INTERIM REPORT 2012

MODERN MEDIA HOLDINGS LIMITED
現代傳播控股有限公司

(Incorporated in the Cayman Islands with limited liability) Stock code: 72

現代傳播

Modern Media

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Shao Zhong *(Chairman)*
Mr. Wong Shing Fat
Mr. Li Jian
Mr. Mok Chun Ho, Neil
Mr. Cui Jianfeng

Independent Non-executive Directors

Mr. Jiang Nanchun
Mr. Wang Shi
Mr. Au-Yeung Kwong Wah
Mr. Mao Xiaofeng

AUDIT COMMITTEE

Mr. Au-Yeung Kwong Wah *(Chairman)*
Mr. Jiang Nanchun
Mr. Wang Shi
Mr. Mao Xiaofeng

NOMINATION COMMITTEE

Mr. Wang Shi *(Chairman)*
Mr. Jiang Nanchun
Mr. Au-Yeung Kwong Wah
Mr. Mao Xiaofeng

REMUNERATION COMMITTEE

Mr. Mao Xiaofeng *(Chairman)*
Mr. Wong Shing Fat
Mr. Jiang Nanchun
Mr. Au-Yeung Kwong Wah

COMPANY SECRETARY

Mr. Mok Chun Ho, Neil *(FCPA (Practising), ATIHK, ACIS)*

AUTHORISED REPRESENTATIVES

Mr. Mok Chun Ho, Neil
Mr. Cui Jianfeng

AUDITORS

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

LEGAL ADVISERS AS TO HONG KONG

Chiu & Partners
40th Floor, Jardine House
1 Connaught Place
Hong Kong

PRINCIPAL PLACE OF BUSINESS IN THE PRC

Units A, B & C, 10/F, Exhibition Centre
No. 1 Software Park Road, Zhuhai City
Guangdong Province, the PRC

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 1101-03, 11/F
1063 King's Road, Quarry Bay
Hong Kong

PRINCIPAL BANKERS IN HONG KONG

Hang Seng Bank Limited
Wing Lung Bank Limited

PRINCIPAL BANKERS IN THE PRC

China Merchants Bank
(Shanghai Branch, Xujiahui Sub-branch)
The Bank of East Asia (China) Limited
(Guangzhou Branch)
China Minsheng Banking Corporation
(Beijing Guangan Men Sub-branch)

REGISTERED OFFICE

Scotia Centre
4th Floor, P. O. Box 2804
George Town
Grand Cayman KY1-1112
Cayman Islands

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

Tricor Investor Services Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

STOCK CODE

Stock Code: 72

WEBSITE

www.modernmedia.com.cn

Management Discussion and Analysis

RESULT SUMMARY

The global economy seems to be lacklustre in 2012. The long-running sovereign debt crisis in the Euro zone deteriorated and the repercussion was spreading. In the United States, even there are encouraging signs of an uptick in demand in key sector of the economy; however, the sluggish housing market and historically high unemployment rate still acts as a brake on the recovery. Obviously, the challenges in the developed economies will have dampening effect on other economies around the globe. The People's Republic of China (the "PRC")'s economy experienced a moderate slowdown in the first half of 2012 and the forecast whole-year GDP growth will be at 7.6%, i.e. the first time under 8.0% in the nearest 5 years. Yet this is still a remarkable achievement when compared with that of most other countries. It is believed that the PRC government will target to establish a balance between maintaining the economic growth and curbing the inflation.

Despite of the gradual deceleration of the PRC's economy growth, the Company and its subsidiaries (the "Group") had achieved a satisfactory growth in both revenue and net profit during the six months ended 30 June 2012 (the "Interim Period"). Moreover, the Group had successfully achieved a series of milestones in its development in multi-media expansions. The Group's turnover in the Interim Period increased by approximately 25.1% to approximately RMB294.7 million (2011: RMB235.5 million) as compared with the corresponding period in 2011. The Group also achieved satisfactory operating results and recorded a profit attributable to equity shareholders for the Interim Period of approximately RMB14.7 million (2011: RMB13.7 million) representing a growth of approximately 7.3% as compared with the same period of year 2011.

The Group attained the growth in both the turnover and profits mainly attributable to the fact that (i) the Group's two flagship weekly magazines "Modern Weekly" and "Modern Lady Weekly" (also known as "U+ Weekly") outperformed in the PRC's lifestyle weekly magazine market, (ii) "Bloomberg Businessweek/China", a renowned financial bi-weekly magazine, was rapidly accepted and recognized by the advertisers since its launch in November 2011, (iii) "iWeekly", one of the most popular Chinese mobile digital lifestyle apps, has successfully established a unique marketing position and acted as an additional platform for brand advertisers to place their advertisements.

BUSINESS REVIEW

Advertising

During the Interim Period, print media remained as the main contributor to generate dominant share of advertising revenue. On the other hand, digital media sector commenced to generate growing revenue.

Print Media

The Group operated two national weekly, one national bi-weekly, two local weekly, five monthly magazines and two bi-monthly magazines in the PRC and Hong Kong. The Group's portfolio of magazine titles contributed to the advertising revenue of approximately RMB273.5 million (2011: RMB235.8 million) representing a significant increase of approximately 16.0% as compared to the corresponding period in 2011. The core print business maintained an outstanding performance during the Interim Period, even under a competitive advertising market.

