Limited	Interest of a controlled corporation (note 5)	273,000,000 domestic shares of RMB0.10 each (L)	47.07%	32.90%

Notes:

- The letter "L" denotes the person's/entity's long positions in the domestic shares of the Company.
- The interest in the domestic shares were held through Dahe International which was 90% owned by Mr. He Chaobing.
- Ms. Yan Fen is the wife of Mr. He Chaobing and is deemed to be interested in the shares in which Mr. He Chaobing is interested under the provision of Divisions 2 and 3 of Part XV of the SFO.
- Domestic shares and H Shares of the Company are treated as the same class of shares for such purpose.
- The interest in the domestic shares was held through MediaCorp Pte Ltd. which was 100% owned by Temasek Holdings (Private) Limited.

B. Other persons who are required to disclose their interests pursuant to Divisions 2 and 3 of Part XV of the SFO

As at 30 September 2008, save for the persons/entities disclosed in sub-section A above, the following entities/persons 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 under section 336 of the SFO:

Name	Capacity	Number and class of securities (note 1)	Approximate percentage of shareholding in the relevant class of securities	Approximate percentage of shareholding in the entire issued share capital of the Company (note 3)
Yan Jian	Beneficial owner	71,800,000 domestic shares of RMB0.10 each (L)	12.37%	8.66%
Nanjing State-owned Assets Investment Management Holdings (Group) Company Limited (南京市國有資產投資管理控股(集團)有限公司)	Beneficial owner (note 2)	50,000,000 domestic shares of RMB0.10 each (L)	8.62%	6.02%
南京市浦口區晨威油墨廠	Beneficial owner	30,000,000 domestic shares of RMB0.10 each (L)	5.17%	3.61%

Notes:

1. The letter "L" denotes the person's/entity's long positions in the domestic shares of the Company.
2. The interests in the domestic shares will be held through Nanjing Hi-Tech Venture Capital Co., Ltd., the registered capital of which is 60% owned by Nanjing State-owned Assets Investment Management Holdings (Group) Company Limited (南京市國有資產投資管理控股(集團)有限公司).
3. Domestic shares and H Shares of the Company are treated as the same class of shares for such purpose.

Save as disclosed above, no other person/entity had an interest or a short position in the shares and underlying shares of the Company as recorded on 30 September 2008 in the register required to be kept under section 336 of the SFO.

COMPETING INTEREST

None of the Directors, the management shareholders of the Company and their respective associates as defined under the GEM Listing Rules had any interest in a business which competes or may compete, either directly or indirectly, with the businesses of the Group nor any conflicts of interest which has or may have with the Group.

CORPORATE GOVERNANCE

During the period under review, none of the directors of the Company is aware of any information which reasonably indicates that there has been non-compliance with the code provisions as set out in the Code of Practices under Corporate Governance as set out in Appendix XV of the GEM Listing Rules of the Stock Exchange in any time during the accounting period covered under the current report.

AUDIT COMMITTEE

The Company established an audit committee on 23 October 2003 with written terms of reference made in compliance with the GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Company. The audit committee comprises three independent non-executive directors, Mr Qiao Jun, Mr Li Yijing and Mr Shen Jin.

By Order of the Board
He Chaobing
Chairman

Nanjing, the PRC
13 November 2008

As at the date of this report, the Board comprises Mr. He Chaobing and Mr. Yang Jianliang, being the executive Directors, Mr. Qiao Jun, Mr. Li Yijing and Mr. Shen Jin, being the independent non-executive Directors, and Mr. Li Huafei, Mr. He Lianyi and Ms. Chan E Nam Viveca being the non-executive Directors.