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)

2012
First Quarterly Report

*For identification Purposes only

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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Exchange. 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 companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities trade on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This report, for which the directors of Dahe Media Co., Ltd. collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited 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 the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

HIGHLIGHTS

- For the three months ended 31 March 2012, the Group realised a turnover of approximately RMB90,356,000, representing an increase of approximately 16.8% over the same period of 2011.

- Gross turnover of the Group for the three months ended 31 March 2012 was mainly from media dissemination, terminal dissemination and media production businesses, representing approximately 62.38% (three months ended 31 March 2011: 51.75%), 23.87% (three months ended 31 March 2011: 31.34%) and 13.75% (three months ended 31 March 2011: 16.91%) respectively of the gross turnover.

- For the three months ended 31 March 2012, profit attributable to the owners of the Company was approximately RMB1,107,000, representing an increase of approximately 7%.

- Earnings per share were approximately RMB0.13 cent (2011: RMB0.12 cent)

- The Board did not recommend the payment of an interim dividend for the three months ended 31 March 2012 (2011: nil).

The Board of Directors (the "Board") of Dahe Media Co., Ltd. (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (together the "Group") for the three months ended 31 March 2012, together with the comparative figures for the corresponding period in 2011 as follows, which has been reviewed by the audit committee of the Company:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	**Unaudited For the three months ended 31 March 2012 RMB'000**	2011 RMB'000
Turnover	2	**90,356**	77,380
Cost of sales		**(63,974)**	(50,819)
Gross profit		**26,382**	26,561
Other income and net gain		**992**	31
Distribution costs		**(10,552)**	(10,290)
Administrative expenses		**(10,911)**	(11,336)
Profit from operations		**5,941**	4,966
Finance costs		**(3,715)**	(3,174)
Profit before income tax		**2,226**	1,792
Income tax expenses	5	**(607)**	(464)
Profit and total comprehensive income for the period		**1,619**	1,328
Attributable to:			
Owners of the Company		**1,107**	1,035
Non-controlling interests		**512**	293
		1,619	1,328
Earnings per share			
- Basic (RMB)	7	**0.13 cent**	0.12 cent

NOTES TO THE CONDENSED FINANCIAL INFORMATION

1. BASIS OF PREPARATION

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.

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 2011. 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 2011.

2. TURNOVER

Turnover represents the invoiced value of goods sold and services provided to customers after any allowance and discounts and is analysed as follows:

	For the three months ended 31 March	
	2012	2011
	RMB'000	RMB'000
	Unaudited	Unaudited
Income from the media dissemination	**56,362**	40,047
Income from terminal dissemination	**21,570**	24,249
Income from media production	**12,424**	13,084
	90,356	77,380

3. SEGMENT REVENUE AND RESULTS

For the three months ended 31 March 2012 (unaudited)

	Media Dissemination	**Media Production**	**Terminal Dissemination**	**Total**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
Revenue from external customers	**56,362**	**12,424**	**21,570**	**90,356**
Reportable Segment results	**21,265**	**(712)**	**5,829**	**26,382**
Other income and net loss				**992**
Distribution costs				**(10,522)**
Administrative expenses				**(10,911)**
Finance costs				**(3,715)**
Profit before income tax				**2,226**

For the three months ended 31 March 2011 (unaudited)

	Media Dissemination RMB'000	Media Production RMB'000	Terminal Dissemination RMB'000	Total RMB'000
Revenue from external customers	40,047	13,084	24,249	77,380
Reportable Segment results	14,546	(408)	12,423	26,561
Other income and net loss				31
Distribution costs				(10,290)
Administrative expenses				(11,336)
Finance costs				(3,174)
Profit before income tax				1,792

4. PROFIT BEFORE INCOME TAX

	For the three months ended 31 March	
	2012	2011
	RMB'000	RMB'000
	Unaudited	Unaudited
Profit before income tax is arrived after charging the following:		
Depreciation	**5,537**	6,195
Amortisation of prepaid land lease payment	**14**	14
Amortisation of other intangible assets	**136**	139

5. INCOME TAX EXPENSE

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 year.