In particular, our flagship magazine, "Modern Weekly", being the No. 1 in the advertising revenue within the category of lifestyle weekly magazines in the PRC as per the survey result of Admango Limited, remained as the brand advertisers' first choice print media notwithstanding that brand advertisers became more cost-cautious in their advertising spending against the backdrop of economic slowdown. "Modern Lady Weekly", as the other flagship magazine, had proven to be the most popular and well-accepted women lifestyle magazine which continuously ranked No. 1 in terms of circulation in China, as per the retail survey of Beijing Kai Yuan Circulation Research Company. Further, "Bloomberg Businessweek/China" was launched at the end of last year and it was widely accepted and recognized by both the advertisers and readers. As a leading business magazine, it has already established its own client portfolio within only a six-month period and attracted a number of advertising placements. These publications form the core products of the Group's print media platform. Their unique and complemental positioning helped the Group to continuously expand and diversify its client base.

Advertising revenues of other monthly magazines operated by the Group in the PRC achieved different levels of growth on a year-on-year basis. The Group is confident that such portfolio of monthly magazines will attain satisfactory operating results throughout the year in 2012.

BUSINESS REVIEW (Continued)

Local Weekly Magazine

The investments in two local weekly magazines achieved turnaround during the Interim Period. The Hangzhou and Chongqing projects contributed a share of profit of RMB207,000 (2011: a share of loss of RMB759,000) and RMB233,000 (2011: a share of loss of RMB535,000) respectively during the Interim Period.

The cities of Hangzhou and Chongqing are developing quickly during the recent urbanization processes in China. Prosperous regional retail markets have created more lucrative business opportunities for local media. In the second half of 2012, we anticipate that the operating results of these two local weekly magazines will continue to be improved and be likely to attain the yearly profit target.

Circulation

The circulation revenue during the Interim Period amounted to approximately RMB10.2 million (2011: RMB10.3 million), which was slightly decreased by approximately 1.0% compared to that in the same period of 2011. The slight change was attributable to an adjustment of publication portfolio. Compared with the same period in 2011, two magazines, namely "Asian Business Leader" (東方企業家) and "Intersection" (汽車生活), were withdrawn from the portfolio while one new magazine, "Bloomberg Businessweek/China" was added. The launch of "Bloomberg Businessweek/China" achieved outstanding result. According to latest retail survey prepared by Kai Yuan Circulation Research Company, the magazine has become one of the leading business publications in the market. Meanwhile, the other two flagship magazines, "Modern Weekly" and "Modern Lady Weekly", maintained their circulation leading positions in the lifestyle magazine category.

Digital Media

Revenue contributed by digital media segment recorded a significant growth by RMB10.3 million to RMB14.9 million for the Interim Period. The advertising revenue of "iWeekly" during the Interim Period increased by 1.5 times when compared with that of last year. Download rates of "iWeekly" continued to grow in a high level from the 2011 year-end that 'iWeekly" continues to be recognized as one of the most successful Chinese media applications on the Apple's iPhone and iPad platforms.

Following the success of "iWeekly", the Group launched two new apps during the Interim period, namely "Lohas" and "iMagazine". Launched on 12 March 2012, the "Lohas" app was the Group's first app adopting the latest technical standards of Apple's "Newsstand". The app was recommended by Apple China in the home page of "Newsstand" upon its launch, and its number of downloads ranked No.1 among all the free apps of magazines and newspapers.

BUSINESS REVIEW (Continued)

Digital Media (Continued)

Launched on 27 June 2012 the "iMagazine" app created a brand-new reading experience to our readers. "iMagazine" includes the full-version of our portfolio of printed magazines which the readers can easily and conveniently read those magazines at anytime and anywhere through the iPad platform. This application is a breakthrough that the distribution network can be further extended to remote locations that we cannot cover previously. Moreover, "iMagazine" can create income from both the paid subscription fees and online advertising placements.

In February 2012, the Group entered into a formal agreement to acquire 20% equity interests in a Japanese company, namely Rakuraku Technologies Inc. ("RTI"), for a consideration of JPY45.0 million. The acquisition was completed in March 2012. This is an important strategic step in our development of multi-media strategy as RTI is a leading technical company which provides digital publishing solutions for mobile devices. RTI's technical team is well-experienced in developing mobile applications and they will further enhance our technical strength and increase our competitive edge against other media competitors in the PRC.

TV media

The TV media division is an important element in our multi-media strategy. With our professional production team, the Group successfully produced a series of lifestyle TV programs which obtained the recognition and reputation in local audiences. Right now, we distribute our video contents mainly through channels of on-line video and some city TV stations. With the on-line channels, we have established dedicated broadcasting zones in the Group's "iWeekly" App, as well as in other popular video web sites, such as YouKu, QiYi and PPTV etc. When the TV media business was first launched last year, we increased two income streams from this division, namely product placement advertising and customized production income. During the Interim Period, TV media already contributed a revenue of RMB1.7 million (2011: RMB1.0 million) that represented an increase of approximately RMB0.7 million when compared with that of last year. A large portion of such revenue was contributed by customized production income. In order to optimize the operating result, the Group's TV media will adjust its business focus towards more customized production for advertisers in the second half of 2012.

