2008 Interim Report

Qin Jia Yuan Media Services Company Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 2366)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Dr. LEUNG Anita Fung Yee Maria *(Chief Executive Officer)*
Mr. YIU Yan Chi, Bernard
Mr. TSIANG Hoi Fong

Non-Executive Directors

Dr. Honourable WONG Yu Hong, Philip, GBS *(Chairman)*
Mr. PFITZNER Kym Richard
Mr. ZINGER Simon
Ms. LEE Kwei-Fen
Mr. HUNG Hak Hip
Mr. LIU Yuk Chi, David
Dr. WONG Ying Ho, Kennedy, BBS, JP
Mr. FLYNN Douglas Ronald
Ms. HO Chiu King, Pansy Catilina

Independent Non-Executive Directors

Mr. LAU Hon Chuen, GBS, JP
Mr. LAM Haw Shun, Dennis, JP
Mr. HUI Koon Man, Michael, JP

REMUNERATION COMMITTEE

Mr. LAM Haw Shun, Dennis, JP *(Chairman)*
Mr. LAU Hon Chuen, GBS, JP
Mr. LIU Yuk Chi, David

AUDIT COMMITTEE

Mr. LAM Haw Shun, Dennis, JP *(Chairman)*
Mr. LAU Hon Chuen, GBS, JP
Mr. LIU Yuk Chi, David

AUTHORISED REPRESENTATIVES

Dr. LEUNG Anita Fung Yee Maria
Ms. CHAN Wing Yi

COMPANY SECRETARY AND QUALIFIED ACCOUNTANT

Ms. CHAN Wing Yi

AUDITORS

KPMG
Certified Public Accountants
8th Floor, Prince's Building
Central, Hong Kong

TAX ADVISER

Deloitte Touche Tohmatsu
Certified Public Accountants
35th Floor, One Pacific Place
88 Queensway
Hong Kong

REGISTERED OFFICE

Scotia Centre, 4th Floor
P.O. Box 2804
George Town
Grand Cayman
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Units 7-11
7th Floor, Yale Industrial Centre
61-63 Au Pui Wan Street
Fotan, New Territories
Hong Kong

INVESTOR RELATION OFFICE IN HONG KONG

Room 203, 2nd Floor
Aon China Building
29 Queen's Road Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Bank of Butterfield International (Cayman) Ltd.
Butterfield House
68 Fort Street
P.O. Box 705
George Town
Grand Cayman
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
Rooms 1901-2, Fook Lee Commercial Centre
Town Place, 33 Lockhart Road
Wanchai, Hong Kong

PRINCIPAL BANKERS

Standard Chartered Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited
Bank of China (Hong Kong) Limited
The Bank of East Asia Limited
DBS Bank (Hong Kong) Limited
Industrial and Commercial Bank of China (Asia) Limited

LEGAL ADVISERS

As to Hong Kong Law
Troutman Sanders

As to Cayman Islands Law
Maples and Calder Asia

As to PRC Law
Beijing Beilang Law Office

STOCK CODE

The Stock Exchange of Hong Kong Limited: 2366

WEBSITE

http://www.qjymedia.com

The board of directors (the "Directors") of Qin Jia Yuan Media Services Company Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended at 31 March 2008. These results have been reviewed by the Company's auditors, KPMG, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity" and by the Audit Committee of the Board of Directors.

MANAGEMENT DISCUSSION & ANALYSIS

Despite the snowstorms across the country and the pressure of growing inflation, China's economy has sustained a rapid growth. According to the report issued by the National Bureau of Statistics of China, gross domestic product ("GDP") growth of China was 10.6% for the first quarter of 2008. It is encouraging that the ranking of the components of China's GDP's growth has changed, personal spending became the largest motivator to the 2007 GDP growth. The potential economic downturn in other countries is not expected to have significant impact on China's economy. The domestic consumption market of China will continue with its robust growth, thus stimulating domestic demand and reducing its dependency on export to maintain the economy growth. In addition, starting from 2008, a number of international events will be hosted in China, including 2008 Olympics Games in Beijing, 2010 Shanghai World Expo and 2010 Asian Games in Guangzhou, as well as various international business exchanges and exhibitions held across China. The domestic consumption market will thereby be further enhanced which will definitely benefit the advertising industry.

BUSINESS REVIEW

During the period under review, the Group has achieved a remarkable increase in turnover and net profit. Turnover grew by 43% to HK$134.0 million as compared to the corresponding period last year. The net profit rose to HK$109.4 million, representing an increase of 74% over the same period last year. Basic earnings per share were HK18.13 cents for the period under review. In line with the Group's dividend payout policy adopted since listing, the Directors declared an interim dividend for the first half of 2008 in scrip form equivalent to HK3.6 cents per share with an option to the shareholders to elect to receive the dividend in cash in lieu of such allotment.

The *China Securities Journal* has recently proclaimed that 2008 will be "the year of media" and the media industry will be "the last gold mine". It indicates investors are keen on China media development. Following the banking and insurance industry, media industry will become the focus of the international investment sector in 2008.

Affluent economy will undoubtedly stimulate consumption, push domestic consumption market growth, and drive the Group's media business. Benefited from China's entry into the World Trade Organization ("WTO") and the implementation of the Closer Economic Partnership Arrangement ("CEPA"), the Group may enjoy the privileged positioning in both Hong Kong and China and have greater room for development in all three existing core businesses. As TV drama is dominant by the traditional TV media, the Group will continue to plan and invest in high quality TV drama series to achieve its market share as planned. On top of this, the Group's TV advertising agency businesses, which kicked off operations in 2007, has achieved promising results due to auspicious timing and favorable business environment.

Since its establishment in 1995, the Group has captured increasing market share under a scheduled TV drama investment plan in order to become a major TV drama content provider. In light of the market demand for primetime TV drama (19:00-22:00) of approximately 5,000 episodes/hours from the three networks of China Central TV Station ("CCTV"), provincial TV stations and city TV stations, the Group has completed 186 episodes/hours of TV dramas in the first half of 2008 and expects its drama market share can jump over 7% by the end of the year. The TV dramas completed as scheduled was attributable to the successful collaboration with nine major mainland TV stations of Beijing, Shanghai, Fujian, Guangdong, Chongqing, Hubei, Jiangsu, Dalian and Harbin in the production, procurement and distribution of TV dramas. Such collaboration increased the quantity of high quality dramas the Group planned and invested in, which lead to a growth in revenue, as well as generous support and confidence from advertisers and audience, creating a win-win situation for all parties.