In accordance with the new PRC Enterprise Income Tax Law which became effective from 1 January 2008, an unified enterprise income tax rate of 25% will be applied to both domestic-invested enterprises and foreign-invested enterprises. Enterprises being qualified as a high new technology enterprise in the PRC are subject to an applicable national EIT rate of 15%. Accordingly, the Company is eligible for a preferential EIT rate of 15% for the three months ended 31 March 2012 (2011: 15%). The subsidiaries of the Company are subject to standard EIT rate of 25% for the three months ended 31 March 2012.

6. DIVIDEND

The board of directors does not recommend the payment of an interim dividend for the three months ended 31 March 2012 (2011: nil).

7. EARNINGS PER SHARE

The calculation of the basic earnings per share for the three months ended 31 March 2012 is based on the profit attributable to ordinary equity owners of the Company of RMB1,107,000 (For the three months ended 31 March 2011: profit of RMB1,035,000) and the weighted average number of shares in issue of 830,000,000 (2011: 830,000,000).

8. RESERVES

	Share capital RMB'000 Unaudited	Share premium and capital reserves RMB'000 Unaudited	Statutory surplus reserve RMB'000 Unaudited	Other reserves RMB'000 Unaudited	Retained profits RMB'000 Unaudited	Total reserves RMB'000 Unaudited
As at 1 January 2011	83,000	97,421	25,218	—	108,472	314,111
Total comprehensive income for the period	—	—	—	—	1,035	1,035
As at 31 March 2011	83,000	97,421	25,218	—	109,507	315,146
As at 1 January 2012	83,000	97,421	25,218	(844)	122,033	326,828
Total comprehensive income for the period	—	—	—	—	1,107	1,107
As at 31 March 2012	83,000	97,421	25,218	(844)	123,140	327,935

MANAGEMENT DISCUSSION AND ANALYSIS

For the three months ended 31 March 2012 (the "Period under Review"), the Group achieved a turnover of approximately RMB90,356,000 (2011: RMB77,380,000), representing an increase of approximately 16.8% over the same period last year. During the period, profit attributable to the shareholders was approximately RMB1,107,000 (2011: RMB1,035,000), representing an increase of approximately 7% over the same period last year. Earnings per share increased by approximately 8% to RMB0.13 cent.

The increase in the turnover was mainly attributed to the continued growth of the Chinese economy. Domestic demand became an important driving force of growth, resulting in more intense competition among enterprises, which drove the growth of the advertising volume. Together with the support of the "12th Five-year Plan" and the relevant policies of provincial governments, the media market became more diversified and great efforts were made in developing emerging media. Accordingly, the Group recorded growth in both turnover and earnings during the period.

The revenue from outdoor advertising media dissemination business, terminal dissemination service and outdoor advertising media production business accounted for approximately 62.38% (2011: 51.75%), 23.87% (2011: 31.34%) and 13.75% (2011: 16.91%) of the turnover respectively. The Board does not recommendthe payment of a quarterly dividend for the three months ended 31 March 2012 (2011: nil).

In addition, in respect of the liquidation of Chongqing Dahe Basu Media Co., Ltd. ("Dahe Basu"), a former subsidiary of the Group, the Nanjing Intermediate People's Court ruled in the first instance on 9 February 2012 that Jia Hua, the original legal representative of Dahe Basu appointed by the minority shareholders of Dahe Basu and the General Manager, was found guilty of misappropriation. According to the verdict, the illegal gains amounting to RMB484,300 obtained by Jia Hua were returned to Dahe Basu.

Media dissemination business

During the period under review, outdoor advertising media dissemination business recorded a turnover of approximately RMB56,362,000, an increase of approximately 40.7% year-on-year. Currently, the Group has outdoor media resources of approximately 200,000 square metres, mainly billboards in expressways, billboards on building roofs in urban areas and landscape boards along roads, with business covering 64 major cities in China. During the period, the average launching rate of the Group's outdoor media remained at about 70%, with major customers from various industries such as fast moving consumer goods, media, real estate, finance and tourism.