BUSINESS OUTLOOK

Print Media Continue to Deliver Satisfactory Results

In 2012, we are likely to see slower economic growth in the PRC amid concerns about the impact of the euro-zone debt crisis together with their austerity measures and a fragile U.S. recovery. The uncertain economic and geopolitical backdrop may continue to raise challenges and cast shadows on the Group's performance throughout 2012. We are cautiously optimistic about the core print media business for the following reasons. Firstly, we expect that with the existing and future stimulus initiatives from the PRC government, the domestic economy will achieve moderate rebound by the end of this year. Hence, domestic retail may resume its upward trend from the second half of 2012. Secondly, attributing to the leading positions of our magazines, our business is generally less vulnerable than our competitors in the economy down turn, which had been seen during the 2008 Financial Tsunami period. We are confident that our print media business will achieve the above market average performance even in challenging economic conditions. Finally, after the launch of "Bloomberg Businessweek/China" last year, the Group has established a comprehensive publication portfolio, covering major categories, such as lifestyle, news, business, culture, art, health etc. The portfolio will become steady and stable in the foreseeable future. Instead of investing heavily in launch of new magazine titles, the Group will focus on utilizing the economies of scale from the established portfolio, in order to optimize the Group's profitability. Therefore, the Group has confidence that its print media will continue to deliver satisfactory financial performance for the rest of the year and near future.

Mobile Media Shapes the Future of the Company

The Group pledges its future growth to the development of Mobile Media. Leveraging existing media resources and its core competences in contents, channels, audiences, advertising clients, and technologies, the Group is aiming to build an elite-focused mobile media platform. Series of initiatives will be implemented to achieve this goal.

Comprehensive Upgrade of "iWeekly"

"iWeekly" App has been launched for about 2 years. The Group is preparing to have a major upgrade of the "iWeekly" App within 2012. The upgrading efforts mainly relate to two aspects. Firstly, we will restructure the "iWeekly" product design, aiming to improve user experience, as well as improve daily visit traffics. Meanwhile, more advertising space will be created in the new structure, in order to meet the fast-growing demand for mobile advertising. Secondly, leveraging on the success of the existing iOS version of "iWeekly" on iPhone and iPad platforms, the Group proceeds to develop the Android version of this application. As we all know, the number of Android smart-phones users have become even greater than Apple iPhones'. Expanding into the Android market will help us quickly enlarge the subscribers' base of "iWeekly" in the near future. We target to launch the Android version of "iWeekly" for a few high-end models of Android smart-phones by the end of 2012. As such, we anticipate that the increase of subscribers of "iWeekly" for those two versions will be sky-rocketing starting from 2013. With such a tremendous subscriber base, the Group is confident that "iWeekly" will sustain its leading position among all the Chinese lifestyle magazine applications and create significant advertising revenue in the coming years.

BUSINESS OUTLOOK (Continued)

Mobile Media Shapes the Future of the Company (Continued)

Launching the App of Bloomberg Businessweek/China

The market acceptance of "Bloomberg Businessweek/China" is out of the expectation of the Group. It had shortly obtained the recognition from both the advertisers and readers and became the growing engine of our print media business. With regard to the success of this business magazine, the Group is preparing to launch a mobile app of this magazine title. The new app will be first launched in iOS versions by the first quarter of 2013. It may then be extended into Android, Windows 8 etc. versions. The application is powered by the "Bloomberg Businessweek/China" magazine, but goes beyond a simple on-line copy of the magazine. On top of the magazine contents, the app will also provide daily business information and in-depth analysis to business-conscious elite readers on timely basis and multi-media format. Backed by the strong media brand and resources, we believe that the new app will become a necessity for large group of elite readers and create additional advertising opportunities.

Other Apps under development

Besides the abovementioned initiatives, the Group is also planning to launch series of new apps in the near future. Under the current plan, it includes a women's lifestyle app, a dining and shopping guide for metro lives. These new apps will focus on building virtual user communities and providing shopping guidance. They will help the Group to realize its long term strategies in migrating the information-based media platform to an information-cum-service media platform. Hence, the Group may create additional revenue streams from the service provided.

Proposed investment to be made with United Achievement Limited

On 24 June 2011, the Company announced that the Group entered into two framework agreements with United Achievement Limited in relation to the proposed establishment of certain joint ventures to engage in digital media publishing and distribution business and e-commerce business respectively. The exclusivity period under the famework agreements lapsed on 31 December 2011. However, as at 30 June 2012, the Group was still in negotiation with United Achievement Limited. No definitive conclusion was reached. The Company is still considering the terms then under negotiation and is willing to form such joint ventures, subject to mutually acceptable term being agreed and finalized. The Company will make further announcement on such matter where the circumstances so justify.

DIVIDEND

In order to reserve more cash resources in response to the possible economic downturn, the Directors do not recommend the payment of any interim dividend (2011: Nil). The Directors will consider whether or not to declare a final dividend after evaluating the full-year financial performance of 2012.

