Qin Jia Yuan Media Services Company Limited

(Incorporated in the Cayman Islands with limited liability) (Stock Code: 2366)

2011 Interim Report

Corporate Information

BOARD OF DIRECTORS

Executive Directors
Dr. LEUNG Anita Fung Yee Maria *(Chief Executive Officer)*
Mr. TSE Wai Kuen, Gary *(Chief Operating Officer)*
Mr. YIU Yan Chi, Bernard
Mr. TSIANG Hoi Fong
Mr. YEUNG Ching Wan *(Chief Financial Officer)*

Non-Executive Directors
Dr. Honourable WONG Yu Hong, Philip, GBS *(Chairman)*
Mr. LIU Yuk Chi, David *(Vice Chairman)*
Mr. LAM Haw Shun, Dennis, JP
Ms. HO Chiu King, Pansy Catilina
Mr. FLYNN Douglas Ronald
Mr. OWYANG Loong Shui, Ivan
Mr. Stanley Emmett THOMAS
Mr. Lincoln PAN Lin Feng
Mr. Peter Alphonse ZALDIVAR
Dr. LIN Junbo (appointed on 17 May 2011)
Mr. SU Xiao Shan (resigned on 17 May 2011)

Independent Non-Executive Directors
Mr. LAU Hon Chuen, GBS, JP
Mr. HUI Koon Man, Michael, JP
Mr. Wayne CHOU

AUDIT COMMITTEE

Mr. Wayne CHOU *(Chairman)*
Mr. LAU Hon Chuen, GBS, JP
Mr. LAM Haw Shun, Dennis, JP
Mr. HUI Koon Man, Michael, JP
Mr. Lincoln PAN Lin Feng

REMUNERATION COMMITTEE

Mr. LAU Hon Chuen, GBS, JP *(Chairman)*
Mr. LAM Haw Shun, Dennis, JP
Mr. HUI Koon Man, Michael, JP
Mr. Stanley Emmett THOMAS
Mr. Wayne CHOU

AUTHORISED REPRESENTATIVES

Dr. LEUNG Anita Fung Yee Maria
Mr. NG Chit Sing

COMPANY SECRETARY

Mr. NG Chit Sing

AUDITORS

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

TAX ADVISER

Ernst & Young
Certified Public Accountants
18th Floor
Two International Finance Centre
8 Finance Street
Central, 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

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

BRANCH OFFICES

Flat A–C, 19th Floor
Sing Tao News Corporation Building
No. 3 Tung Wong Road
A Kung Ngam, Shau Kei Wan
Hong Kong

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 609
Grand Cayman KY1-1107
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
18th Floor, 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
The Bank of East Asia Limited

LEGAL ADVISERS

As to Hong Kong Law
Troutman Sanders

As to Cayman Islands Law
Maples and Calder Asia

As to PRC Law
Jingtian & Gongcheng

STOCK CODE

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 report the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 31 March 2011. 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" issued by the Hong Kong Institute of Certified Public Accountants, and by the Audit Committee.

Management Discussion and Analysis

With the steady recovery of the world economy in 2010, China has further strengthened its position as the key market for business growth amongst the European countries as well as for the United States of America. China's open door policy, which was on the economic front and has achieved continuous success, is now extended into the cultural, art and creative industries with initial good results. This has managed to attract the attention not only from domestic investors but also investors from abroad looking into these business opportunities. Organizations in the cultural, arts and creative industries in China are also actively participating in this national policy by seeking out cooperative opportunities with other foreign companies in the same industries. This has led to the thriving and flourishing of the eight sectors under the "Cultural Industry Promotion Program", namely film & TV program production, advertising, publishing, printing, performing arts, cultural, creative exhibitions (major events), digital contents and animation & comics. Over 80% of the businesses of the Group are now in these prosperous areas.

BUSINESS REVIEW

During the period under review, the Group recorded a substantial growth in turnover to HK$314.67 million, representing an increase of 26.41% as compared to the same period last year. Net profit of the Group amounted to HK$51.13 million, representing a surge of 26.65% as compared to the same period last year. In line with past dividend policies, an interim dividend of HK1.28 cents per share be declared to pay to shareholders who may elect to receive payment in cash or scrip dividend in lieu of cash.

During the period, not only did we experience a smooth development in TV drama production & distribution, the core business of the Group, but we also delivered outstanding results with three major breakthroughs. Breakthrough No. 1, under the new cooperation model adopted after the financial tsunami in 2009 with the nine long term provincial TV stations, this policy has proven to be effective in helping the Group to maintain a substantial profit as well as to secure its market share. It has also guarded the Group's investment in TV dramas to avoid the risk of production write-off due to long payoff period in the event of any future financial tsunami. Breakthrough No. 2, the broadcasting right of the film library held by the Group throughout all these years was capable to realize considerable rental and disposal income for 18 consecutive months, demonstrating the strength of the TV drama business in the market and the ability to generate recurring income for the Group. Breakthrough No. 3, the Group has managed to leverage on the professional experience, industrial ethics, earning performance and market reputation accumulated, learned, achieved and earned by the Group in the past 15 years and the Group has established HuaXia Qin Jia Yuan Culture and Communication Company Limited ("HuaXia QJY") with Hua Xia Industrial (Holdings) Limited. HuaXia QJY is 75% held by the Group. HuaXia QJY and the Group will complement each other to develop the planning, investment, production and distribution businesses of the TV drama business. Soon after its establishment, HuaXia QJY has successfully entered into an agreement with China TV Program Production Centre Company Limited (中國電視劇製作中心有限責任公司), wholly owned by China Central Television ("CCTV"), to cooperate in the planning, investment, production and distribution of TV dramas with no limitation on the number of episodes for a term of four years. The production of the first co-produced TV drama, "Eagle's Nest — Reserve Officer", has begun during the period. The Bureau for Publicity of the Ministry of Public Security of China was invited to participate in the production in order to enhance the quality. This should further enhance the capability of distribution, and hence the revenue, of this TV drama. Regarding the cooperation with CCTV, the funding arrangement of TV dramas will be made in proportion to the respective investment by HuaXia QJY and CCTV following the mutual agreement on the subject and scripts. CCTV will be responsible for the first round broadcasting rights (the "First Round") on CCTV channel. This will ensure income protection and effectiveness.

The Group continued to strengthen another core businesses, TV advertising. This business unit will join hands with promising TV channels on advertising. It will also seek closer cooperation with local advertising agents. On 2 April 2011, the Group successfully acquired 55% shareholdings in Clear Light Group Limited ("Clear Light"), the key management of which has been engaging in the advertising business in China for more than 10 years with an impressive track record. By obtaining the controlling interest, the Group will be able not only to share its success, but also to benefit from the acquisition of its outstanding team which is renowned in the industry. This will strengthen the Group's team of professionals in the domestic TV advertising business and will create significant synergy within the Group.

The establishment of the Group's cross-media platform was completed in 2010. The two business territories of the outdoor advertising platform are (1) the exclusive advertising agency business of LED boards with exclusive daily news highlights from Xinhua News Agency; and (2) being the relative largest shareholder in CBS Outdoor (Beijing) Limited ("CBSO (Beijing)"), which has been the exclusive advertising agency with advertising right to all buses in the metropolitan area of Beijing. The operations of these two businesses have been growing steadily as planned. Furthermore, after the consolidation period in 2010, the LED board business has already moved onto the fast track in generating steady income for the Group. With an increase in the number of LED boards from 7 at the beginning to the current 10, this business could have generated an even better result if there had not been the "Jasmine" protests in Beijing in February 2011. This had a short-term negative impact on LED board airtime sales in the prime location in Beijing.

The Group's marketing and public relations business is developing smoothly in China. In addition to providing professional services to our long-standing TV advertisers, this business unit has also won marketing contracts from Henderson Land and 3D-GOLD groups during the period. These new engagements will enrich the Group's client portfolio on top of our blue chip client, Hong Kong Trade Development Council. We believe our marketing and public relations business will fuel the development of the Group's cross-media platform and create immeasurable synergy.

During the period, QJY Impact (China) Entertainment Services Company Limited ("QJY Impact"), a company controlled by the Group, has organized concerts in China. It has also provided professional concert planning and production services to its peers. It has also commenced the artist management business so as to assist the Group in producing TV series and organizing concerts. The artists under the Group will effectively be allocated to future TV series and concerts, thereby achieving satisfactory results as anticipated.