The Group has always developed well in the planning and investment of TV drama business and became a major TV drama series provider. It facilitates the Group in building the TV advertising agency business since 2007. Upon acquiring the exclusive advertising agency rights to the Drama Channel of Hubei TV Station, the Entertainment Channel of Chongqing TV Station and the Life Channel of Xiamen TV Station, the Group has up to present concluded agreements on exclusive advertising agency rights of the Red Classic Channel of Jiangxi TV Station, the City Channel of Hebei TV Station, the News Channel of Shanxi TV Station, the Satellite Channel of Southern TV Station (Guangdong) and the Education & Culture Channel of China Yellow River TV Station (a satellite TV channel that covers North America) with the total advertising rate-card value of over RMB 6 billion.

Up to the first half of 2008, the Group has carried out the advertising agency businesses of the Drama Channel of Hubei TV Station, the Entertainment Channel of Chongqing TV Station, the News Channel of Shanxi TV Station and the Red Classic Channel of Jiangxi TV Station (which has recently received the broadcasting approval from the relevant authorities). To support the new business development, Qin Jia Yuan (China) Advertising Company Limited, a wholly owned subsidiary, was established in Shenzhen. In the first half of 2008, a strong advertising sales and channel/program promotion team dedicating their expertise, experience and professional competency to the Group has also been put in place. In addition, the Group has signed management contracts with three mainland advertising agencies to procure and build up middle management team and strengthen the sales force. In spite of the rise in total expenses by 67%, as compared to the same period last year, the revenue brought in has also increased as a result of the contribution from the professional and valuable talents.

Up to present, the Group's market share has reached 1.6% in the total TV advertising expenditure of RMB 419 billion. In the past, the Group was only engaged in the business of syndication programming, whereas approximately 2-minute commercial was bartered with the TV stations for each episode of the TV drama invested. Now, the Group has the exclusive advertising agency rights (with commercial airtimes obtained throughout the year) of six provincial ground TV channels, one international channel and one satellite TV channel. It avails the sponsorship and public relations, one of the three core businesses of the Group. Being the sole exclusive advertising agent of TV channels, the Group may more easily attract advertisers as sponsors, organize various marketing activities together with TV advertising for them.

PROSPECTS

In the second half of 2008, the Group expects the TV dramas planned and invested will be completed as scheduled and capture the market share of more than 7%. In addition, TV drama series adapted from the science fiction of *Wisely* and the financial novels of Dr. Anita Leung Fung Yee will be the key projects and the Group believes more revenue will be generated from domestic and overseas distribution and sponsorship.

Meanwhile, the Group will continue to adhere to its existing policy and strategy in the TV channel advertising agency business and strive to create an all-win situation for TV stations, audience, advertisers and advertising agencies. Thereupon, the Group will continue to acquire more exclusive advertising agency rights of TV channels and hope to have an advertising rate-card value totalling more than RMB 10 billion, representing more than 2.3% market share, in 2009.

The Group will also carry out the advertising agency business of not less than six TV channels during the year. In addition, the Group will plan for high quality TV programmes together with the TV channel partners which the Group has exclusive advertising agency rights. The Group will also organize large-scale corporate marketing and brand promotional events for clients. The Group hopes to take the opportunity to strive to have a breakthrough in the revenue from product placements and sponsorships. The Group expects the TV channels and the *China Sports Daily*, for which the Group has advertising agency rights, will actively cover the event and carry out promotion programmes during the 2008 Beijing Olympic Games which will bring in exceptional income for the Group.

LIQUIDITY AND FINANCIAL RESOURCES

During the review period, the Group's operations were financed by internally generated cashflows, the bank borrowings and the proceeds from the placement of shares.

As at the balance sheet date, the Group had outstanding bank borrowings of approximately HK$263.8 million, comprising secured bank loans of approximately HK$260.1 million and mortgage loans of HK$3.7 million. All the secured bank loans were repayable within one year. The mortgage loans comprised an amount of HK$2.7 million repayable after five years, an amount of HK$0.6 million which was repayable after two years but within five years, HK$0.2 million which was repayable after one year but within two years, and an amount of HK$0.2 million repayable within one year. Both the secured bank loans and the mortgage loans carried interest at floating rates. As at 31 March 2008, all bank balances and bank borrowings were denominated in Hong Kong Dollar ("HKD"), Renminbi ("RMB") and Macau Pataca ("MOP"). The Group therefore has no significant exposure to foreign exchange risk.

As at 31 March 2008, the Group's total available banking facilities amounted to HK$375.7 million (30 September 2007: HK$ 279.6 million) of which approximately HK$260.1 million was utilized.

As at 31 March 2008, the Group had cash and bank balances of HK$333.4 million (30 September 2007: HK$228.5 million) of which HK$277.7 million and HK$55.6 million and HK$0.1 million were denominated in HKD, RMB and MOP respectively.

The gearing ratio (expressed as a percentage of total liabilities over total assets of the Group) was 23% (30 September 2007: 18%).

As at 31 March 2008, the Group's bank loans of HK$260.1 million were secured by time deposits of approximately HK$88.1 million placed with banks while the mortgage bank loans of HK$3.7 million were secured by the land and buildings in the PRC with carrying value of approximately HK$5.5 million as at 31 March 2008.

EMPLOYEES

As at 31 March 2008, the Group had a total staff of 43. Staff remuneration is maintained at competitive levels and bonuses are calculated based on an evaluation of efforts and the financial performance of the Group. The Group also provides provident funds, insurance, medical cover and share option scheme.

INTERIM DIVIDEND

The Directors have declared an interim dividend for the six months ended 31 March 2008 in scrip form equivalent to HK3.6 cents per share with a cash option (2007: interim dividend in scrip form of HK2.5 cents per share with a cash option) to shareholders whose names appeared on the register of members on Monday, 30 June 2008. The interim dividend will be payable on Thursday, 31 July 2008.

Subject to the Listing Committee of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") granting listing of and permission to deal in the new shares, each shareholder will be allotted fully paid shares having an aggregate market value equal to the total amount which such shareholders could elect to receive in cash and that they will be given the option to elect to receive payment in cash of HK3.6 cents per share instead of the allotment of shares. Full details of the interim scrip dividend will be set out in a letter which will be sent to shareholders together with a form of election for cash as soon as practicable.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 27 June 2008 to Monday, 30 June 2008 both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all share certificates with completed transfer forms must be lodged with the Company's Registrars in Hong Kong, Union Registrars Limited, Room 1901-2, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong not later than 4:00 p.m. on Thursday, 26 June 2008.