LIQUIDITY AND FINANCIAL RESOURCES

Net cash flows for the Group's operating and unsecured banking facilities

The Group finances its operations principally with cash flow generating by its operating activities and, to a lesser extent, bank facilities provided by its principal bankers.

During the Interim Period, the Group recorded net cash outflow in operating activities of RMB19.8 million (2011: net cash outflow of RMB12.6 million). The net cash outflow in operating activities was largely due to tax payments of RMB21.0 million (2011: RMB20.5 million). The Group recorded net cash outflow in investing activities of RMB34.0 million (2011: RMB32.8 million) for the Interim Period which was largely due to (i) payment of a total sum of RMB16.9 million for acquisitions of 100% equity interests in Shanghai Senyin Information Technology Co., Ltd ("Shanghai Senyin") and Guangzhou Xiandai Yidong Shuma Chuanbo Company Limited ("Guangzhou Xiandai") and 20% equity interests in Rakuraku Technology Inc.; and (ii) the investment in fixed assets of RMB13.4 million (2011: RMB33.2 million) including the purchase of furniture, fixtures and equipment for the Digital Media and Television operations.

As of 30 June 2012, the Group had available unsecured banking facilities of approximately RMB84.2 million and of which RMB34.2 million had been utilized. All of the Group's bank borrowings bear interest at floating rates. There is no seasonality for its borrowing requirements. The Group's bank borrowings are denominated in Hong Kong Dollars (HK$) and Renminbi (RMB).

Net cash and gearing

As at 30 June 2012, the Group's net cash was approximately RMB25.8 million which was made up of bank borrowings of approximately RMB48.1 million and bank deposits and cash of approximately RMB73.9 million. The gearing ratio as at 30 June 2012 was 9.2% (31 December 2011: 8.8%), which was calculated based on the total debts divided by total assets. Subsequent to 30 June 2012, the Group repaid two bank loans with principal amounts of RMB26.0 million in aggregate in August 2012.

LIQUIDITY AND FINANCIAL RESOURCES (Continued)

Net cash and gearing (Continued)

As at 30 June 2012, the total borrowings of the Group were repayable as follows:

	At 30 June 2012 *RMB'000*	At 31 December 2011 *RMB'000*
Within 1 year or on demand	**35,803**	35,695
After 1 year but within 2 years	**1,783**	1,715
After 2 years but within 5 years	**6,257**	6,020
After 5 years	**4,224**	5,371
	12,264	13,106
	48,067	48,801

Capital expenditure and commitment

Capital expenditures of the Group for the Interim Period include expenditures on fixed assets of approximately RMB13.4 million (corresponding period of 2011: RMB33.2 million).

At 30 June 2012, the Group did not have any capital commitment.

ACQUISITIONS AND INVESTMENTS

In September 2011, the Group announced that it had entered into agreements to acquire 100% equity interests in Shanghai Senyin and 100% equity interests in Guangzhou Xiandai (together referred to as the "Website Acquisition") for a consideration of RMB18,000,000. The Website Acquisition was completed in February 2012.

In March 2012, the Group entered into an agreement with an independent third party to acquire the business operation of "Mobilezine" and its related assets (referred to as the "Mobilezine Acquisition") for a consideration of RMB5,000,000.

In addition, the Group completed an acquisition of 20% shareholding in RTI for a consideration of JPY45 million in March 2012.

CONTINGENT LIABILITIES AND PLEDGE OF ASSETS

At 30 June 2012, the Group did not have any material contingent liabilities or guarantees other than disclosed below.

At 30 June 2012, the Group's bank loan of RMB13.9 million was secured by a mortgage over the Group's property in Beijing, the PRC and guarantees from Modern Media Holdings Limited and Shanghai Gezhi Advertising Co., Ltd (a subsidiary of the Company). There was a contingent liability in respect of guarantee given by Shanghai Yage Advertising Co., Ltd., a subsidiary of the Group, up to RMB5.0 million.

FOREIGN EXCHANGE RISKS

As most of the Group's monetary assets and liabilities are denominated in Renminbi and the Group conducts its business transactions principally in Renminbi and Hong Kong dollars, the exchange rate risk of the Group is not significant. The Group did not enter into any foreign exchange hedging instruments during the Interim Period.

EMPLOYEES

At 30 June 2012, the Group had a total of 1,038 staff (31 December 2011: 973 staff), whose remunerations and benefits are determined based on market rates, State policies and individual performance. The increase in the number of employees was mainly due to the expansion of technical and editorial staff for the development of Apps of "iMagazine" and "iBloomberg".