The Group has also expanded its traditional publishing business during the period by introducing 7 new works from LEUNG Anita Fung Yee Maria, a renowned writer in Hong Kong. This has successfully generated a turnover of HK$5 million. Amongst these works, one of LEUNG Anita Fung Yee Maria's old novels, managed to top the monthly literature best sellers' chart of Wangfujing Bookstore in Beijing in March this year. Not only had this brought satisfactory results to the publishing business, it also created an edge to and will pave the way for the future adaptation of LEUNG Anita Fung Yee Maria's works for the TV series.

BUSINESS PROSPECTS

Following the successful establishment of the cross-media platform, the Group will embark into a second phase of development. In terms of our businesses in relation to TV drama planning, investment, production and distribution, the number of cooperative dramas produced with CCTV is expected to increase geometrically in the second half of the year as well as into next year. The cooperation with CCTV will provide the Group with the following advantage: in view of the fierce competition for quality domestic TV dramas, provincial TV stations and satellite TV channels have already increased their bids for first round broadcasting rights of high quality TV dramas. Being one of the joint investors of the co-invested production, CCTV will favor these drama series to be telecasted as first round broadcast on her channels with no limitation. This will create a steady income for the Group as the distribution of the drama series will be reassured by our partner, CCTV. The Group can then concentrate more on producing more quality branded TV drama series.

The Group will take an optimistic view in expanding the TV advertising business by expanding the TV media resources. We will take a cautious but active role to acquire more established local advertising agencies to expand the Group's TV advertising platform.

For the outdoor advertising business, the Group will expand beyond the existing operation of Xinhua daily news LED boards and will develop other unique and exclusive outdoor advertising resources. In the meantime, we will identify strategic partners who have the capability to complement the Group's outdoor advertising business for rapid future growth in this medium.

The development of the new media is a must under the cross-media platform but the Group will employ an active, steady and prudent manner in our development of this new media. While we will maximize the intellectual property rights of the famous authors under the Group as the foundation, the Group will seek strategic partnership for future expansion. On the other hand, we will sell adaptation rights of authors' properties with rights of lesser years to generate short-term income. This move will not only protect the completeness of the authors' intangible assets but also create immediate profit for the Group.

With the smooth leadership development of the core businesses of TV production and advertising, all other diversified cultural businesses under the Group's cross-media platform will benefit from this unique synergy. In the second half of this year and the next fiscal year, the Group will march into the harvesting period.

LIQUIDITY AND FINANCIAL RESOURCES

The Group adopts a prudent funding and treasury policy. As at 31 March 2011, the Group's cash level stood at HK$343.17 million (30 September 2010: HK$305.84 million). The balances are in Hong Kong Dollar and Renminbi. With cash in hand and banking facilities available, the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

In addition, the Group issued convertible notes amounting to HK$218.03 million (2010: HK$242.56 million) to third parties for the purpose of financing the Group's expansion in TV production and advertising related businesses.

As at 31 March 2011, the Group had outstanding bank borrowings of approximately HK$457.70 million, comprising short term revolving loan of HK$302.53 million, term loan of HK$94.50 million and mortgage bank loan of HK$60.67 million. All the Group's bank borrowings are at floating rates and denominated in Hong Kong Dollar and Renminbi. The unutilised bank loan facilities amount to HK$372.43 million (30 September 2010: HK$96.42 million).

The gearing ratio (expressed as a percentage of total borrowings net of pledged deposits over total equity) was 39.81% (30 September 2010: 41.51%).

MORTGAGE AND CHARGE

As at 31 March 2011, bank deposits of HK$70.32 million (30 September 2010: HK$69.04 million) were pledged to banks to secure general banking facilities granted to the Group.

Certain land and buildings with carrying value of HK$108.53 million (30 September 2010: HK$133.89 million) was secured for mortgage bank loan of HK$60.67 million (30 September 2010: HK$78.23 million).

As at 31 March 2011, the entire amount of issued share capital of certain subsidiaries held by the Company are pledged for convertible notes with outstanding principal amount of HK$100.00 million (2010: HK$100.00 million). Aggregate net assets held by those subsidiaries amounted to HK$42.00 million (2010: HK$124.83 million), which consist of purchased licence rights with carrying value of HK$357.33 million (2010: HK$468.63 million) as at 31 March 2011.

There have been no significant changes in the Group's policy in terms of exchange rate exposure. Transactions of the Group are mainly denominated either in Hong Kong Dollar or Renminbi. However, the management monitors closely the exposures and will consider hedging the exposures should the need arise.

NON-ADJUSTING POST BALANCE SHEET EVENTS

The Group has non-adjusting post balance sheet events as follows:

ACQUISITION OF CLEAR LIGHT GROUP LIMITED

On 11 March 2011, the Group entered into a sale and purchase agreement with an independent third party to acquire 55% of the issued share capital of Clear Light Group Limited ("Clear Light Group") with principal business activity in the provision of consultancy services at a purchase consideration consists of HK$36,000,000 of cash and 5,890,438 ordinary shares of the Company. The acquisition was completed on 2 April 2011, and accordingly, Clear Light Group became a subsidiary of the Company on 2 April 2011.

Due to the relatively short period of time between the acquisition date of Clear Light Group and the date of the interim report were issued, and given that the evaluations of the fair values of certain significant assets and liabilities of Clear Light Group as of the acquisition date are not sufficiently completed, it is impracticable for the Group to disclose the allocation of the aggregate purchase price to the assets and liabilities of Clear Light Group at this time. The Group expects to include these disclosures in the consolidated financial statements for the year ending 30 September 2011.

PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES

On 28 April 2011, the Company, Dynamic Master Developments Limited (the "Dynamic Master"), a substantial shareholder of the Company, and Grand Investment (Securities) Limited (the "Placing Agent") entered into a subscription/placing agreement, pursuant to which the Placing Agent will procure, on a best effort basis, not less than six independent professional institutional and/or individual investors to purchase 84,100,000 shares at $1.35 (the "Placing Price") per share from Dynamic Master. In addition, Dynamic Master has agreed to subscribe for up to 84,100,000 new shares of the Company at the same price as the Placing Price. The subscription was completed on 11 May 2011.

EMPLOYEES

As at 31 March 2011, the Group had a total staff of 126. 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 2011 in scrip form equivalent to HK1.28 cents per share with a cash option (2010: interim dividend in scrip form of HK1.28 cents per share with a cash option) to shareholders whose names appeared on the register of members on Thursday, 23 June 2011. The interim dividend will be payable on Friday, 7 October 2011.

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 HK1.28 cents per share instead of the allotment of shares. Full details of the interim scrip dividend will be set out in a circular which will be sent to shareholders together with a form of election for cash as soon as practicable.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 20 June 2011 to Thursday, 23 June 2011, both dates inclusive. To qualify for the interim scrip dividend, all share transfers must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited of 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong for registration no later than 4:00 pm on Friday, 17 June 2011.

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 ("Participants") (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.

During the six months ended 31 March 2011, the Company did not grant any option (six months ended 31 March 2010: 8,000,000 options) to Participants to subscribe for shares of the Company.

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

At 31 March 2011, 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

		Number of ordinary shares of the Company					
Name of director	**Capacity**	**Personal interests**	**Family interests**	**Corporate interests**	**Total**	**Number of underlying shares**	**Per cent of total issued share capital of the Company as at 31 March 2011**
Dr. LEUNG Anita Fung Yee Maria ("Dr. Leung")	Interests in controlled corporation and beneficial owner and interests of spouse	285,494	287,064 *(Note 1)*	203,089,118 *(Note 2)*	203,661,676	20,000,000 *(Note 3)*	26.59%
Dr. Honourable WONG Yu Hong, Philip, GBS ("Dr. Wong")	Interests in controlled corporation and beneficial owner and interests of spouse	287,064	14,858,922 *(Note 4)*	188,515,690 *(Note 5)*	203,661,676	20,000,000 *(Note 3)*	26.59%
Mr. LIU Yuk Chi, David	Beneficial owner	1,808,334	Nil	Nil	1,808,334	7,000,000 *(Note 6)*	1.04%
Mr. TSE Wai Kuen, Gary	Beneficial owner	Nil	Nil	Nil	Nil	6,000,000 *(Note 7)*	0.71%
Mr. LAM Haw Shun, Dennis, JP	Beneficial owner	Nil	Nil	Nil	Nil	3,500,000 *(Note 8)*	0.41%
Mr. YIU Yan Chi, Bernard	Beneficial owner	550,000	Nil	Nil	550,000	–	0.06%
Mr. OWYANG Loong Sui, Ivan	Beneficial owner	110,000	Nil	Nil	110,000	–	0.01%
Mr. HUI Koon Man, Michael, JP	Beneficial owner	456,534	Nil	Nil	456,534	–	0.05%

Notes:

1. The family interest of 287,064 shares refers to those shares beneficially owned by Dr. Wong, spouse of Dr. Leung.

2. The 203,089,118 shares are held as to 186,623,993 shares by Dynamic Master Developments Limited, 1,111,963 shares by Hunterland City Limited, 1,891,697 shares by Goodhold Limited and 13,461,465 shares by Up & Rise Limited. Dynamic Master Developments Limited is owned as to 58.37% 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 203,089,118 shares under the SFO.