SHARE OPTION SCHEME

Pursuant to the written resolutions of the shareholders passed on 13 June 2004, the Company has established a share option scheme ("Share Option Scheme") whereby the Directors of the Company may, at their discretion, invite any full time or part time employees and Directors, consultants and advisers to the Group (subject to the eligibility requirements as set out therein) to take up options which entitle them to subscribe for shares. The Share Option Scheme shall be valid and effective for a period of ten years ending on 13 June 2014.

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

At 31 March 2008, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

(i) Interests in the Company

		Name of ordinary shares of the Company				Per cent of total issued share capital of the Company
Name of director	**Capacity**	**Personal interests**	**Family interests**	**Corporate interests**	**Total**	**as at 31 March 2008**
Dr. LEUNG Anita Fung Yee Maria ("Dr. Leung")	Interests in controlled corporation and beneficial owner	256,692	256,692	190,039,058 (Note 1)	190,552,442	30.69%
Dr. Honourable WONG Yu Hong, Philip, GBS ("Dr. Wong")	Interests of spouse and interests in controlled corporation and beneficial owner	256,692	12,378,799 (Note 2)	177,916,951 (Note 3)	190,552,442	30.69%
Mr. YIU Yan Chi, Bernard	Beneficial owner	300,000	Nil	Nil	300,000	0.05%
Mr. HUI Koon Man, Michael	Beneficial owner	410,550	Nil	Nil	410,550	0.07%

Notes:

1. The 190,039,058 shares are held as to 167,341,962 shares by Dynamic Master Developments Limited, 999,778 shares by Hunterland City Limited, 10,574,989 shares by Goodhold Limited and 11,122,329 shares by Up & Rise Limited. Dynamic Master Developments Limited is owned as to 53.07% and 32.76% by Goodhold Limited and Hunterland City Limited respectively. Dr. Leung is entitled to exercise control of 99.99% in Hunterland City Limited, 50% in Goodhold Limited and 100% in Up & Rise Limited and therefore is deemed to be interested in the 190,039,058 shares under the SFO.

2. The family interest of 12,378,799 shares refers to 256,692 shares beneficially owned by Dr. Leung, spouse of Dr. Wong, 999,778 shares held by Hunterland City Limited and 11,122,329 shares held by Up & Rise Limited which are included in corporate interests of 190,039,058 shares held by Dr. Leung.

3. The 177,916,951 shares are held as to 167,341,962 shares by Dynamic Master Developments Limited and 10,574,989 shares by Goodhold Limited. Dynamic Master Developments Limited is owned as to 53.07% by Goodhold Limited. Dr. Wong is entitled to exercise control of 50% in Goodhold Limited and therefore is deemed to be interested in the 177,916,951 shares under the SFO.

(ii) Share option of the Company

Directors	Date of Grant	Exercise Period	Closing price immediately before date of grant HK$	Weighted average closing price immediate before date of exercise HK$	Exercise price per share HK$	Number of share options: As at 1 October 2007	Granted during the period	Exercised during the period	Cancelled during the period	As at 31 March 2008	Per cent of total issued share capital of the Company as at 31 March 2008
Dr. Honourable WONG Yu Hong, Philip, GBS	28 February 2007	28 February 2007 to 13 June 2014	2.42	4.53	2.26	254,930	–	254,930	–	–	–
Mr. TSIANG Hoi Fong	15 March 2007	15 March 2007 to 13 June 2014	2.04	–	2.26	5,098,594	–	–	–	5,098,594	0.82%
Mr. HUNG Hak Hip	6 March 2007	6 March 2007 to 13 June 2014	2.04	–	2.26	509,859	–	–	–	509,859	0.08%
Mr. LIU Yuk Chi, David	2 March 2007	2 March 2007 to 13 June 2014	2.23	5.01	2.26	254,929	–	254,929	–	–	–
Mr. LAU Hon Chuen, GBS, JP	21 March 2007	21 March 2007 to 13 June 2014	2.09	–	2.26	509,859	–	–	–	509,859	0.08%
Mr. LAM Haw Shun, Dennis, JP	6 March 2007	6 March 2007 to 13 June 2014	2.04	–	2.26	509,859	–	–	–	509,859	0.08%
Mr. HUI Koon Man, Michael, JP	6 March 2007	6 March 2007 to 13 June 2014	2.04	4.89	2.26	509,859	–	509,859	–	–	–
Total						7,647,889	–	1,019,718	–	6,628,171	

Notes:

1. These share options represent personal interests held by the relevant directors as beneficial owners.

2. During the period, no share options were lapsed or cancelled under the Share Option Scheme.

(iii) Interests in associated corporations

Name of associated corporation	Name of director	Capacity	Class of shares	Number of shares of the associated corporation: Personal interests	Family interests	Corporate interests	Total	Per cent of total issued share capital of associated corporation as at 31 March 2008
Qin Jia Yuan Cultural Assets (Hong Kong) Company Limited ("QJY Cultural")	Dr. LEUNG Anita Fung Yee Maria	Beneficial owner and interests of spouse	Class A (non-voting)	1	1	Nil	2 (Note 1)	2.13%
	Dr. Honourable WONG Yu Hong, Philip, GBS	Beneficial owner and interests of spouse	Class A (non-voting)	1	1	Nil	2 (Note 1)	2.13%
Qin Jia Yuan Publishing Company Limited ("QJY Publishing")	Dr. LEUNG Anita Fung Yee Maria	Beneficial owner and interests in controlled corporation	Class A (non-voting)	1	Nil	1 (Note 2)	2	50%
	Dr. Honourable WONG Yu Hong, Philip, GBS	Interests of spouse and interests in controlled corporation	Class A (non-voting)	Nil	1 (Note 3)	1 (Note 2)	2	50%

Notes:

1. The 2 shares in QJY Cultural are held as to 1 share by Dr. Leung and 1 share by Dr. Wong. As Dr. Leung and Dr. Wong are a married couple, they are deemed to be interested in these 2 shares.