By Order of the Board
Modern Media Holdings Limited
Shao Zhong
Chairman

Hong Kong, 22 August 2012

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2012, the Directors and chief executive of the Company had the following interests or short positions in shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which (a) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited ("the Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO to be entered in the register maintained by the Company referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") or as otherwise notified to the Company:

Long Positions in the Company

Name of Director	Company/Name of Group member	Capacity/Nature of interest	Number of ordinary shares of the Company held	Approximate % of issued share capital
Shao Zhong	The Company	Beneficial owner	270,796,000	61.85
Wong Shing Fat	The Company	Beneficial owner	2,066,000	0.47
Li Jian	The Company	Beneficial owner	2,066,000	0.47
Mok Chun Ho, Neil	The Company	Beneficial owner	1,402,000	0.32
Cui Jianfeng	The Company	Beneficial owner	1,402,000	0.32

Long positions in the associated corporations of the Company

Name of Director	Name of associated corporation	Capacity	Approximate percentage of equity interest
Mr. Shao	北京現代雅格廣告有限公司 (Beijing Modern Yage Advertising Co., Ltd. (for identification purposes only), "Beijing Yage")	Interest of controlled corporations *(Note 2)*	100%
Mr. Shao	北京雅格致美廣告傳播有限公司 (Beijing Yage Zhimei Advertising Media Co., Ltd. (for identification purposes only), "Beijing Yage Zhimei")	Interest of controlled corporations *(Note 3)*	100%

Name of Director	Name of associated corporation	Capacity	Approximate percentage of equity interest
Mr. Shao	廣州現代資訊傳播有限公司 (Guangzhou Modern Information Media Co., Ltd. (for identification purposes only), "Guangzhou Modern Information")	Beneficial owner	100%
Mr. Shao	廣州現代圖書有限公司 (Guangzhou Modern Books Co., Ltd. (for identification purposes only), "Guangzhou Modern Books")	Beneficial owner	90%
Mr. Shao	Guangzhou Modern Books	Interest of controlled corporations *(Note 4)*	10%
Mr. Shao	廣州雅格廣告有限公司 (Guangzhou Yage Advertising Co., Ltd. (for identification purposes only), "Guangzhou Yage")	Interest of controlled corporations *(Note 5)*	100%
Mr. Shao	上海格致廣告有限公司 (Shanghai Gezhi Advertising Co., Ltd. (for identification purposes only), "Shanghai Gezhi")	Interest of controlled corporations *(Note 6)*	100%
Mr. Shao	上海雅格廣告有限公司 (Shanghai Yage Advertising Co., Ltd. (for identification purposes only), "Shanghai Yage")	Interest of controlled corporations *(Note 7)*	100%
Mr. Shao	深圳市雅格致美資訊傳播有限公司 (Shenzhen Yage Zhimei Information Media Co., Ltd. (for identification purposes only), "Shenzhen Yage Zhimei")	Interest of controlled corporations *(Note 8)*	100%

Name of Director	Name of associated corporation	Capacity	Approximate percentage of equity interest
Mr. Shao	珠海現代致美文化傳播有限公司 (Zhuhai Modern Zhimei Culture Media Co., Ltd. (for identification purposes only), "Zhuhai Modern Zhimei")	Interest of controlled corporations *(Note 9)*	100%
Mr. Shao	珠海市銀弧廣告有限公司 (Zhuhai Yinhu Advertising Co., Ltd. (for identification purposes only), "Zhuhai Yinhu")	Beneficial owner	90%
Mr. Shao	Zhuhai Yinhu	Interest of controlled corporations *(Note 10)*	10%
Mr. Shao	廣州摩登視頻傳媒有限公司 (Guangzhou Modern Video Media Co., Ltd. (for identification purpose only), "Guangzhou Modern Video")	Interest of controlled corporations *(Note 11)*	100%
Mr. Shao	廣州現代移動數碼傳播有限公司 (Guangzhou Xiandai Yidong Shuma Chuanbo Company Limited (for identification purpose only), "Guangzhou Xiandai")	Interest of controlled corporations *(Note 12)*	100%
Mr. Shao	上海森音信息技術有限公司 (Shanghai Senyin Information Technology Co., Ltd. (for identification purpose only), "Shanghai Senyin")	Beneficial owner *(Note 13)*	100%

Notes:

1. The letter "L" denotes the Director's long position in the Shares.

2. Beijing Yage is held as to 80% by Guangzhou Modern Information and as to 20% by Guangzhou Modern Books. Mr. Shao is accordingly deemed by the SFO to be interested in the equity interest in Beijing Yage held by Guangzhou Modern Information and Guangzhou Modern Books, both of which are Mr. Shao's controlled corporations.

3. Beijing Yage Zhimei is held as to 100% by Zhuhai Modern Zhimei, the equity interest of which is wholly held by Zhuhai Yinhu, which in turn is held as to 90% by Mr. Shao and as to 10% by Guangzhou Modern Information. Mr. Shao is accordingly deemed by the SFO to be interested in the equity interest in Beijing Yage Zhimei held by Zhuhai Modern Zhimei which is Mr. Shao's indirect controlled corporation.

4. Guangzhou Modern Books is held as to 90% by Mr. Shao and as to 10% by Guangzhou Modern Information. Mr. Shao is accordingly deemed by the SFO to be interested in the 10% equity interest in Guangzhou Modern Books held by Guangzhou Modern Information, which is Mr. Shao's controlled corporation.

5. Guangzhou Yage is held as to 100% by Zhuhai Modern Zhimei, the equity interest of which is wholly held by Zhuhai Yinhu, which in turn is held as to 90% by Mr. Shao and as to 10% by Guangzhou Modern Information. Mr. Shao is accordingly deemed by the SFO to be interested in the equity interest in Guangzhou Yage held by Zhuhai Modern Zhimei which is Mr. Shao's indirect controlled corporation.