During the period, "Enkon Express Media", the Group's core business, also continued to win the praise and support of advertisers and contributed approximately RMB17,955,000 and RMB513,000 to the Group's total turnover and profit respectively, representing an increase of 16.8% and 28% respectively compared with the corresponding period last year. Currently, the Group has set up approximately 8,000 advertising boards targeting 9 million medium and high income households in nearly 5,500 communities, covering cities such as Beijing, Shanghai, Guangzhou, Nanjing, Shenzhen, Chengdu, Hangzhou and Shenyang, and contributing total outdoor media dissemination resources of approximately 35,000 square metres.

Meanwhile, "Enkon Express Media" continued to focus on expansion into sectors including finance, travel, communication and fast moving consumer goods. It has entered into cooperation agreements with ICBC, Suning Electric, Xiwang Foodsz (西王食品), Sanyuan Foods, Wuzhen Travel (烏鎮旅遊), GOME, Anhui Satellite TV and Jiangsu Satellite TV. It has also entered into partnership with various famous domestic and international brands such as New City Real Estate (新城市置業).

The Group does not Limit itself to its existing businesses but has been keen on innovation and change. The innovative ungraded version of "Enkon Express Media 3.0" combines brand promotion and community sales, including high-definition lamphouse, e-magazines, one-stop community payment service, video-ads, dynamic outdoor and community activities. It built an innovative dissemination platform catering to diversified customer business and provided comprehensive "advertising + marketing" services to incorporate functions such as media dissemination, commonweal community information dissemination and self-service payment in daily life. At the "China Electronic Commerce Brand Conference and the First Website Benchmark Award (中國電商品牌大會暨首屆網標獎)", the case of "2011 Wang Laoji Community Media Marketing" won the "Case Study Award" (經典案例大獎), demonstrating the creative ideas of "Enkon Express Media 3.0" not only brought dissemination benefits for customers but also led the e-commerce marketing direction in China.

During the period, "Outdoor Media" has commenced cooperation with well-known enterprises such as Jiangsu Sujiu (江蘇蘇酒), Wuzhen Travel and Nanjing Pudong Real Estate (南京浦東房地產), with a contract value of over RMB12,000,000.

Terminal dissemination service and media production business

The Group continued to further its "terminal dissemination service" business during the Period. As of 31 March 2012, turnover of the terminal dissemination service business amounted to approximately RMB21,570,000, a decrease of approximately 11% over the same period of last year.

"Terminal Dissemination" continued to serve international and domestic famous brands such as P&G, Nike, Wang Laoji, GPHL, Midea, TINGYI, Puma, B&Q, Walmart, Huatai Securities , CR Vanguard, Li Ning and Best Buy.

During the period under review, turnover of the Group's media production business was approximately RMB12,424,000, representing a decrease of approximately 5% as compared with the corresponding period of last year and accounting for approximately 13.75% of the Group's total turnover.

New businesses

During the period, the website of "Sina Jiangsu" jointly established by the Group and Sina is at the trial operation stage and will provide localized news, leisure, entertainment and life-style information to users in Jiangsu with the best services and products of web 2.0. Leveraging on its experience in media and advantages brought by the integration of media and taking good use of this cooperation, the Group expanded into an innovative Internet media market, laying a solid foundations for future development.

Awards and honors

Dahe Group

January 2012

The Group was elected as the vice president of Nanjing Modern Services Industry Federation (南京現代服務業聯合會副會長) and was elected the "Outstanding Service Team" after undertaking the project of "Shenzhen Universiade". The case of "2011 Wang Laoji Community Media Marketing" of "Enkon Express Media 3.0" won the "Case Study Award" (經典案例大獎).

February in the same year

China Advertising Association recognized Dahe Group as "Class One Advertising Enterprise in China (中國一級廣告企業)", which is the highest award and honor in the local media and advertising industry. In addition, Dahe was also elected as "Top 10 Advertising Operating Units (十強廣告經營單位)" and "Top 10 Best Advertising Operating Units (十佳廣告經營單位)" for 2011 in Nanjing. At the "Fifth Session of International Advertising Summit in 21st Century (第五屆21世紀廣告國際峰會)", Dahe Media won "The Most Competitive Advertising Company in China in 2011 (2011年度中國廣告行業最具競爭力公司)".