2. The 1 share in QJY Publishing is held by Triglory Corporation. Triglory Corporation is owned as to 60% by Dr. Leung and 40% by Dr. Wong. Dr. Leung and Dr. Wong are entitled to exercise control over the Triglory Corporation, and therefore, Dr. Leung and Dr. Wong are deemed to be interested in this 1 share in QJY Publishing.

3. The family interest of 1 share in QJY Publishing is the personal interest held by Dr. Leung, spouse of Dr. Wong.

Save as mentioned above, as at 31 March 2008, none of the Directors or chief executive of the Company or any of their spouses or children under eighteen years of age has interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Save as disclosed, during the period, no right has been granted to or exercised by, any Director or chief executive of the Company to subscribe for shares, warrants and debentures of the Company.

DISCLOSEABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS UNDER THE SFO

As at 31 March 2008, the interests and short positions of those persons (other than a Director or chief executive of the Company) in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name of substantial shareholder	Capacity	Total number of ordinary shares held	Per cent of total issued share capital as at 31 March 2008	Notes
Dynamic Master Developments Limited	Beneficial owner	167,341,962	26.95%	1
Goodhold Limited	Interests in controlled corporation and beneficial owner	177,916,951	28.66%	2
Hunterland City Limited	Interests in controlled corporation and beneficial owner	168,341,740	27.11%	2
Aegis Media Asia Pacific Pte. Ltd.	Beneficial owner	98,267,915	15.83%	3
Aegis International Ltd.	Interests in controlled corporation	98,267,915	15.83%	4
Aegis Group plc	Interests in controlled corporation	98,267,915	15.83%	4
Shun Tak Holdings Limited	Interest in controlled corporation	31,382,957	5.05%	

Notes:

1. The issued share capital of Dynamic Master Developments Limited is owned as to 53.07%, 32.76%, 5.3%, 3.55%, 3.55% and 1.77% by Goodhold Limited, Hunterland City Limited, Sliver Well Limited, Madam Au Tak Yee, Y. Y. Yao & Co., Limited and Commanding Profits Limited respectively.

2. The issued share capital of Dynamic Master Developments Limited is owned as to 53.07% and 32.76% by Goodhold Limited and Hunterland City Limited. As each of Goodhold Limited and Hunterland City Limited is entitled to exercise control over Dynamic Master Developments Limited, they are deemed to be interested in the 167,341,962 shares held by Dynamic Master Developments Limited under the SFO. In addition, Goodhold Limited directly holds 10,574,989 shares and Hunterland City Limited directly holds 999,778 shares.

3. Aegis Media Asia Pacific Pte. Ltd. is the registered owner of the 98,267,915 shares.

4. Aegis Media Asia Pacific Pte. Ltd. is a directly wholly owned subsidiary of Aegis International Ltd., a company incorporated in the United Kingdom. Aegis International Ltd. is a directly wholly owned subsidiary of Aegis Group plc which is a company listed on the London Stock Exchange. Accordingly, Aegis International Ltd. and Aegis Group plc are deemed to be interested in the 98,267,915 shares held by Aegis Media Asia Pacific Pte. Ltd. under the SFO.

Save as disclosed above, the Company had not been notified of any other interests or short positions in the shares or underlying shares representing 5% or more of the issued share capital of the Company as at 31 March 2008.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There were no purchases, sales or redemptions of the Company's listed securities by the Company and any of its subsidiaries during the period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard set out by the Stock Exchange in the Model Code in Appendix 10 to the Listing Rules. Having made specific enquiry, the Company confirmed that all Directors have complied with the required standard of dealings set out therein throughout the six months ended 31 March 2008.

CORPORATE GOVERNANCE PRACTICES

During the six months ended 31 March 2008, the Group has complied with the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules.

AUDIT COMMITTEE

The Audit Committee has reviewed the interim financial report for the six months ended 31 March 2008 before they were tabled for the Board's review and approval and are of the opinion that such report complied with the applicable accounting standards, the Stock Exchange and legal requirements, and that adequate disclosures have been made.

On Behalf of the Board of Directors

LEUNG Anita Fung Yee Maria
Director

Hong Kong, 19 May 2008

CONSOLIDATED INCOME STATEMENT

for the six months ended 31 March 2008
(Expressed in Hong Kong dollars)

		Six months ended 31 March	
		2008	2007
		Unaudited	Unaudited
	Note	**$'000**	$'000
Turnover	4	**134,025**	93,732
Direct costs		**(34,515)**	(19,892)
		99,510	73,840
Other revenue	5(a)	**1,730**	1,606
Other net income	5(b)	**40,342**	6,872
Administrative and other operating expenses		**(24,174)**	(15,175)
Profit from operations		**117,408**	67,143
Finance costs		**(6,134)**	(3,539)
Profit before taxation	6	**111,274**	63,604
Income tax	7	**(1,886)**	(660)
Profit for the period		**109,388**	62,944
Dividends	8	**22,350**	14,463
Earnings per share			
– Basic	9(a)	**18.13 cents**	12.33 cents
– Diluted	9(b)	**18.07 cents**	N/A

The notes on pages 14 to 25 form part of these interim financial statements.

CONSOLIDATED BALANCE SHEET

at 31 March 2008
(Expressed in Hong Kong dollars)

	Note	At 31 March 2008 Unaudited $'000	At 30 September 2007 Audited $'000
Non-current assets			
Fixed assets		26,898	23,392
Intangible assets	10	288,629	226,258
Reimbursements receivable	11	108,282	41,484
Long term receivables	12	–	695
Long term deposits		13,447	13,447
		437,256	305,276
Current assets			
Inventories	13	70,004	71,383
Accounts receivable	12	116,948	128,262
Reimbursements receivable	11	370,809	270,715
Prepayments, deposits and other receivables		166,658	81,195
Pledged deposits		88,058	59,827
Cash and cash equivalents	14	245,382	168,635
		1,057,859	780,017
Assets classified as held for sale		–	3,586
		1,057,859	783,603
Current liabilities			
Bank loans		(260,259)	(93,477)
Accruals and other payables		(72,862)	(85,799)
Current taxation		(8,097)	(6,165)
		(341,218)	(185,441)
Liabilities directly associated with assets classified as held for sale		–	(2,390)
		(341,218)	(187,831)
Net current assets		716,641	595,772
Total assets less current liabilities		1,153,897	901,048
Non-current liabilities			
Mortgage bank loan		(3,539)	(3,643)
NET ASSETS		1,150,358	897,405
CAPITAL AND RESERVES			
Share capital	15	48,426	45,429
Reserves	16	1,101,932	851,976
		1,150,358	897,405