6. Shanghai Gezhi is held as to 100% by Zhuhai Modern Zhimei, the equity interest of which is wholly held by Zhuhai Yinhu, which in turn is held as to 90% by Mr. Shao and as to 10% by Guangzhou Modern Information. Mr. Shao is accordingly deemed by the SFO to be interested in the equity interest in Shanghai Gezhi held by Zhuhai Modern Zhimei which is Mr. Shao's indirect controlled corporation.

7. Shanghai Yage is held as to 90% by Guangzhou Modern Information and as to 10% by Guangzhou Modern Books. Mr. Shao is accordingly deemed by the SFO to be interested in the equity interest in Shanghai Yage held by Guangzhou Modern Information and Guangzhou Modern Books, both of which are Mr. Shao's controlled corporations.

8. Shenzhen Yage Zhimei is held as to 100% by Zhuhai Modern Zhimei, the equity interest of which is wholly held by Zhuhai Yinhu, which in turn is held as to 90% by Mr. Shao and as to 10% by Guangzhou Modern Information. Mr. Shao is accordingly deemed by the SFO to be interested in the equity interest in Shenzhen Yage Zhimei held by Zhuhai Modern Zhimei which is Mr. Shao's indirect controlled corporation.

9. Zhuhai Modern Zhimei is held as to 100% by Zhuhai Yinhu, the equity interest of which is held as to 90% by Mr. Shao and as to 10% by Guangzhou Modern Information. Mr. Shao is accordingly deemed by the SFO to be interested in the equity interest in Zhuhai Modern Zhimei held by Zhuhai Yinhu, 90% of which equity interest is beneficially held by Mr. Shao while he is deemed interested in 10% of which as his (indirect) controlled corporation.

10. Zhuhai Yinhu is held as to 90% by Mr. Shao and as to 10% by Guangzhou Modern Information. Mr. Shao is accordingly deemed by the SFO to be interested in the 10% equity interest in Zhuhai Yinhu held by Guangzhou Modern Information which is Mr. Shao's controlled corporation.

11. Guangzhou Modern Video is held as to 90% by Guangzhou Modern Information and as to 10% by Guangzhou Modern Books. Mr. Shao is accordingly deemed by the SFO to be interested in the equity interest in Guangzhou Modern Video held by Guangzhou Modern Information and Guangzhou Modern Books, both of which are Mr. Shao's controlled corporations.

12. Guangzhou Xiandai is held as to 95% by Mr. Shao and as to 5% by Shanghai Senyin. Mr. Shao is accordingly deemed by the SFO to be interested in the 5% equity interest in Guangzhou Xiandai held by Shanghai Senyin which is Mr. Shao's controlled corporation.

13. Shanghai Senyin is held as to 95% by Mr. Shao and 5% by Ms. Zhong Yuanhong, an employee of the Group, on trust for Mr. Shao

SUBSTANTAIAL SHAREHOLDERS AND PERSONS WHO HAVE AN INTEREST OF SHORT POSITIONS DISCLOSEABLE UNDER DIVISIONS 2 AND 3 OF PART XV OF THE SFO

So far as is known to the Directors of the Company, as at 30 June 2012, the following persons (other than the Directors or chief executives of the Company) had interests or short positions in the shares, or underlying shares of the Company which were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be recorded in the register referred to therein, or which had already been notified to the Company and the Stock Exchange:

Name of Shareholder	Capacity	Number of ordinary shares of the Company held	Percentage of issued ordinary shares as at 30 June 2012
Zhou Shao-min (note 1)	Interest of Spouse	270,796,000 (L)	61.85%
FIL Limited	Beneficial owner	27,266,000 (L)	6.23%
Value Partners Group Limited (note 2)	Interest of corporation controlled by the substantial shareholder	25,890,000 (L)	5.91%
Value Partners Limited	Investment manager	25,890,000 (L)	5.91%
Cheah Capital Management Limited (note 2)	Interest of corporation controlled by the substantial shareholder	25,480,000 (L)	5.82%
Cheah Cheng Hye (notes 2, 3)	Founder of a discretionary trust	25,480,000 (L)	5.82%
Cheah Company Limited (note 2)	Interest of corporation controlled by the substantial shareholder	25,480,000 (L)	5.82%
Hang Seng Bank Trustee International Limited	Trustee (other than a bare trustee)	25,480,000 (L)	5.82%
To Hau Yin (note 3)	Interest of a substantial shareholder's child under 18 or spouse	25,480,000 (L)	5.82%
United Achievement Limited (note 4)	Beneficial owner	25,020,000 (L)	5.71%
Warburg Pincus & Co. (note 4)	Interest of corporation controlled by the substantial shareholder	25,020,000 (L)	5.71%
Warburg Pincus Partners LLC (note 4)	Interest of corporation controlled by the substantial shareholder	25,020,000 (L)	5.71%
Warburg Pincus Private Equity X, L.P. (note 4)	Interest of corporation controlled by the substantial shareholder	25,020,000 (L)	5.71%
Warburg Pincus X, L.P. (note 4)	Interest of corporation controlled by the substantial shareholder	25,020,000 (L)	5.71%
Warburg Pincus X, LLC (note 4)	Interest of corporation controlled by the substantial shareholder	25,020,000 (L)	5.71%
Harmony Master Fund	Beneficial owner	22,850,000 (L)	5.22%

SUBSTANTAIAL SHAREHOLDERS AND PERSONS WHO HAVE AN INTEREST OF SHORT POSITIONS DISCLOSEABLE UNDER DIVISIONS 2 AND 3 OF PART XV OF THE SFO (Continued)

*Notes:

1. Madam Zhou Shao-min is the wife of Mr. Shao Zhong and she is deemed interested in the shares held by Mr. Shao Zhong under the SFO.