3. The 20,000,000 shares will be issued and allotted to Dr. Leung as bonus shares, credited as fully paid, pursuant to her service agreement ("Leung Bonus Shares"). Dr. Wong is deemed to be interested in the Leung Bonus Shares as he is spouse of Dr. Leung.

4. The family interest of 34,858,922 shares refers to 285,494 shares beneficially owned by Dr. Leung, spouse of Dr. Wong, 1,111,963 shares held by Hunterland City Limited and 13,461,465 shares held by Up & Rise Limited which are included in corporate interests of 203,089,118 shares held by Dr. Leung.

5. The 188,515,690 shares are held as to 186,623,993 shares by Dynamic Master Developments Limited and 1,891,697 shares by Goodhold Limited. Dynamic Master Developments Limited is owned as to 58.37% by Goodhold Limited. Dr. Wong is entitled to exercise control of 50% in Goodhold Limited and therefore is deemed to be interested in the 188,515,690 shares under the SFO.

6. The 7,000,000 shares will be issued and allotted to Mr. Liu Yuk Chi, David as remuneration shares, credited as fully paid, pursuant to his letter of appointment.

7. The 6,000,000 shares will be issued and allotted to Mr. Tse Wai Kuen, Gary as remuneration shares, credited as fully paid, pursuant to his service agreement.

8. The 3,500,000 shares will be issued and allotted to Mr. Lam Haw Shun, Dennis, JP as remuneration shares, credited as fully paid, pursuant to his service agreement.

(ii) Share options of the Company

Participants	Date of Grant	Exercise Period	Closing price immediately before date of grant HK$	Exercise price per share HK$	Number of share options: As at 1 October 2010	Grant during the period	Exercise during the period	Lapsed/ Cancelled during the period	As at 31 March 2011	Per cent of total issued share capital of the Company as at 31 March 2011
Directors										
Dr. Honourable WONG Yu Hong, Philip, GBS	21 December 2009	7 January 2010 to 13 June 2014	1.57	1.63	500,000	–	–	–	500,000	0.059%
Mr. LIU Yuk Chi, David	21 December 2009	27 January 2010 to 13 June 2014	1.57	1.63	1,500,000	–	–	–	1,500,000	0.178%
Mr. YIU Yan Chi, Bernard	16 April 2008	16 April 2008 to 13 June 2014	4.50	4.12*	1,365,861	–	–	–	1,365,861	0.162%
	21 December 2009	11 January 2010 to 13 June 2014	1.57	1.63	500,000	–	–	–	500,000	0.059%
Mr. TSIANG Hoi Fong	15 March 2007	15 March 2007 to 13 June 2014	2.04	2.05*	5,608,453	–	–	–	5,608,453	0.666%
	21 December 2009	7 January 2010 to 13 June 2014	1.57	1.63	500,000	–	–	–	500,000	0.059%
Mr. LAM Haw Shun, Dennis, JP	6 March 2007	6 March 2007 to 13 June 2014	2.04	2.05*	560,844	–	–	–	560,844	0.066%
	21 December 2009	7 January 2010 to 13 June 2014	1.57	1.63	500,000	–	–	–	500,000	0.059%
Ms. HO Chiu King, Pansy Catilina	10 June 2008	10 June 2008 to 13 June 2014	5.16	5.14*	682,930	–	–	–	682,930	0.081%
	21 December 2009	29 January 2010 to 13 June 2014	1.57	1.63	500,000	–	–	–	500,000	0.059%
Mr. FLYNN Douglas Ronald	22 May 2008	22 May 2008 to 13 June 2014	5.46	5.14*	682,930	–	–	–	682,930	0.081%
	21 December 2009	19 January 2010 to 13 June 2014	1.57	1.63	500,000	–	–	–	500,000	0.059%
Mr. OWYANG Loong Shui, Ivan	21 December 2009	30 January 2010 to 13 June 2014	1.57	1.63	500,000	–	–	–	500,000	0.059%
Mr. LAU Hon Chuen, GBS, JP	21 March 2007	21 March 2007 to 13 June 2014	2.09	2.05*	560,844	–	–	–	560,844	0.066%
	21 December 2009	8 January 2010 to 13 June 2014	1.57	1.63	500,000	–	–	–	500,000	0.059%
Mr. HUI Koon Man, Michael, JP	21 December 2009	15 January 2010 to 13 June 2014	1.57	1.63	500,000	–	–	–	500,000	0.059%
Consultant	21 December 2009	12 January 2010 to 13 June 2014	1.57	1.63	500,000	–	–	–	500,000	0.059%
Total					15,961,862	–	–	–	15,961,862	

* *Exercise price was adjusted after bonus issue of one share for every ten existing shares on 29 January 2009.*

Notes:

1. These share options represent personal interest held by the Directors as beneficial owners.

2. Mr. WONG Ying Ho, Kennedy, *GBS*, *JP*, resigned as Director on 29 November 2010 and was appointed as consultant of the Company. His interests in share options to subscribe for 500,000 shares of the Company were reclassified under the category of consultant.

(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 relevant class of associated corporation as at 31 March 2011
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)*	100%
	Dr. Honourable WONG Yu Hong, Philip, GBS	Beneficial owner and interests of spouse	Class A (non-voting)	1	1	Nil	2 *(Note 1)*	100%
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	100%
	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	100%

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 interests held by Dr. Leung, spouse of Dr. Wong.

Save as mentioned above, as at 31 March 2011, 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 for Securities Transactions.

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

The interests and short positions of those persons (other than a Director or chief executive of the Company disclosed above) in the shares and underlying shares of the Company as at 31 March 2011, which have been notified to the Company and recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name of substantial shareholder	Capacity	Nature of Interest	Total number of ordinary shares held	Total number of underlying shares pursuant to convertible notes/ warrants held	Per cent of total issued share capital as at 31 March 2011	Notes
Dynamic Master Developments Limited	Beneficial owner	Beneficial interest	186,623,993	—	22.18%	1
Goodhold Limited	Interested in controlled corporation and beneficial owner	Corporate interest/ Beneficial interest	188,515,690	—	22.41%	2
Hunterland City Limited	Interested in controlled corporation and beneficial owner	Corporate interest/ Beneficial interest	187,735,956	—	22.32%	2
Aegis Media Asia Pacific Pte. Ltd.	Beneficial owner	Beneficial interest	108,094,706	—	12.85%	3
Aegis International Limited	Interested in controlled corporation	Corporate interest	108,094,706	—	12.85%	3
Aegis Group plc	Interested in controlled corporation	Corporate interest	108,094,706	—	12.85%	3
Smart Peace Investment Limited	Beneficial owner	Beneficial interest	—	72,579,474	8.62%	4
CCB International Asset Management Limited	Interested in controlled corporation	Corporate interest	—	72,579,474	8.62%	4
CCB International Asset Management (Cayman) Limited	Interested in controlled corporation	Corporate interest	—	72,579,474	8.62%	4
CCB International (Holdings) Limited	Interested in controlled corporation	Corporate interest	—	72,579,474	8.62%	4
CCB Financial Holdings Limited	Interested in controlled corporation	Corporate interest	—	72,579,474	8.62%	4
CCB International Group Holdings Limited	Interested in controlled corporation	Corporate interest	—	72,579,474	8.62%	4
China Construction Bank Corporation	Interested in controlled corporation	Corporate interest	—	72,579,474	8.62%	4
Central Huijin Investment Limited	Interested in controlled corporation	Corporate interest	—	72,579,474	8.62%	4
First Media Holdings, Ltd.	Beneficial owner	Beneficial interest	60,696,475	107,991,884	20.05%	5
Kabouter Management LLC	Investment manager	Other interest	47,014,276	—	5.58%	—

Notes:

1. The issued share capital of Dynamic Master Developments Limited is owned as to 58.37%, 32.76%, 3.55%, 3.55% and 1.77% by Goodhold Limited, Hunterland City Limited, Madam Au Tak Yee, Y. Y. Yao & Co., Limited and Up & Rise Limited.