The notes on pages 14 to 25 form part of these interim financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 31 March 2008
(Expressed in Hong Kong dollars)

	Note	Six months ended 31 March 2008 Unaudited $'000	2007 Unaudited $'000
Shareholders' equity at 1 October 2007/2006		**897,405**	533,027
Net loss recognised directly in equity:			
Exchange differences on translation of financial statements of PRC subsidiaries	16	**(4,907)**	(1,461)
Net profit for the period	16	**109,388**	62,944
Dividend approved and paid during the period	16	**(17,297)**	(9,177)
Movements in equity arising from capital transactions:			
Shares issued during the period			
– scrip dividends	15, 16	**9,714**	5,443
– share placement	15, 16	**153,751**	–
– shares issued under share option scheme	15, 16	**2,304**	–
– equity settled share-based transactions	16	**–**	1,922
		165,769	7,365
Shareholders' equity at 31 March		**1,150,358**	592,698

The notes on pages 14 to 25 form part of these interim financial statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 31 March 2008
(Expressed in Hong Kong dollars)

	Note	Six months ended 31 March 2008 Unaudited $'000	2007 Unaudited $'000
Net cash (used in)/generated from operating activities		**(139,052)**	59,903
Net cash used in investing activities		**(68,128)**	(117,653)
Net cash generated from financing activities		**280,785**	16,062
Net increase/(decrease) in cash and cash equivalents		**73,605**	(41,688)
Cash and cash equivalents at 1 October 2007/2006	14	**168,705**	144,713
Effect of foreign exchange rate changes		**3,072**	–
Cash and cash equivalents at 31 March	14	**245,382**	103,025

The notes on pages 14 to 25 form part of these interim financial statements.

NOTES ON THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

1. BASIS OF PREPARATION

These interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), including compliance with Hong Kong Accounting Standard ("HKAS") 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). They were authorised for issuance on 19 May 2008.

These interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2007 annual financial statements.

The preparation of interim financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

These interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2007 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs" which term collectively includes HKASs and Interpretations) issued by the HKICPA.

These interim financial statements are unaudited, but have been reviewed by KPMG 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. KPMG's independent review report to the Board of Directors is included on page 26.

The financial information relating to the financial year ended 30 September 2007 that is included in the interim financial statements as being previously reported information does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 30 September 2007 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 26 November 2007.

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of new and revised HKFRSs that are first effective or available for early adoption for accounting periods beginning on or after 1 January 2007. The Board of Directors has determined the accounting policies to be adopted in the preparation of the Group's annual financial statements for the year ending 30 September 2008, on the basis of HKFRSs currently in issue. The adoption of these new HKFRSs would not have a significant impact on the Group's financial position and results of operations, except for the adoption of the amendments to HKAS 1 "Presentation of financial statements: Capital disclosures" and HKFRS 7 "Financial instruments: Disclosures" which require additional disclosures to be made in the 2008 annual financial statements.

The HKFRSs that will be effective or are available for voluntary early adoption in the annual financial statements for the year ending 30 September 2008 may be affected by the issue of additional interpretations or other changes announced by the HKICPA subsequent to the date of issuance of these interim financial statements. Therefore the policies that will be applied in the Group's financial statements for that period cannot be determined with certainty at the date of issuance of these interim financial statements.

3. SEGMENT INFORMATION

No analysis of the Group's turnover and contribution to profit from operations by geographical segment or business segment has been presented as most of the Group's operating activities are carried out in the People's Republic of China (the "PRC") and less than 10 per cent of the Group's turnover and contribution to profit from operations are derived from activities outside the Group's media related services.

4. TURNOVER

	Six months ended 31 March	
	2008	2007
	$'000	$'000
TV program related income	**45,010**	37,898
Marketing and advertising related income	**68,340**	38,167
Public relations service income	**20,675**	17,667
	134,025	93,732

5. OTHER REVENUE AND OTHER NET INCOME

	Six months ended 31 March	
	2008	2007
	$'000	$'000
(a) Other revenue		
Interest income	**1,674**	1,597
Others	**56**	9
	1,730	1,606
(b) Other net income		
Net exchange gain	**39,038**	6,872
Gain on disposal of a subsidiary	**1,304**	–
	40,342	6,872

On 16 August 2007, the Group entered into a sale and purchase agreement with an independent third party, to dispose of its entire interest of a wholly-owned subsidiary, namely Amazing Investments Limited ("Amazing"). Accordingly, the assets and liabilities of Amazing were classified as held for sale as at 30 September 2007 and stated at the lower of the carrying amount and fair value less costs to sell. The transaction has been completed on 13 November 2007 and a gain on disposal of $1,304,000 has been recognised in the period ended 31 March 2008 accordingly.

NOTES ON THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

6. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	Six months ended 31 March	
	2008	2007
	$'000	$'000
Interest on borrowings	**6,134**	3,537
Other borrowing costs	**–**	2
Depreciation	**3,228**	3,669
Amortisation of intangible assets	**11,461**	5,725
Cost of inventories	**1,378**	1,966

7. INCOME TAX

(a) No provision has been made for Hong Kong Profits Tax as the Group did not earn any income subject to Hong Kong Profits Tax during the six months ended 31 March 2008.

(b) Pursuant to the Macao SAR's Offshore Laws, Qin Jia Yuan Media Services Investment Macao Commercial Offshore Limited, a subsidiary of the Group and a Macao Offshore Company, is exempted from all taxes in Macau.

(c) Income tax in the consolidated income statement represents the provision of PRC income tax as follows:

- Profits of the subsidiaries established in the PRC are subject to PRC income tax. Pursuant to the Corporate Income Tax Law of the PRC ("new tax law") passed by the Tenth National People's Congress on 16 March 2007, the new enterprise income tax rates for domestic and foreign enterprises are unified at 25% and effective from 1 January 2008. For subsidiaries which are foreign investment enterprises located and operated in Shenzhen, and approved to be established before 16 March 2007 by the State Administration for Industry and Commerce, provision for PRC income tax has been made at 15% for the period from 1 October 2007 to 31 December 2007 and 18% for the period from 1 January 2008 to 31 March 2008.