March in the same year

Dahe was conferred the title of "Executive Vice-president Unit of Nanjing Federation of Industry and Commerce Cultural Industry Chamber of Commerce (南京市工商聯文化產業商會)" to recognize its contribution to driving the development of cultural and innovative enterprises in Nanjing. The Group won the "2011 China Advertising Effectiveness Case Award (2011中國廣告實效案例大獎)" at the "2012 China Advertising and Brand Conference and China Advertising Annual Awarding Ceremony (2012中國廣告與品牌大會暨中國廣告年度大獎)" for the "Guiyi Strawberry Full Media Marketing Case (圭易草莓全媒體營銷案例)" implemented last year.

Chairman

During the period, Mr. He Chaobing, our Chairman, led the Group to reach a new height again and his leadership was recognized by the industry. At the "Sixth Brand Forum for Employers in Jiangsu, China (第六屆中國江蘇僱主品牌論壇)", which was organized by the International Public Management Association for Human Resources (國際人力資源管理協會) and the Human Resources Association of Jiangsu Province (江蘇省人力資源學會) and undertaken by 中企聯合（南京）人力資源中心, Mr. He was elected "Outstanding CEO of the year and Entrepreneur Showing the Greatest Care for Employees (年度傑出CEO暨最關心員工企業家)". Meanwhile, Mr. He was recognized as "Outstanding Builder of Socialism with Chinese Characteristics in Nanjing (南京市優秀中國特色社會主義事業建設者)" by the municipal party committed and the municipal government for promoting the development of the innovative industry in Nanjing and making significant contribution to economic development.

Outlook

Entering the Year of the Dragon, the global economic prospects has continued to be worrisome. However, the Chinese economy remained stable and positive in the first quarter. Consumer sentiment increases significantly with increased national incomes. In line with the state's intention to expand the domestic demand, companies are also increasing promotion costs for advertising to create demand, which is conducive to the development of the advertising industry. In 2010, the cultural industries were for the first time included in the planning proposals for national economic and social development in the "Second Five-Year Plan Proposal", and was promoted as a strategic objective of "pillar industries in national economy". The state recently clarified the target for Internet development. The Internet penetration rate will be increased from 38.3% in 2011 (representing 513,000,000 netizens) to over 45%. In addition, the number of online shoppers reached 194,000,000 last year, with a utilization rate as high as 37.8%. The authority will also promote no-shop shopping channels such as network and other media.

According to the "Annual Development Report on the Cultural Industries in China" by the Institute for Cultural Industries of Peking University, the total output value of the cultural industries in China last year is expected to exceed RMB3.9 trillion, representing less than 4% of the GDP. This demonstrates China still has much room for development. It is estimated the added value of the cultural industries will increase at a rate of 20% per annum and will be an important component for expanding the domestic demand and driving economic development. Under the dual forces of favourable national policy and stable growth of domestic demand, we are optimistic about the mid and long-term development of outdoor media in China.

The Group will also take this opportunity to maximise its own advantages to attract more outdoor advertising resources through consolidating existing strong penetration in first-tier cities and focusing on developing second and third tier cities, so as to meet the trend of market development and market demand. In later years, China will host several events, including the 2013 Tianjin East Asian Games, the 2013 China Flower Expo, the 2014 Nanjing Youth Olympic Games and other international activities, which will create significant opportunities for China's advertising market and further stimulate outdoor advertising demands.

We expect that 2012 will be a year full of opportunities. Being a national class one enterprise, the Group will continue to actively participate in project bidding by using resources and strengthen its core operations such as "Enkon Express Media" in the future. Through cooperation with our strategic partner Sina, the Group is expected to develop the e-commerce industry, digital media and socialized media business and capture the opportunity of developing innovative media. It is believed this will generate considerable revenues in the near future. Looking ahead, the Group will continue to grasp every potential opportunity to focus on innovating and optimizing its existing operations so as to maintain its leading advantage in the industry and lay a solid foundation for the results of the second quarter.

FINANCIAL REVIEW

TURNOVER

Turnover of the Group for the period under review was approximately RMB 90,356,000, increased by approximately 16.8% when compared with the corresponding period last year.