2. The issued share capital of Dynamic Master Developments Limited is owned as to 58.37% 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 186,623,993 shares held by Dynamic Master Developments Limited under the SFO. In addition, Goodhold Limited directly holds 1,891,697 shares and Hunterland City Limited directly holds 1,111,963 shares.

3. Aegis Media Asia Pacific Pte. Ltd. is the beneficial registered owner of the 108,094,706 shares, which is a directly wholly owned subsidiary of Aegis International Limited, a company incorporated in the United Kingdom. Aegis International Limited is a directly wholly owned subsidiary of Aegis Group plc which is a company listed on the London Stock Exchange. Accordingly, Aegis International Limited and Aegis Group plc are deemed to be interested in the 108,094,706 shares held by Aegis Media Asia Pacific Pte. Ltd. under the SFO.

4. Smart Peace Investment Limited ("Smart Peace") is wholly owned by CCB International Asset Management Limited ("CCB IAM") which in turn is wholly owned by CCB International Asset Management (Cayman) Limited ("CCB IAM Cayman"). CCB IAM Cayman is wholly owned by CCB International (Holdings) Limited ("CCB Holdings") which in turn is wholly owned by CCB Financial Holdings Limited ("CCB Financial"). CCB Financial is wholly owned by CCB International Group Holdings Limited ("CCB Group") which in turn is wholly owned by China Construction Bank Corporation ("CCBC") which is a company listed on the Stock Exchange and Shanghai Stock Exchange. Central Huijin Investment Limited ("Central Huijin") (formerly known as "Central SAFE Investments Limited") has 57.09% control in CCBC. Accordingly, Central Huijin, CCBC, CCB Group, CCB Financial, CCB Holdings, CCB IAM Cayman and CCB IAM are deemed to be interested in the 72,579,474 underlying shares held by Smart Peace under the SFO. The terms of the convertible notes and warrants are set out in note 15 to the financial statements and the announcement made by the Company on 29 April 2009.

5. First Media Holdings, Ltd. is the beneficial owner of the 60,696,475 shares and 107,991,884 underlying shares. The terms of the convertible notes and warrants are set out in note 15 to the financial statements and the announcement of the Company dated 27 May 2010.

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 2011.

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.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARY AND ASSOCIATED COMPANY

Save as disclosed above, the Group had no other material acquisition or disposal of subsidiaries and associated companies during the six months ended 31 March 2011.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less than the required standard set out by the Stock Exchange in the Model Code in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (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 2011.

CORPORATE GOVERNANCE PRACTICES

During the six months ended 31 March 2011, the Group has complied with the provisions of the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules except the Chairman of the Company, Dr. Honourable Wong Yu Hong, Philip, did not attend the 2010 annual general meeting held on 21 March 2011 as required by the Code Provision E.1.2 of the Listing Rules due to his personal commitment and out of Hong Kong on that day.

CHANGES OF DIRECTOR'S INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Pursuant to rule 13.51B(1) of the Listing Rules, the change of directors' information of the Company since the date of the 2010 Annual Report are as follows:

The Company and Dr. Leung entered into a new service agreement in relation to the renewal of Dr. Leung's appointment as the Chief Executive Officer and an Executive Director of the Company for a term of three years commencing from 1 January 2011. Dr. Leung will be paid a fixed salary of HK$6,000,000 per annum and be allotted a total of 20,000,000 shares, credited as fully paid, to Dr. Leung as bonus pursuant to the service agreement.

The Company and Mr. Tse Wai Kuen, Gary ("Mr. Tse") entered into supplemental agreement on 6 January 2011 for revision of Mr. Tse's service agreement dated 30 June 2010. Pursuant to the supplemental agreement, Mr. Tse's term of service will be extended for one year to a total of three years commencing from 8 July 2010. Mr. Tse will be paid a fixed salary of HK$3,600,000 per annum in the third year of his extended appointment and be allotted 2,000,000 shares upon completion of every 12 months of service and be entitled to incentive bonus pursuant to the supplemental agreement.

Mr. Yiu Yan Chi, Bernard, an Executive Director of the Company, is no longer the chief executive officer of the advertising division of the Group.

Mr. Yeung Ching Wan ("Mr. Yeung") was appointed as an Executive Director for a term of three years commencing from 1 December 2010. Mr. Yeung will be paid a fixed salary of HK$1,650,000 per annum for the first two years of his appointment and HK$1,716,000 per annum for the third year of his appointment and be entitled to incentive bonus pursuant to the service agreement on 6 January 2011.

Ms. Ho Chiu King, Pansy Catilina ("Ms. Ho") is no longer the member of the board of governors of the Hong Kong Arts Centre and is no longer the Vice President of the Chamber of Women. Ms. Ho now serves as Vice Chairperson and Honorary President of the Hong Kong Federation of Women and she is also the Vice President of Hong Kong Girl Guides Association.

On 1 May 2011, Mr. Hui Koon Man, Michael was presented with the inaugural Golden Mulberry Lifetime Achievement Award at the Far East Film Festival in Udine, Italy for his invaluable influence on Asian Comedies.

On 19 May 2011, the Company was advised that Dr. Lin Junbo, who was appointed as a Non-executive Director of the Company on 17 May 2011, was appointed as a director of Shanghai Great Wisdom Co., Ltd, whose shares are listed on the Shanghai Stock Exchange (Stock code: 601519).

Save for the information disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

AUDIT COMMITTEE

The audit committee has reviewed the interim financial report for the six months ended 31 March 2011 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
Qin Jia Yuan Media Services Company Limited

LEUNG Anita Fung Yee Maria
Director

Hong Kong, 24 May 2011

Consolidated Income Statement

for the six months ended 31 March 2011
(Expressed in Hong Kong dollars)

		Six months ended 31 March	
		2011	2010
		Unaudited	Unaudited
	Note	**$'000**	$'000
Turnover	4	**314,669**	248,933
Direct costs		**(216,619)**	(166,926)
		98,050	82,007
Other revenue	5(a)	**496**	865
Other net income/(loss)	5(b)	**8,168**	(2,728)
Administrative and other operating expenses		**(33,305)**	(28,829)
Profit from operations		**73,409**	51,315
Change in fair value of derivative financial instruments	15	**11,013**	7,889
Share of profit of an associate		**2,788**	—
Finance costs	6(a)	**(31,915)**	(17,317)
Profit before taxation	6	**55,295**	41,887
Income tax	7	**(4,167)**	(1,519)
Profit for the period		**51,128**	40,368
Attributable to:			
Equity shareholders of the company		**49,879**	40,446
Non-controlling interests		**1,249**	(78)
Profit for the period		**51,128**	40,368
Earnings per share			
Basic	9(a)	**6.00 cents**	5.59 cents
Diluted	9(b)	**5.26 cents**	N/A

The notes on pages 21 to 35 form part of these financial statements.

Consolidated Statement of Comprehensive Income

for the six months ended 31 March 2011
(Expressed in Hong Kong dollars)

	Six months ended 31 March	
	2011	2010
	Unaudited	Unaudited
	$'000	$'000
Profit for the period	**51,128**	40,368
Other comprehensive income for the period		
Exchange difference on translation of financial statements of foreign subsidiaries	**(3,086)**	(811)
Cash flow hedge: effective portion of changes in fair value, net of deferred tax	**48**	401
	(3,038)	(410)
Total comprehensive income for the period	**48,090**	39,958
Attributable to:		
— Equity shareholders of the company	**46,841**	40,036
— Non-controlling interests	**1,249**	(78)
Total comprehensive income for the period	**48,090**	39,958

The notes on pages 21 to 35 form part of these financial statements.