- Foreign enterprises with permanent establishment in the PRC are also subject to PRC income tax. The provision for PRC income tax in respect of certain subsidiaries incorporated outside the PRC has been calculated at the applicable tax rate of 33% for the period from 1 October 2007 to 31 December 2007 and 25% for the period from 1 January 2008 to 31 March 2008 on a deemed profit basis on their PRC sourced income during the period.

8. DIVIDENDS

	Six months ended 31 March	
	2008	2007
	$'000	$'000
Interim dividend declared of 3.6 cents (2007: 2.5 cents) per share	**22,350**	14,463
Final dividend in respect of the financial year ended 30 September 2007, approved and paid during the following interim period, of 2.8 cents (year ended 30 September 2006: 1.8 cents) per share	**17,297**	9,177

The interim dividend has not been recognised as a liability at the balance sheet date. During the period, scrip dividends were offered to shareholders with cash option.

9. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company $109,388,000 (period ended 31 March 2007: $62,944,000) and the weighted average numbers of 603,346,000 (period ended 31 March 2007: 510,305,000) ordinary shares in issue during the period. Weighted average numbers of ordinary shares is calculated as follows:

	2008 '000	2007 '000
Issued ordinary shares at 1 October 2007/2006	582,428	509,859
Effect of placement of shares	19,699	–
Effect of scrip dividends	655	446
Effect of share option exercised	564	–
Weighted average number of ordinary shares at 31 March	603,346	510,305

(b) Diluted earnings per share

The calculation of diluted earnings per share for the period ended 31 March 2008 is based on the profit attributable to equity shareholders of the Company of $109,388,000 and the weighted average number of 605,215,000 ordinary shares (diluted). Diluted earnings per share for the period ended 31 March 2007 is not presented because the existence of outstanding share options during that period had an anti-dilutive effect on the basic earnings per share.

Weighted average number of ordinary shares (diluted) for the period ended 31 March 2008 is calculated as follows:

	'000
Weighted average number of ordinary shares at 31 March 2008	603,346
Effect of deemed issue of shares under the Company's share option scheme	1,869
Weighted average number of ordinary shares (diluted) at 31 March 2008	605,215

NOTES ON THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

10. INTANGIBLE ASSETS

	At 31 March 2008 $'000	At 30 September 2007 $'000
Purchased licence rights	**186,517**	115,245
TV programs in progress	**30,251**	30,251
Purchased advertising rights	**32,010**	38,412
Customer contract costs	**34,062**	36,406
Others	**5,789**	5,944
	288,629	226,258

Intangible assets are stated at cost less accumulated amortisation and any impairment losses. Amortisation is provided on a systematic basis over their estimated useful lives.

11. REIMBURSEMENTS RECEIVABLE

Reimbursements receivable represents funding advanced to the production houses on behalf of advertising agencies for investment in the production of TV programs. The amounts are recoverable by the Group from the sales proceeds of commercial airtime to be granted by the relevant broadcasting TV stations to advertising agencies. The amounts are interest-free and secured by the advertising agencies' rights to certain benefits to be derived from the first round broadcasting licence rights in the PRC in certain TV programs and in which the advertising agencies have invested. They are governed by the reimbursement repayment guarantees entered into among the Group, the production houses and the advertising agencies. The amounts expected to be recoverable after one year are included under non-current assets.

Advertising contracts are entered into by the PRC licensed advertising agencies with the advertisers. In the circumstances, the Group has to obtain settlement of the related reimbursements receivable from the licensed advertising agencies. Collection of related reimbursements receivable is therefore dependent on the financial position of the licensed advertising agencies.

12. ACCOUNTS RECEIVABLE

	At 31 March 2008 $'000	At 30 September 2007 $'000
Accounts receivable	**116,948**	128,957
Less: Amount expected to be recovered after more than one year, included as non-current assets	**–**	(695)
	116,948	128,262

12. ACCOUNTS RECEIVABLE (CONTINUED)

Included in accounts receivable within twelve months from the balance sheet date are debtors with the following aging analysis:

	At 31 March 2008 $'000	At 30 September 2007 $'000
Current	**116,948**	128,262

The credit terms offered by the Group are in accordance with the terms specified in each agreement entered into with the relevant customers, ranging from six months to one year. Subject to negotiations, extended credit terms are available for certain major customers with well-established operating records. An aging analysis of the receivables is prepared on a regular basis and is closely monitored to minimise any credit risk associated with these receivables. Amounts to be recovered after more than one year based on repayment schedules agreed with the relevant customers have been included as non-current assets.

13. INVENTORIES

The inventories as at 31 March 2008 represent the cost for acquisition of certain scripts, synopses and adaptation rights. They are carried at the lower of cost and net realisable value.

14. CASH AND CASH EQUIVALENTS

	At 31 March 2008 $'000	At 30 September 2007 $'000
Cash and cash equivalents in the consolidated balance sheet	**245,382**	168,635
Cash and cash equivalents classified as held for sale	**–**	70
Cash and cash equivalents in the condensed consolidated cash flow statement	**245,382**	168,705

NOTES ON THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

15. SHARE CAPITAL

	At 31 March 2008 Number of shares '000	At 31 March 2008 $'000	At 30 September 2007 Number of shares '000	At 30 September 2007 $'000
Authorised:				
Ordinary shares of US$0.01 each	**800,000**	**62,400**	800,000	62,400
Issued and fully paid:				
At 1 October 2007/2006	**582,428**	**45,429**	509,859	39,769
Placement of shares (note i)	**35,000**	**2,730**	66,000	5,148
Shares issued as scrip dividends (note ii)	**2,398**	**188**	5,549	433
Shares issued under share option scheme (notes iii and iv)	**1,020**	**79**	1,020	79
At 31 March 2008/30 September 2007	**620,846**	**48,426**	582,428	45,429

Notes:

(i) A placement of 35,000,000 shares of the Company at a price of $4.55 per share was made with independent investors on 7 December 2007. The placing price was equivalent to the closing price of the Company's share of $4.55 per share on the Stock Exchange on 6 December 2007 and a discount of approximately 2.15% to the ten trading days average closing price of $4.65 per share up to and including 6 December 2007. Subsequently, 35,000,000 new ordinary shares of the Company were issued at the same price per share on 20 December 2007. The net proceeds will be used to finance the acquisition of the exclusive advertising rights of the News Channel of Shanxi TV Station and for further acquisition of exclusive advertising rights of TV channels.