GROSS PROFIT

During the period under review, gross profit margin was approximately 29.2%, decreased by 5.1 percentage points when compared with 34.3% for the corresponding period last year.

DISTRIBUTION COSTS

During the period under review, distribution costs increased by 2.2% when compared with the corresponding period last year, which was mainly due to the increase in staff salaries.

ADMINISTRATION EXPENSES

During the period under review, administrative expenses decreased by 3.7% when compared with the corresponding period last year.

FINANCIAL EXPENSES

During the period under review, finance costs were approximately RMB3,715,000, increased by 17% when compared with the corresponding period last year.

DIVIDENDS

The Directors do not recommend distribution of an interim dividend for the three months ended 31 March 2012 (2011: 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 31 March 2012, the Group has 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 31 March 2012, net current asset was approximately RMB104,294,000 (As at 31 December 2011: approximately RMB86,381,000).

As at 31 March 2012, bank balance and cash held by the Group amounted to approximately RMB192,910,000. Bank borrowings amounted to approximately RMB300,000,000. Net debt to equity ratio was approximately 29%, i.e. the percentage of bank loans less bank balance and cash in net assets amounting to RMB367,350,000 (As at 31 December 2011: net debt to equity ratio was approximately 23%).

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

IMPORTANT ACQUISITION AND DISPOSAL

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

STAFF

As at 31 March 2012, the Group has about 1,000 full-time staff. During the period under review, cost of staff was approximately RMB14,900,000 (corresponding period in 2011: approximately RMB12,900,000).

CONTINGENT LIABILITIES

As at 31 March 2012, the Group has no material contingent liabilities.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Group 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 31 March 2012.

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.

A. Directors, chief executives and supervisors

As at 31 March 2012, the interests and short positions of Directors and the supervisors of the Company (as if the requirements applicable to Directors under the 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) which (a) were that required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors and the supervisors is taken or deemed to have under such provisions of the SFO); or (b) were required pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange were as follows:

(i) *the Company*

Name of Director/ Supervisor *(Note 1)*	Capacity	Number and class of securities *(Note 2)*	Approximate percentage of shareholding in the relevant class of securities	Approximate percentage of shareholding in the issued share capital of the Company
Mr. He	Interest of a controlled corporation (Note 3)	418,000,000 Domestic Shares (L)	72.07%	50.36%
He Lianyi	Beneficial Owner	6,400,000 Domestic Shares (L)	1.10%	0.77%
Wang Mingmei	Beneficial owner	3,800,000 Domestic Shares (L)	0.66%	0.46%

Notes:

1. All of the persons named above are Directors, except Ms. Wang Mingmei who is a supervisor of the Company.

2. The letters "L" denote a long position in the share capital.

3. The interests in the domestic shares were held through the Vendor which was 99% and 1% owned by Mr. He and Ms. Yan Fen, spouse of Mr. He, respectively.

(ii) ***the associated corporations***

Name of Director/ Supervisor	Name of the associated corporation	Capacity	Number and class of securities *(Note 1)*	Approximate percentage of shareholding in the issued share capital of the associated corporation
Mr. He	DIHG	Beneficial owner	418,000,000 shares (L)	99%
He Pengjun	Nanjing Ultralon Investment Management Co., Ltd.* (南京歐特龍投資管理有限公司)	Beneficial owner	500,000 shares (L)	10%

Notes:

1. The letters "L" denote a long position in the share capital.

Save as disclosed above, none of the Directors or chief executive of the Company is aware of any other Director or chief executive of the Company who has any interests or short positions in any Shares and underlying shares in, and debentures of, the Company or any associated corporation as at 31 March 2012.