Consolidated Balance Sheet

at 31 March 2011

(Expressed in Hong Kong dollars)

	Note	**At 31 March 2011 Unaudited $'000**	At 30 September 2010 Audited $'000
Non-current assets			
Fixed assets		**123,834**	150,337
Interest in an associate		**70,275**	67,487
Intangible assets	10	**747,574**	783,804
Long term receivables	12	**4,750**	—
Other financial assets	11	**31,908**	31,908
Other asset		**380**	380
		978,721	1,033,916
Current assets			
Inventories	13	**397,911**	341,089
Accounts receivable	12	**561,424**	311,472
Prepayments, deposits and other receivables		**202,118**	173,908
Pledged deposits		**70,319**	69,039
Cash and cash equivalents		**272,850**	236,796
		1,504,622	1,132,304
Current liabilities			
Bank loans		**(379,936)**	(348,252)
Accruals and other payables		**(534,390)**	(285,459)
Current taxation		**(17,338)**	(12,663)
Derivative financial instruments	14	**(56,957)**	(125,288)
Convertible notes	15	**(105,524)**	(116,144)
		(1,094,145)	(887,806)
Net current assets		**410,477**	244,498

Consolidated Balance Sheet

at 31 March 2011

(Expressed in Hong Kong dollars)

	Note	**At 31 March 2011 Unaudited $'000**	At 30 September 2010 Audited $'000
Total assets less current liabilities		**1,389,198**	1,278,414
Non-current liabilities			
Other payables		**(71,500)**	(107,250)
Bank loans		**(77,768)**	(63,543)
Deferred tax liability		**(1,665)**	(2,008)
		(150,933)	(172,801)
NET ASSETS		**1,238,265**	1,105,613
CAPITAL AND RESERVES			
Share capital	16	**65,602**	63,827
Reserves		**1,170,520**	1,040,892
Total equity attributable to equity shareholders of the company		**1,236,122**	1,104,719
Non-controlling interests		**2,143**	894
TOTAL EQUITY		**1,238,265**	1,105,613

The notes on pages 21 to 35 form part of these financial statements.

Consolidated Statement of Changes in Equity

for the six months ended 31 March 2011
(Expressed in Hong Kong dollars)

	Attributable to equity shareholders of the company												
	Share capital $'000	**Share premium** $'000	**General reserve** $'000	**Capital redemption reserve** $'000	**Capital reserve** $'000	**Exchange reserve** $'000	**Hedging reserve** $'000	**Equity component of convertible notes** $'000	**Warrant reserve** $'000	**Retained earnings** $'000	**Total** $'000	**Non-controlling Interest** $'000	**Total** $'000
At 1 October 2009	56,041	719,282	666	95	5,922	(11,620)	(5,132)	–	–	127,810	893,064	702	893,766
Total comprehensive income for the period	–	–	–	–	–	(811)	401	–	–	40,446	40,036	(78)	39,958
Dividends declared in respect of the previous year *(note 16(iii))*	65	1,269	–	–	–	–	–	–	–	(6,323)	(4,989)	–	(4,989)
Placement of shares *(note 16(ii))*	2,802	49,219	–	–	–	–	–	–	–	–	52,021	–	52,021
Remuneration shares *(note 16(iv))*	273	4,767	–	–	(3,360)	–	–	–	–	–	1,680	–	1,680
Equity settled share-based transactions *(note 16(iv))*	–	–	–	–	1,893	–	–	–	–	905	2,798	–	2,798
At 31 March 2010	59,181	774,537	666	95	4,455	(12,431)	(4,731)	–	–	162,838	984,610	624	985,234
At 1 October 2010	63,827	851,106	666	95	8,838	(13,341)	(4,264)	–	5,392	192,400	1,104,719	894	1,105,613
Total comprehensive income for the period	–	–	–	–	–	(3,086)	48	–	–	49,879	46,841	1,249	48,090
Conversion of convertible notes *(note 16(i))*	1,775	26,587	–	–	–	–	–	–	–	–	28,362	–	28,362
Reclassification of convertible notes *(note 15)*	–	–	–	–	–	–	–	54,371	–	–	54,371	–	54,371
Equity settled share-based transactions *(note 16(iv))*	–	–	–	–	1,829	–	–	–	–	–	1,829	–	1,829
At 31 March 2011	65,602	877,693	666	95	10,667	(16,427)	(4,216)	54,371	5,392	242,279	1,236,122	2,143	1,238,265

The notes on pages 21 to 35 form part of these financial statements.

Condensed Consolidated Statement of Cash Flows

for the six months ended 31 March 2011
(Expressed in Hong Kong dollars)

	Six months ended 31 March	
	2011	2010
	Unaudited	Unaudited
	$'000	$'000
Net cash generated from operating activities	**64,878**	136,572
Net cash used in investing activities	**(65,872)**	(239,085)
Net cash generated from financing activities	**37,048**	173,460
Net increase in cash and cash equivalents	**36,054**	70,947
Cash and cash equivalents at 1 October 2010/2009	**236,796**	208,746
Cash and cash equivalents at 31 March 2011/2010	**272,850**	279,693

The notes on pages 21 to 35 form part of these 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 on The Stock Exchange of Hong Kong Limited (the "SEHK"), 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 24 May 2011.

These interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2010 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 on explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the group since the 2010 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 review report to the Board of Directors is included on page 36.

The financial information relating to the financial year ended 30 September 2010 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 2010 are available from the company's registered office. The auditor has expressed an unqualified opinion on those financial statements in their report dated 29 November 2010.

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of new or revised HKFRSs, which term collectively included individual HKFRSs, HKASs and Interpretations, that are first effective or available for early adoption for the current accounting period of the group. There have been no significant changes to the accounting policies applied in these condensed interim financial statements for the periods presented as a result of these developments.

Notes on the Unaudited Interim Financial Statements

(Expressed in Hong Kong dollars)

3 SEGMENT INFORMATION

An operating segment is a component of the group that engages in business activities from which the group may earn revenues and incur expenses, and is identified on the basis of the internal financial reports that are provided to and regularly reviewed by the group's chief operating decision maker in order to allocate resources and assess performance of the segment. For the periods presented, management has determined that no operating segment has been presented as the group is only engaged in media related services. The group's assets located and operating revenues derived from activities outside the People's Republic of China (the "PRC") are less than 5 per cent of the group's assets and operating revenues, respectively. No geographical area information has been presented as such information is immaterial.

4 TURNOVER

	Six months ended 31 March	
	2011	2010
	Unaudited	Unaudited
	$'000	$'000
TV program related income	**268,750**	189,204
TV advertising income	**16,060**	46,468
Outdoor advertising income	**25,057**	10,277
Public relations service income	**4,802**	2,984
	314,669	248,933

5 OTHER REVENUE AND OTHER NET INCOME/(LOSS)

(a) Other revenue

	Six months ended 31 March	
	2011	2010
	Unaudited	Unaudited
	$'000	$'000
Interest income	**474**	479
Others	**22**	386
	496	865

(b) Other net income/(loss)

	Six months ended 31 March	
	2011	2010
	Unaudited	Unaudited
	$'000	$'000
Gain on disposal of fixed assets	**4,711**	—
Net exchange gain/(loss)	**3,457**	(2,728)
	8,168	(2,728)

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Finance costs

	Six months ended 31 March	
	2011	2010
	Unaudited	Unaudited
	$'000	$'000
Interest on bank advances and other borrowings wholly repayable within five years	**16,015**	12,357
Interest on other borrowings wholly repayable after five years	**1,056**	—
Effective interest on convertible notes	**14,844**	4,923
Other interest expense	**—**	37
	31,915	17,317

(b) Other items

	Six months ended 31 March	
	2011	2010
	Unaudited	Unaudited
	$'000	$'000
Amortisation of intangible assets	**18,210**	18,202
Depreciation of fixed assets	**4,414**	4,297
Cost of inventories	**2,778**	38,435

7 INCOME TAX

	Six months ended 31 March	
	2011	2010
	Unaudited	Unaudited
	$'000	$'000
Current taxation — Hong Kong Profits Tax	**59**	—
Current taxation — Overseas	**4,451**	1,655
Deferred taxation	**(343)**	(136)
	4,167	1,519

7 INCOME TAX *(continued)*

(a) The provision for Hong Kong Profits Tax for the six months ended 31 March 2011 is calculated at 16.5% of the estimated assessable profits for the period.