(ii) On 11 February 2008, the Company issued and allotted 2,398,317 ordinary shares of US$0.01 each at $4.05 to the shareholders who received shares of the Company in lieu of cash for 2007 final dividend pursuant to a scrip dividend scheme announced by the Company on 26 November 2007. These shares rank pari passu with the existing ordinary shares of the Company in all respects.

(iii) On 9 October 2007, 22 October 2007, 11 January 2008 and 25 February 2008, a total of 1,019,718 share options were exercised to subscribe for 1,019,718 ordinary shares in the Company at a total consideration of $2,304,000 of which $79,000 was credited to share capital and the balances of $2,225,000 was credited to the share premium account. The fair value of share options being exercised in the period of $226,000 has been transferred from the capital reserve to the share premium account.

(iv) Equity settled share-based transactions

The Company has a share option scheme which was adopted on 13 June 2004 (the "Scheme") whereby the Directors of the Company are authorised, at their discretion, to invite any full time or part time employees and Directors, consultants and advisers of the Group, to take up options at $1 to subscribe for ordinary shares of the Company. The Scheme shall be effective for a period of ten years ending on 13 June 2014. Each option gives the holder the right to subscribe for one ordinary share in the Company.

During the year ended 30 September 2007, the Company granted 8,667,608 options to the Directors of the Company pursuant to the Scheme to subscribe for 8,667,608 ordinary shares of the Company at a price of $2.26 per ordinary share. 1,019,719 options were exercised during the year ended 30 September 2007 and 1,019,718 options were exercised during the period ended 31 March 2008.

(Expressed in Hong Kong dollars)

15. SHARE CAPITAL (CONTINUED)

(iv) Equity settled share-based transactions (continued)

(a) The terms and conditions of the grants that existed during the six months ended 31 March 2008 are as follows:

Date granted	Exercise period	Exercise price	Number of options granted
Options granted to Directors			
28 February 2007	28 February 2007 to 13 June 2014	$2.26	254,930
2 March 2007	2 March 2007 to 13 June 2014	$2.26	254,929
6 March 2007	6 March 2007 to 13 June 2014	$2.26	1,529,577
15 March 2007	15 March 2007 to 13 June 2014	$2.26	5,098,594
21 March 2007	21 March 2007 to 13 June 2014	$2.26	509,859
			7,647,889

(b) The number and weighted average exercises prices of share options are as follows:

	At 31 March 2008		At 30 September 2007	
	Weighted average exercise price	**Number of options**	Weighted average exercise price	Number of options
Outstanding at 1 October 2007/2006	**$2.26**	**7,647,889**	–	–
Granted during the year	**–**	**–**	$2.26	8,667,608
Exercised during the period/year	**$2.26**	**(1,019,718)**	$2.26	(1,019,719)
Outstanding at 31 March 2008/ 30 September 2007	**$2.26**	**6,628,171**	$2.26	7,647,889
Exercisable at 31 March 2008/ 30 September 2007	**$2.26**	**6,628,171**	$2.26	7,647,889

No options were forfeited or expired during the period (30 September 2007: Nil). All the share options outstanding as at 31 March 2008 and 30 September 2007 are exercisable.

The weighted average share price at the date of exercise for share options exercised during the period was $4.78 (30 September 2007: $4.14).

All the options outstanding at 31 March 2008 had an exercise price of $2.26 and a weighted average remaining contractual life of 6.2 years (30 September 2007: 6.7 years).

NOTES ON THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

15. SHARE CAPITAL (CONTINUED)

(iv) Equity settled share-based transactions (continued)

(c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is determined with the Black-Scholes pricing model based on the following assumptions:

Fair value of share option as of the grant date	$0.22
Weighted average share price	$2.26
Exercise price	$2.26
Expected volatility	21.1%
Annual risk-free interest rate (based on Exchange Fund Notes)	4.0%
Expected dividend yield	–
Expected life of options	1.1 years

The expected volatility is based on the historic volatilities of the share prices of comparable companies over the periods that are equal to the expected lives before the grant date. The expected life of options is determined with reference to the vesting periods of the Scheme and the historical share price. The expected dividend yield is determined based on historical and forecasted dividend payments. Changes in the subjective input assumptions could materially affect the fair value estimate.

(v) Terms of unexpired and unexercised share options at balance sheet date are as follows:

		Number of options outstanding	
	Exercise price	**at 31 March 2008**	at 30 September 2007
Exercise period			
28 February 2007 to 13 June 2014	$2.26	**–**	254,930
2 March 2007 to 13 June 2014	$2.26	**–**	254,929
6 March 2007 to 13 June 2014	$2.26	**1,019,718**	1,529,577
15 March 2007 to 13 June 2014	$2.26	**5,098,594**	5,098,594
21 March 2007 to 13 June 2014	$2.26	**509,859**	509,859
		6,628,171	7,647,889

Each option entitles the holder to subscribe for one ordinary share in the Company.

(Expressed in Hong Kong dollars)

16. RESERVES

	Share premium $'000	General reserve $'000	Capital reserve $'000	Exchange reserve $'000	Retained earnings $'000	Total $'000
At 1 October 2006	266,882	406	(1,560)	(1,020)	228,550	493,258
Profit for the period	–	–	–	–	62,944	62,944
Dividends approved in respect of the previous financial year	5,234	–	–	–	(9,177)	(3,943)
Exchange differences on translation of financial statements of subsidiaries in the PRC	–	–	–	(1,461)	–	(1,461)
Equity settled share-based transactions	–	–	1,922	–	–	1,922
At 31 March 2007	272,116	406	362	(2,481)	282,317	552,720
At 1 October 2007	512,110	666	136	(4,985)	344,049	851,976
Profit for the period	–	–	–	–	109,388	109,388
Dividends approved in respect of the previous financial year (note 8 and 15)	9,526	–	–	–	(17,297)	(7,771)
Exchange differences on translation of financial statements of subsidiaries in the PRC	–	–	–	(4,907)	–	(4,907)
Exercise of share options (note 15)	2,451	–	(226)	–	–	2,225
Placement of shares (note 15)	156,520	–	–	–	–	156,520
Share issuance costs	(5,499)	–	–	–	–	(5,499)
At 31 March 2008	675,108	666	(90)	(9,892)	436,140	1,101,932

17. COMMITMENTS

(a) Commitments under operating leases

At 31 March 2008, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	At 31 March 2008 $'000	At 30 September 2007 $'000
Within one year	**10,469**	5,663
After one year but within five years	**16,925**	10,871
After five years	**179**	340
	27,573	16,874

The Group leases a number of properties under operating leases. The leases typically run for an initial period of one to five years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

NOTES ON THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

17. COMMITMENTS (CONTINUED)

(b) Other commitments

(i) Pursuant to the terms of a Master Investors Procurement Agreement, the Group agreed to procure required funding to a production house for the production of 6,000 hours of television programs. During the six months ended 31 March 2008, the Group did not procure any funding for the production of TV programs (year ended 30 September 2007: Nil). The total funding required for the remaining 5,713 hours (year ended 30 September 2007: 5,713 hours) is to be determined when individual projects for TV program production are agreed and therefore is not quantifiable as at 31 March 2008.