Save and except Mr. He, who is the director of DIHG, none of the Director or proposed Director is a director or employee of a company which has an interest or short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

B. Substantial Shareholders

As at 31 March 2012, so far as is known to the Directors or chief executive of the Company, the following persons, other than a Director, chief executive or supervisor of the Company, had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name of Shareholder	Company/ name of the member of the Group	Capacity	Number and class of securities *(Note 1)*	Approximate percentage of shareholding in the relevant class of securities	Approximate percentage of shareholding in the issued share capital of the Company/ member of the Group
DIHG	Company	Beneficial owner	418,000,000 Domestic Shares (L)	72.07%	50.36%
Yan Fen	Company	Interest of spouse (Note 2)	418,000,000 Domestic Shares (L)	72.07%	50.36%
Nanjing Ultralon Investment Management Co., Ltd.* (南京歐特龍投資管理有限公司)	Hangzhou Ultralon Advertising Co., Ltd.* (杭州歐特龍廣告有限公司	Beneficial owner	150,000 shares (L)	10%	10%
Chengdu Xintianjie Advertising Co., Ltd.* (成都新天然廣告有限責任公司)	Sichuan Xintianjie Media Technology Development Co., Ltd.* (四川新天杰傳媒科技發展有限責任公司)	Beneficial owner	9,000,000 shares (L)	45%	45%

Name of Shareholder	Company/ name of the member of the Group	Capacity	Number and class of securities *(Note 1)*	Approximate percentage of shareholding in the relevant class of securities	Approximate percentage of shareholding in the issued share capital of the Company/ member of the Group
DIHG	Ankang International	Beneficial owner	490,000 shares (L)	49%	49%
Gao Huajun	Nanjing Dahe Colour Printing Co., Ltd.* (南京大賀彩色印刷有限公司)	Beneficial owner	2,000,000 shares (L)	10%	10%
Hebei Dalong Media Co., Ltd.* (河北大龍傳媒有限公司)	Hebei Dahe Media Co., Ltd.* (河北大賀傳媒有限公司)	Beneficial owner	3,036,000 shares (L)	33%	33%

Notes:

1. The letters "L" denote a long position in the Shares.

2. Ms. Yan Fen is the wife of Mr. He and is deemed to be interested in the shares in which Mr. He is interested under the provision of Divisions 2 and 3 of Part XV of the SFO.

Save as the disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company which will have to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO as at 31 March 2012.

C. Other persons who are required to disclose their interests pursuant to divisions 2 and 3 of part XV of the SFO

As at 31 March 2012, save for the persons/entities disclosed in sub-section B above, the following entities/persons had an interest or a short position in the Shares and underlying Shares as recorded in the register required to be kept under section 336 of the SFO:

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 issued share capital of the Company
Yan Jian	Beneficial owner	71,800,000 Domestic Shares (L)	12.37%	8.66%
Nanjing State-owned Asset Investment Holdings (Group) Company Limited* (南京市國有資產投資管理控股（集團）有限責任公司)	Beneficial owner	50,000,000 Domestic Shares (L)	8.62%	6.02%
Nanjing Pukou Ink Printing Factory* (南京市浦口區晨威油墨廠)	Beneficial owner	30,000,000 Domestic Shares (L)	5.17%	3.61%

Notes:

1. The letter "L" denotes the person's/entity's long position in the Shares.

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）有限責任公司.

Save as disclosed above, no other person/entity had an interest or a short position in the Shares and underlying Shares as recorded on 31 March 2012 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, 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 15 of the GEM Listing Rules of the Stock Exchange in any time during the accounting period covered under the current report.

In addition, in order to conform with the new amendments to the GEM Listing Rules relating to corporate governance, the Company has adopted a new Corporate Governance Code and terms of reference of each of the Board committees in March 2012, and there were also re-designations among members of the Nomination Committee and the Remuneration Committee of the Company in accordance with the new amendments, for details, please refer to the announcement of the Company dated 29 March 2012.

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 nonexecutive directors, Mr Sun Yingcai, Mr Ge Jianya and Mr Ye Jianmei. The audit committee has reviewed this First quarterly report in accordance with the GEM Listing Rules.

By Order of the Board
He Chaobing
Chairman

Nanjing, the PRC
10 May 2012

As at the date of this report, the Board comprises Mr. He Chaobing and Mr. Yang Jianliang, being the executive Directors, Mr. Ge Jianya, Mr. Sun Yingcai and Ms. Ye Jianmei, being the independent non-executive Directors, and Mr. Li Huafei, Mr. He Lianyi and Mr. He Pengjun being the non-executive Directors.

* *For identification purpose only*