No provision has been made for Hong Kong Profits Tax during the six months ended 31 March 2010 as the group did not earn any income subject to Hong Kong Profits Tax.

(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) The provision of the PRC income tax is made as follows:

— For subsidiaries which are foreign investment enterprises located and operated in Shenzhen, the PRC and approved to be established before 16 March 2007 by the State Administration of Industrial and Commerce, the Corporate Income Tax Law of the PRC provides a five-year transition period during which the transitional rates are 18%, 20%, 22%, 24% and 25% for the year ended 31 December 2008, 2009, 2010, 2011 and 2012 onwards, respectively. Profits of other subsidiaries established in the PRC are subject to the PRC income tax. Pursuant to the Corporate Income Tax Law of the PRC income tax rates for domestic and foreign enterprises in the PRC are unified at 25%.

— Foreign enterprises with permanent establishment in the PRC are also subject to the PRC income tax at a rate of 25% on a deemed profit basis on their PRC sourced income.

8 DIVIDENDS

	Six months ended 31 March	
	2011	2010
	Unaudited	Unaudited
	$'000	$'000
Interim dividend declared of 1.28 cents (2010: 1.28 cents) per share	**10,765**	9,980
Final dividend in respect of the financial year ended 30 September 2010, approved during the following interim period, of 1.28 cents per share	**10,474**	—
Final dividend in respect of the financial year ended 30 September 2009, approved and paid during the following interim period, of 0.88 cents per share	**—**	6,323

The interim dividend has not been recognised as a liability at the balance sheet date.

9 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the company of $49,879,000 (period ended 31 March 2010: $40,446,000) and the weighted average number of 831,925,000 (period ended 31 March 2010: 723,107,000) ordinary shares in issue during the period, calculated as follows:

Weighted average number of ordinary shares

	Six months ended 31 March	
	2011	2010
	Unaudited	Unaudited
	'000	'000
Issued ordinary shares at 1 October 2010/2009	**818,294**	718,474
Effect of conversion of convertible notes *(note 16(i))*	**13,631**	—
Effect of placement of shares *(note 16(ii))*	**—**	3,346
Effect of scrip dividends *(note 16(iii))*	**—**	155
Effect of remuneration shares *(note 16(iv))*	**—**	1,132
Weighted average number of ordinary shares at 31 March	**831,925**	723,107

(b) Diluted earnings per share

Diluted earnings per share for the six months ended 31 March 2010 is not presented because the existence of outstanding share options, equity settled share-based transactions with a non-executive director and conversion option for the convertible notes during the period have anti-dilutive effect on the basic profit per share. The then status of condition was assumed unchanged and thus the condition of reset and adjustment were not met.

The calculation of diluted earnings per share for the six months ended 31 March 2011 is based on the profit attributable to ordinary equity shareholders of the company after adjusting for interest expenses and change in fair value of convertible notes, totalled $47,831,000, and the weighted average number of ordinary shares of 909,838,000 after adjusting for the incremental ordinary shares from assumed exercise of warrants and convertible notes.

Notes on the Unaudited Interim Financial Statements
(Expressed in Hong Kong dollars)

10 INTANGIBLE ASSETS

	At 31 March 2011 Unaudited $'000	At 30 September 2010 Audited $'000
Purchased licence rights	**716,966**	748,800
Customer contract costs	**20,105**	22,431
Others	**10,503**	12,573
	747,574	783,804

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 OTHER FINANCIAL ASSETS

	At 31 March 2011 Unaudited $'000	At 30 September 2010 Audited $'000
Available-for-sale equity securities		
— Unlisted	**31,908**	31,908

12 ACCOUNTS RECEIVABLE

	At 31 March 2011 Unaudited $'000	At 30 September 2010 Audited $'000
Accounts receivable	**566,174**	311,472
Less: Amount expected to be recovered after one year, included as non-current assets	**(4,750)**	—
	561,424	311,472

12 ACCOUNTS RECEIVABLE *(continued)*

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

	At 31 March 2011 Unaudited $'000	At 30 September 2010 Audited $'000
Current	**475,728**	311,472
Less than 1 month past due	**61,110**	—
1 to 3 months past due	**24,586**	—
	85,696	—
	561,424	311,472

The credit terms offers by the group are in accordance with the terms specified in each agreement entered into with the relevant customers, ranging from six to eighteen months. 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.

13 INVENTORIES

The inventories as at 31 March 2011 represent the cost of acquisition of certain scripts, synopses, publication rights, copyrights and editing rights. They are carried at the lower of cost and net realisable value.

No inventories were written off during the period ended 31 March 2011 (30 September 2010: Nil).

14 DERIVATIVE FINANCIAL INSTRUMENTS

	At 31 March 2011 Unaudited $'000	At 30 September 2010 Audited $'000
Derivative financial liabilities		
Conversion option of convertible notes *(note 15)*	**52,741**	121,024
Cash flow hedges:		
— cross currency interest rate swap contracts	**4,216**	4,264
	56,957	125,288

14 DERIVATIVE FINANCIAL INSTRUMENTS *(continued)*

All the amounts of derivative financial instruments are stated at fair value.

The fair value of conversion option and redemption option are determined by an independent valuer, BMI Appraisal Limited, using the binomial option pricing model.

The aggregate notional principal amount of the outstanding swap contracts at 31 March 2011 was RMB50,000,000 (30 September 2010: RMB50,000,000). These swap contracts comprise cross currency interest rate swap contracts, which were entered into to hedge against interest rate risk and foreign currency risk in relation to a secured bank loan. These swap contracts will mature on 9 September 2011.

15 CONVERTIBLE NOTES

	Liability	Conversion option *(note 14)*	Redemption option	Equity component of convertible notes	Warrant reserve	Total
	$'000	$'000	$'000	$'000	$'000	$'000
At 1 October 2009	32,412	50,732	1,147	—	—	84,291
Proceeds from issuance of convertible notes	75,417	89,613	126	—	5,737	170,893
Transaction costs	(4,871)	(3,743)	—	—	(345)	(8,959)
Net proceeds	70,546	85,870	126	—	5,392	161,934
Effective interest for the year	13,186	—	—	—	—	13,186
Change in fair value	—	(15,578)	(1,273)	—	—	(16,851)
At 30 September 2010	116,144	121,024	—	—	5,392	242,560
At 1 October 2010	116,144	121,024	—	—	5,392	242,560
Conversion of convertible notes	(25,464)	(2,899)	—	—	—	(28,363)
Effective interest for the period	14,844	—	—	—	—	14,844
Change in fair value	—	(11,043)	30	—	—	(11,013)
Reclassification of convertible notes	—	(54,341)	(30)	54,371	—	—
At 31 March 2011	105,524	52,741	—	54,371	5,392	218,028

During the year ended 30 September 2009, the company entered into subscription agreement with Smart Peace Development Limited ("Smart Peace"), a wholly owned subsidiary of CCB International Asset Management Limited, and Star Group International Investment Limited ("Star Group") respectively pursuant to which the company agreed to issue up to $100,000,000 unlisted convertible notes (the "Notes to Smart Peace") and unlisted warrants with exercise monies not more than $100,000,000 to Smart Peace, and to issue up to $50,000,000 unlisted convertible notes (the "Notes to Star Group") and unlisted warrants with exercise monies not more than $25,000,000 to Star Group (collectively, the "2009 Notes").

15 CONVERTIBLE NOTES *(continued)*

On 15 May 2009 and 7 August 2009, two tranches of the Notes to Smart Peace with principal amount of $50,000,000 each ("Tranche 1 Smart Peace Note" and "Tranche 2 Smart Peace Note") were issued to Smart Peace. The Notes to Smart Peace bear an interest at a rate of 5% per annum and a handling fee of 3.5% per annum, payable semi-annually in arrears with the first interest payment to be made on the date falling six months from the date of issue of such convertible notes.

On 18 November 2009 and 19 March 2010, two tranches of the Notes to Star Group with principal amount of $25,000,000 each ("Tranche 1 Star Group Note" and "Tranche 2 Star Group Note") were issued to Star Group. The Notes to Star Group bear an interest at a rate of 6-month Hong Kong Interbank Offered Rate ("HIBOR") per annum and a handling fee of 3.5% per annum for the unsecured Notes to Star Group, payable monthly in arrears.