2. According to the corporate substantial shareholder notice of Value Partners Limited filed on 23 May 2011, Cheah Cheng Hye, Value Partners Group Limited, Cheah Capital Management Limited and Cheah Company Limited are its director, immediate holding company, intermediate holding company and intermediate holding company respectively.

3. The relationship between To Hau Yin and Cheah Cheng Hye is parent and child under 18 year of age.

4. According to the corporate substantial shareholder notice of Warburg Pincus & Co. dated 23 May 2011, United Achievement Limited is 96.9% controlled by Warburg Pincus Private Equity X, L.P., which is ultimately wholly controlled by Warburg Pincus & Co. through Warburg Pincus Partners LLC, Warburg Pincus X, LLC and Warburg Pincus X, L.P., all being directly or indirectly wholly controlled by Warburg Pincus & Co.. For the purpose of the SFO, each of Warburg Pincus & Co., Warburg Pincus Partners LLC, Warburg Pincus X, LLC, Warburg Pincus X, L.P. and Warburg Pincus Private Equity X, L.P. is deemed to be interested in the shares beneficially owned by United Achievement Limited.

5. Based on 437,850,000 shares of the Company in issue as at 30 June 2012.

SHARE AWARD SCHEME

Details of the Share Award Scheme adopted by the Company and the Awards made up to 30 June 2012 are set out in note 14(b) to the interim financial report.

SHARE OPTIONS

A share option scheme ("Scheme") was adopted by a resolution in writing passed by the then sole shareholder of the Company on 24 August 2009. Under the Scheme, the Directors may grant options to subscribe for shares of the Company to eligible participants, including without limitation employees of the Group, the Directors of the Company and its subsidiaries.

No share option was granted, exercised, cancelled or has lapsed under the Scheme during the Interim Period. No share option was outstanding under the Scheme as at 30 June 2012.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the Interim Period.

CORPORATE GOVERNANCE

During the three-month period from 1 January 2012 to 31 March 2012, all the code provisions in the Corporate Governance Code (which is set out in the then prevailing version of Appendix 14 to the Listing Rules) were met by the Company.

During the three-month period from 1 April 2012 to 30 June 2012, all the code provisions in the Corporate Governance Code (which is set out in the current version of Appendix 14 to the Listing Rules were met by the Company, except that code provision A6.7 providing for Independent Non-executive Directors ("INEDs") of the Company to, inter alia, attend general meetings. A few INEDs were not in attendance of the last Annual General Meeting of the Company held in May 2012 due to the other engagement at the relevant time.

INTERNAL CONTROLS

The Group has established internal controls in all material aspects of its business including financial, operational, compliance and risk management functions. These internal controls are intended to safeguard the Shareholders' investments and the Group's assets. Details of the Group's internal control and risk management processes are set out in the Corporate Governance Report on page 40 of the Company's 2011 annual financial statements. In respect of the year ended 31 December 2011, the board ("Board") of directors ("Directors") of the Company considered the internal control system of the Group was effective and adequate. During the Interim Period, no significant areas of concern that might affect Shareholders were identified.

SHAREHOLDER RELATIONS

The Group keeps Shareholders informed of its performance, operations and significant business developments by adopting a transparent and timely corporate disclosure policy which complies with the Listing Rules and provides all Shareholders equal access to such information. We report on financial and operating performance to Shareholders twice each year through annual and interim reports. We give Shareholders the opportunity to raise concerns or propose recommendations to the Board at the Company's annual general meetings. Shareholders may visit the Group's website: www.modernmedia.com.cn for up-to-date financial and other information about the Group and its activities.

AUDIT COMMITTEE

As at the date of this announcement, the Audit Committee comprises four independent non-executive Directors. The Chairman of the Audit Committee possesses appropriate professional qualification and experience in financial matters.

The Audit Committee of the Company has reviewed the unaudited interim financial report for the six months ended 30 June 2012 with no disagreement.

REMUNERATION COMMITTEE

The Remuneration Committee currently comprises one executive Director and three independent non-executive Directors. They are responsible for making recommendations to the Board on setting policy on the remuneration of the Directors and determine on behalf of the Board specific remuneration packages and conditions of employment for the Directors.

NOMINATION COMMITTEE

The Nomination Committee currently comprises four independent non-executive Directors. They are responsible for reviewing the structure, size and composition of the Board at least annually, making recommendation on any proposed changes to the Board and the appointment or re-appointment of Directors.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conducts regarding director's securities transaction. In response to a specific enquiry by the Company, all the Directors confirmed that they had compiled with the required standard of dealings as set out in the Model Code throughout the Interim Period.