During the six months ended 31 March 2008, there is no corresponding funding paid by the licensed advertising agencies pursuant to the agreements among the Group, the production house and the advertising agencies concluded on an individual program basis (year ended 30 September 2007: Nil). Pursuant to a supplementary agreement to the Master Investors Procurement Agreement dated 11 November 2002, should the production house not eventually receive the agreed funding in full, (1) the Group shall pay the shortfall in full, following which the Group will be entitled to the rights in relation to the relevant TV program, or if the Group cannot be entitled to such rights for any reasons, the TV production house shall repay the shortfall to the Group together with interest at a rate of 10% one year after the first round broadcasting of the TV program; or (2) the Group shall pay an amount up to 15% of the shortfall, following which the production house will be entitled to the rights in relation to the relevant TV program.

(ii) On 24 October 2003, the Group entered into a co-operative agreement with Shanghai Yali Culture Communication Co., Ltd ("Shanghai Yali") (an independent third party) in respect of a piece of land in Dongguan in the PRC in connection with the construction of a production centre and the leasing arrangement of which upon its completion. Pursuant to the terms of the agreement, which was supplemented by four supplementary agreements dated 28 April 2005, 12 December 2005, 28 December 2006 and 28 December 2007 respectively, the Group agreed to make instalment payments to Shanghai Yali totalling $30,000,000 on or before 30 November 2008, and in return the Group is granted the use of the production centre upon its completion for a period of 12 years. In addition, $3,000,000 deposit has placed to Shanghai Yali to secure the right to purchase the property at 5%-10% discount on its prevailing market value within the first 3 years upon completion. If the Group has not exercised the right within the said 3-year period, it has an option to pay an additional deposit of $3,000,000 to secure the right for another 3-year period. If the Group does not exercise the right during the extended period, the two deposits will not be refunded but the lease term of the property will be extended for another 3 years.

As at 31 March 2008, the Group made progress payments including the said deposit to secure the right to purchase the property at the discount to Shanghai Yali totalling $13,447,000 (30 September 2007: $13,447,000). The outstanding commitment at 31 March 2008 was $19,553,000 (30 September 2007: $19,553,000).

(iii) The Group has entered into acquisition agreements of certain exclusive advertising agency rights of TV channels. The total outstanding commitment was as follows:

	At 31 March 2008 $'000	At 30 September 2007 $'000
Within one year	**47,017**	39,410
After one year but within five years	**544,738**	399,076
After five years	**514,717**	470,712
	1,106,472	909,198

18. MATERIAL RELATED PARTY TRANSACTIONS

(a) On 28 December 2006, the Group entered into three leasing agreements with Winco (Dongguan) Paper Products Co., Ltd. ("Winco") to lease three properties located at Dongguan at annual rental of RMB1,032,000 from 1 January 2007 to 31 December 2009. Winco is a foreign wholly owned enterprise established in the PRC and controlled by Dr. Wong Yu Hong, Philip ("Dr. Wong") and Dr. Leung Anita Fung Yee Maria ("Dr. Leung"), both are Directors of the Company. Rental expenses paid/payable to Winco amounted to $551,000 during the period ended 31 March 2008 (period ended 31 March 2007: $257,000). The transactions were carried out on normal commercial terms and in the ordinary course of business.

(b) On 10 May 2007, the Group entered into a leasing agreement with Huge Smart Asia Limited ("Huge Smart") to lease a property located at Shenzhen at annual rental of RMB996,000 from 1 June 2007 to 31 May 2010. Huge Smart is a company wholly owned by Dr. Wong and Dr. Leung, both are Directors of the Company. Rental expenses paid/payable to Huge Smart amounted to $532,000 during the period ended 31 March 2008 (period ended 31 March 2007: Nil). The transactions were carried out on normal commercial terms and in the ordinary course of business.

(c) On 10 May 2007, the Group entered into a leasing agreement with Dr. Leung to lease a property located at Guangzhou at annual rental of RMB339,600 from 1 June 2007 to 31 May 2010. Rental expenses paid/payable to Dr. Leung amounted to $181,000 during the period ended 31 March 2008 (period ended 31 March 2007: Nil). The transactions were carried out on normal commercial terms and in the ordinary course of business.

(d) On 21 December 2007, the Group entered into a master leasing agreement with Step City Holdings Limited ("Step City"), an independent third party, to lease several properties located at Beijing, Shanghai and Guangzhou from 1 January 2008 to 31 December 2010 at monthly rental of US$12,000, RMB120,000 and RMB43,100 respectively. The above premises were leased by Step City from Dr. Leung and companies beneficially owned by Dr. Leung. Rental expenses paid/payable to Step City amounted to $802,000 during the period ended 31 March 2008 (period ended 31 March 2007: Nil). The transactions were carried out on normal commercial terms and in the ordinary course of business.

19. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDING 30 SEPTEMBER 2008

Up to the date of issue of these condensed interim financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ending 30 September 2008 and which have not been adopted in these condensed interim financial statements.

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

INDEPENDENT REVIEW REPORT

To The Board of Directors of Qin Jia Yuan Media Services Company Limited

INTRODUCTION

We have reviewed the interim financial statements set out on pages 10 to 25 which comprise the consolidated balance sheet of Qin Jia Yuan Media Services Company Limited as of 31 March 2008 and the related consolidated income statement, the consolidated statement of changes in equity and the condensed consolidated cash flow statement for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial statements to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial statements in accordance with Hong Kong Accounting Standard 34 "Interim financial reporting".

Our responsibility is to form a conclusion, based on our review, on the interim financial statements and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements as at 31 March 2008 are not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim financial reporting".

KPMG
Certified Public Accountants
8th Floor, Prince's Building
Central, Hong Kong

19 May 2008