The 2009 Notes will be redeemed at 100% of the principal amount plus any accrued and unpaid interest together with a redemption premium calculated at the 6-month HIBOR plus 2.5% per annum of the principal amount on the maturity date, being the fifth year from the date of issue. The 2009 Notes holders can, by serving a 30-day notice to the company, after the expiry of the first anniversary of the date of issue of the respective 2009 Notes, require the company to redeem in whole or in part of the 2009 Notes plus any accrued and unpaid interest together with a redemption premium at 1.5% per annum, 6-month HIBOR plus 2% per annum, and 6-month HIBOR plus 2.5% per annum during the second year, third year and fourth year up to the maturity dates since the issue date of the 2009 Notes, respectively.

The 2009 Notes are convertible into the company's ordinary shares at any time the day falling on 180th days after the date of issue and from the date after the date of issue of the respective 2009 Notes up to the fifth business day prior to the maturity date at a conversion price of $1.7014 per share (subject to reset and adjustment).

On 31 December 2010, in accordance with the respective terms and conditions of the 2009 Notes, the conversion price of the 2009 Notes was reset to $1.3778 per share. Further, in accordance with the respective terms and conditions of the 2009 Notes, the conversion price of the 2009 Notes will not be reset or adjusted subsequent to 31 December 2010. The directors are in the position that the conversion price of the conversion option of the 2009 Notes becomes fixed, and accordingly, is reclassified as equity as at 31 December 2010.

During the year ended 30 September 2010, the company entered into a subscription agreement with First Media Holdings, Limited ("First Media") pursuant to which the company agreed to issue up to $120,892,924 unlisted convertible notes (the "First Media Notes") and unlisted warrants (the "First Media Warrants") to purchase an additional 11,380,942 company's ordinary shares.

On 8 July 2010, the two series of the First Media Notes with principal amount of $30,223,231 and $90,669,693 ("Series A Notes" and "Series B Notes") were issued to First Media.

The Series A Notes are non interest-bearing. The Series B Notes bear an interest at a rate of 7% per annum. Interest is capitalised quarterly and payable in kind when First Media exercises the conversion option or redemption option.

The First Media Notes will be redeemed at 100% of the principal amount plus uncapitalised interest accrued. First Media are entitled at any time after the first anniversary of the date of issue of the First Media Notes to redeem the First Media Notes at an amount equal to the principal amount of the First Media Notes subject to redemption plus uncapitalised interest accrued.

15 CONVERTIBLE NOTES *(continued)*

The First Media Notes are convertible into the company's ordinary shares at anytime from the date of issue of the First Media Notes to the maturity date, which is five years from the date of issue at a conversion price of $1.3278 per share (subject to reset and adjustments, and automatic conversion features in accordance with the subscription agreement with First Media).

The net proceeds received from the issue of the 2009 Notes and the First Media Notes contain the following components that are required to be separately accounted for in accordance with Hong Kong Accounting Standard 39:

(i) Liability component for the 2009 Notes and the First Media Notes represents the present value of the contractually determined stream of future cash flows discounted at the rate of interest determined by the market to instruments of comparable credit status taken into account the business risk of the company as well as the large amount of the 2009 Note and the First Media Notes, but without the conversion option. The effective interest rate of the liability component of the Tranche 1 Smart Peace Notes and Tranche 2 Smart Peace Notes are 46.6% and 37.3%, respectively. The effective interest rate of the liability component of the Tranche 1 Star Group Notes and Tranche 2 Star Group Notes are 29.7% and 23.9%, respectively. The effective interest rate of the liability component of the Series A Notes and Series B Notes are 26.4% and 26.4%, respectively.

(ii) Conversion option of the 2009 Notes and the First Media Notes to be accounted for as a separate financial liability represent the fair value of the option to convert the liability into equity of the company but the conversion will be settled other than by the exchange of a fixed number of the company's own equity. As mentioned above, resulting from the conversion price of the conversion option of the 2009 Notes becomes fixed, the company reclassified conversion option of the 2009 Notes to equity as at 31 December 2010.

(iii) Redemption option represents option of Smart Peace, Star Group and First Media to early redeem all or part of the 2009 Notes and First Media Notes. Smart Peace is allowed to redeem 100% of the principal amount plus any accrued and unpaid interest together with the redemption premium of the Notes to Smart Peace at any time after one year from the issue date of respective tranche. Star Group is allowed to redeem the Notes to Star Group at any time after the issue date of the respective tranche. First Media is allowed to redeem 100% of the principal amount plus any accrued and uncapitalised interest at any time after one year from the issue date of First Media Notes.

(iv) The First Media Warrants are exercisable from the issue date of the First Media Notes to the maturity date, which is five years from the date of issue with a subscription price of $1.3278 per share and are accounted for as an equity instrument in the company's warrant reserve.

On 13 December 2010, the Series A Notes with principal amount of $30,223,231 was automatically converted into 22,760,000 ordinary shares at a conversion price of $1.3278 per ordinary share in accordance with the subscription agreement with First Media. The remaining balances were settled in cash pursuant to the terms and conditions of the Series A Notes. As at 31 March 2011, the 2009 Notes and the Series B Notes are outstanding.

The entire amount of issued share capital of certain subsidiaries held by the company is pledged for the 2009 Notes with outstanding principal amount of $100,000,000 (2010: $100,000,000). Aggregated net assets held by those subsidiaries amounted to $42,004,000 (2010: $124,831,000) which consist of purchased license rights with carrying value of $357,334,000 (2010: $468,631,000) as of 31 March 2011.

16 SHARE CAPITAL

	Note	**At 31 March 2011** **Number of shares** **'000**	**Amount** **$'000**	At 30 September 2010 Number of shares '000	Amount $'000
Authorised:					
Ordinary shares of US$0.01 each		**1,200,000**	**93,600**	1,200,000	93,600
Issued and fully paid:					
At 1 October 2010/2009		**818,294**	**63,827**	718,474	56,041
Conversion of convertible notes	(i)	**22,760**	**1,775**	—	—
Placement of shares	(ii)			73,858	5,761
Shares issued as scrip dividends	(iii)	**—**	**—**	1,489	116
Remuneration shares	(iv)	**—**	**—**	3,500	273
Acquisition of subsidiaries	(v)	**—**	**—**	20,973	1,636
At 31 March 2011/30 September 2010		**841,054**	**65,602**	818,294	63,827

Notes:

(i) On 13 December 2010, the Series A Notes with principal amount of $30,223,231 was converted into 22,760,000 ordinary shares at a conversion price of $1.3278 per ordinary share in accordance with the subscription agreement with First Media.

(ii) A placement of 35,922,000 shares of the company at a price of $1.48 per share was made with independent investors on 15 March 2010. The placing price represented a discount of approximately 5.12% to closing price of $1.56 per share on 3 March 2010, and a discount of approximately 0.67% to the ten trading days average closing price of $1.49 per share on and immediately preceding 3 March 2010. Subsequently, 35,922,000 new ordinary shares of the company were issued at the same price per share. The net proceeds will be used to repay part of the outstanding bank borrowings of the company and to finance the expansion of the company's media advertising businesses.

A placement of $37,936,475 shares of the company at a price of $1.3278 per share was made to First Media on 8 July 2010. The placing price represented a premium of approximately 15.46% to the closing price of $1.15 per share on 26 May 2010, and a premium of approximately 6.22% to the ten trading days average closing price of $1.25 per share up to and including 26 May 2010. The net proceeds will be used to support operational improvement and strategic planning based upon extensive business consulting expertise and operational experience. These shares rank pari passu with the existing ordinary shares of the company in all respects.

(iii) On 26 February 2010, the company issued and allotted 833,689 ordinary shares of US$0.01 each at $1.60 per share to the shareholders who received shares of the company in lieu of cash for 2009 final dividend pursuant to a scrip dividend scheme announced by the company on 26 November 2009. These shares rank pari passu with the existing ordinary shares of the company in all respects.

On 9 August 2010, the company issued and allotted 654,614 ordinary shares of US$0.01 each at $1.30 per share to the shareholders who received shares of the company in lieu of cash for 2010 interim dividend pursuant to a scrip dividend scheme announced by the company on 9 June 2010. These shares rank pari passu with the existing ordinary shares of the company in all respects.

(Expressed in Hong Kong dollars)

16 SHARE CAPITAL *(continued)*

(iv) Remuneration shares

At the extraordinary general meeting of the company held on 30 March 2009, shareholders of the company have approved to issue and allot 3,500,000 shares to Mr Liu Yuk Chi, David ("Mr Liu") upon his completion of 12 months of service. On 1 February 2010, 3,500,000 ordinary shares of US$0.01 per share was issued and allotted to Mr Liu for his appointment as non-executive Director and Chairman of Strategic Committee pursuant to his letter of appointment. These shares rank pari passu with the existing ordinary shares of the company in all respect.

At the extraordinary general meeting of the company held on 21 March 2011, shareholders of the company have approved to issue and allot up to 1,750,000 shares and 2,000,000 shares to Mr Lam Haw Shun, Dennis ("Mr Lam") and Mr Tse Wai Kuen, Gary ("Mr Tse"), upon their completion of 12 months of services. In addition, the company have approved to issue and allot 20,000,000 shares to Dr Leung Anita Fung Yee, Maria ("Dr Leung"), upon her fulfilment of certain performance conditions and completion of service term. No shares were issued to Dr Leung, Mr Lam and Mr Tse during the period ended 31 March 2011.

(v) Acquisition of subsidiaries

At the extraordinary general meeting of the company held on 3 June 2010, shareholders of the company have approved to issue and allot 20,973,154 shares to owner of Rich State Media for acquisition of 51% of its issued share capital. The consideration shares were issued at $1.43 per share, measured at the closing price on 8 June 2010. These shares rank pari passu with the existing ordinary shares of the company in all respects.

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

		Number of options outstanding	
Exercise period	Exercise price	**At 31 March 2011 Unaudited**	At 30 September 2010 Audited
6 March 2007 to 13 June 2014	$2.05	**560,844**	560,844
15 March 2007 to 13 June 2014	$2.05	**5,608,453**	5,608,453
21 March 2007 to 13 June 2014	$2.05	**560,844**	560,844
16 April 2008 to 13 June 2014	$4.12	**1,365,861**	1,365,861
22 May 2008 to 13 June 2014	$5.14	**682,930**	682,930
10 June 2008 to 13 June 2014	$5.14	**682,930**	682,930
7 January 2010 to 13 June 2014	$1.63	**1,500,000**	1,500,000
8 January 2010 to 13 June 2014	$1.63	**500,000**	500,000
11 January 2010 to 13 June 2014	$1.63	**500,000**	500,000
12 January 2010 to 13 June 2014	$1.63	**500,000**	500,000
15 January 2010 to 13 June 2014	$1.63	**500,000**	500,000
19 January 2010 to 13 June 2014	$1.63	**500,000**	500,000
27 January 2010 to 13 June 2014	$1.63	**1,500,000**	1,500,000
29 January 2010 to 13 June 2014	$1.63	**500,000**	500,000
30 January 2010 to 13 June 2014	$1.63	**500,000**	500,000
Outstanding at 31 March 2011/30 September 2010		**15,961,862**	15,961,862

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

17 COMMITMENTS

(a) Commitments under operating leases

At 31 March 2011, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	At 31 March 2011 Unaudited $'000	At 30 September 2010 Audited $'000
Within one year	**11,215**	4,861
After one year but within five years	**23,721**	5,645
After five years	**1,463**	1,318
	36,399	11,824

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.

(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 TV programs. During the six months ended 31 March 2011, the group did not procure any funding for the production of TV programs (year ended 30 September 2010: Nil). The total funding required for the remaining 5,713 hours (year ended 30 September 2010: 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 2011.

During the six months ended 31 March 2011, 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 2010: 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 programme; 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.

17 COMMITMENTS *(continued)*

(b) Other commitments *(continued)*

(ii) The group has entered into acquisition agreements of certain exclusive advertising agency rights of TV channels and purchased licence rights. The total outstanding commitment was as follows:

	At 31 March 2011 Unaudited $'000	At 30 September 2010 Audited $'000
Within one year	**44,371**	27,774
After one year but within five years	**35,249**	108,448
After five years	**—**	25,557
	79,620	161,779

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, the PRC, at an annual rental of RMB1,032,000 from 1 January 2007 to 31 December 2009. It was renewed on 31 December 2009 at an annual rental of RMB1,014,000 from 1 January 2010 to 31 December 2012. Winco is a wholly foreign 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"). Rental expenses paid and payable to Winco amounted to $596,000 for the period ended 31 March 2011 (period ended 31 March 2010: $582,000).

(b) On 26 September 2008, the group entered into a leasing arrangement with Beli Yongfu Investment Consulting (Shenzhen) Co Ltd, a company wholly owned by Dr Leung to lease a property located at Shanghai, the PRC, for a term of three years commencing on 1 October 2008 at an annual rental of RMB234,000. Rental expenses paid and payable to Dr Leung amounted to $138,000 for the period ended 31 March 2011 (period ended 31 March 2010: $133,000).

(c) On 2 February 2010, the group entered into a leasing arrangement with Bili Yongsheng Investment & Consultation (Shenzhen) Co Ltd ("Bili Yongsheng"), a company wholly owned by Dr Leung to lease two properties located at Beijing, the PRC, for a term of one year commencing on 18 February 2010 and 1 March 2010 at an annual rental of RMB96,000 and RMB108,000 respectively. Rental expenses paid and payable to Bili Yongsheng amounted to $120,000 in total for the period ended 31 March 2011 (period ended 31 March 2010: Nil).

On 24 June 2010, the group entered into a lease agreement with Bili Yongsheng to lease a property located at Beijing, the PRC, for a term of one year commencing on 23 June 2010 at an annual rental of RMB96,000. The lease agreement has been terminated on 1 November 2010. Rental expenses paid and payable to Bili Yongsheng amounted to $9,000 for the period ended 31 March 2011 (period ended 31 March 2010: Nil).

(Expressed in Hong Kong dollars)

19 NON-ADJUSTING POST BALANCE SHEET EVENTS

In addition to the transactions and events disclosed elsewhere in these financial statements, the group has non-adjusting post balance sheet events as follows:

(a) On 11 March 2011, the group entered into a sale and purchase agreement with an independent third party to acquire 55% of the issued share capital of Clear Light Group Limited ("Clear Light Group") with principal business activity in the provision of consultancy services at a purchase consideration consists of $36,000,000 of cash and 5,890,000 ordinary shares of the company. The acquisition was completed on 2 April 2011, and accordingly, Clear Light Group became a subsidiary of the Company.

Due to the relatively short period of time between the acquisition date of Clear Light Group and the date of the interim report were issued, and given that the evaluations of the fair values of certain significant assets and liabilities of Clear Light Group as of the acquisition date are not sufficiently completed, it is impracticable for the group to disclose the allocation of the aggregate purchase price to the assets and liabilities of Clear Light Group at this time. The group expects to include these disclosures in the consolidated financial statements for the year ending 30 September 2011.

(b) On 28 April 2011, the company, Dynamic Master Developments Limited (the "Dynamic Master"), a substantial shareholder of the company, and Grand Investment (Securities) Limited (the "Placing Agent") entered into a placing agreement, pursuant to which the Placing Agent will procure, on a best effort basis, not less than six independent professional institutional and/or individual investors to purchase 84,100,000 shares at $1.35 (the "Placing Price") per share from Dynamic Master. In addition, Dynamic Master has agreed to subscribe for up to 84,100,000 new shares of the Company at the same price as the Placing Price. The subscription was completed on 11 May 2011.

20 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 30 SEPTEMBER 2011

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and Interpretations and one new standard which are not yet effective for the year ending 30 September 2011 and which have not been adopted in these financial statements. These include the following which may be relevant to the group.

	Effective for accounting periods beginning on or after
Revised HKAS 24, *Related party disclosures*	1 January 2011
HKFRS 9, *Financial instruments*	1 January 2013
Improvements to HKFRSs 2010	1 January 2011

The group is in the process of making an assessment of what the impact of these amendments 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.

Review Report to the Board of Directors of Qin Jia Yuan Media Services Company Limited

(Incorporated in the Cayman Islands with limited liability)

KPMG

INTRODUCTION

We have reviewed the interim financial statements set out on pages 15 to 35 which comprises the consolidated balance sheet of Qin Jia Yuan Media Services Company Limited as of 31 March 2011 and the related consolidated income statement, statement of comprehensive income and statement of changes in equity and condensed consolidated statement of cash flows for the six months 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.

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 2011 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
10 Chater Road
Central, Hong Kong

24 May 2011