Review Report to the Board of Directors of Modern Media Holdings Limited

INTRODUCTION

We have reviewed the interim financial report set out on pages 22 to 50 which comprises the consolidated statement of financial position of Modern Media Holdings Limited (the "Company") and its subsidiaries (together, the "Group") as of 30 June 2012 and the related consolidated statement of comprehensive income, the consolidated statement of changes in equity and the condensed consolidated statement of cash flows 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 report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, *Interim financial reporting*, issued by the International Accounting Standards Board. The Directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report 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 report 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 report as at 30 June 2012 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim financial reporting*.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

22 August 2012

Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2012 - unaudited
(Expressed in Renminbi)

Six months ended 30 June 2012 HK$'000 (Unaudited)		Note	Six months ended 30 June 2012 RMB'000 (Unaudited)	Six months ended 30 June 2011 RMB'000 (Unaudited)
361,534	**Turnover**	3, 4	**294,721**	235,485
(161,488)	Cost of sales		**(131,644)**	(108,095)
200,046	**Gross profit**		**163,077**	127,390
1,411	Other revenue		**1,150**	1,911
76	Other net income/(loss)		**62**	(269)
(86,215)	Selling and distribution expenses		**(70,282)**	(50,805)
(87,101)	Administrative and other operating expenses		**(71,004)**	(55,628)
28,217	**Profit from operations**		**23,003**	22,599
(2,101)	Finance costs	5(a)	**(1,713)**	(732)
445	Share of profit/(loss) of associates		**363**	(535)
254	Share of profit/(loss) of a jointly controlled entity		**207**	(759)
26,815	**Profit before taxation**	5	**21,860**	20,573
(8,756)	Income tax	6	**(7,138)**	(6,918)
18,059	**Profit for the period**		**14,722**	13,655
	Other comprehensive income for the period			
363	Exchange differences on translation of financial statements of overseas subsidiaries		**296**	(471)
18,422	**Total comprehensive income for the period**		**15,018**	13,184
18,059	**Profit attributable to equity shareholders**		**14,722**	13,655
18,422	**Total comprehensive income attributable to equity shareholders**		**15,018**	13,184
	Earnings per share (RMB)	7		
HK$0.042	Basic and diluted		**0.034**	0.033

The notes on pages 28 to 50 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company attributable to the profit for the period are set out in note 14(c).

Consolidated Statement of Financial Position

At 30 June 2012 - unaudited
(Expressed in Renminbi)

At 30 June 2012 HK$'000 (Unaudited)		Note	At 30 June 2012 RMB'000 (Unaudited)	At 31 December 2011 RMB'000 (Audited)
	Non-current assets			
137,416	Fixed assets	8	**112,021**	108,230
18,340	Intangible assets	9	**14,951**	5,348
34,596	Goodwill	10	**28,203**	12,961
9,636	Interests in associates	11	**7,855**	4,008
2,239	Interest in a jointly controlled entity		**1,825**	1,618
2,453	Investments		**2,000**	2,000
4,404	Deferred tax assets		**3,590**	5,254
209,084			**170,445**	139,419
	Current assets			
245,913	Trade receivables	12	**200,467**	196,684
94,424	Other receivables, deposits and prepayments		**76,974**	73,602
488	Amount due from a jointly controlled entity		**398**	—
90,690	Deposits and cash		**73,930**	142,487
431,515			**351,769**	412,773
	Current liabilities			
27,281	Trade payables	13	**22,239**	23,915
80,054	Other payables and accruals		**65,260**	78,656
—	Amount due to a jointly controlled entity		**—**	2,062
43,919	Bank loans		**35,803**	35,695
22,056	Taxation payable		**17,980**	33,671
173,310			**141,282**	173,999
258,205	**Net current assets**		**210,487**	238,774

Consolidated Statement of Financial Position (continued)

At 30 June 2012 - unaudited
(Expressed in Renminbi)

At 30 June 2012 HK$'000 (Unaudited)		Note	At 30 June 2012 RMB'000 (Unaudited)	At 31 December 2011 RMB'000 (Audited)
467,289	Total assets less current liabilities		380,932	378,193
	Non-current liabilities			
(15,044)	Bank loans		(12,264)	(13,106)
(755)	Deferred tax liabilities		(615)	(612)
451,490	NET ASSETS		368,053	364,475
	CAPITAL AND RESERVES	14		
4,720	Share capital		3,848	3,848
446,770	Reserves		364,205	360,627
451,490	TOTAL EQUITY		368,053	364,475

The notes on pages 28 to 50 form part of this interim financial report.

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2012 - Unaudited
(Expressed in Renminbi)

	Share capital RMB'000	Shares held for Share Award Scheme RMB'000	Share premium RMB'000	Other reserve RMB'000	Statutory surplus and general reserves RMB'000	Exchange reserve RMB'000	Retained profits RMB'000	Total equity RMB'000
At 1 January 2011	3,675	(4,670)	102,148	4,259	27,308	(2,049)	136,012	266,683
Changes in equity for the six months ended 30 June 2011:								
Profit for the period	—	—	—	—	—	—	13,655	13,655
Other comprehensive income	—	—	—	—	—	(471)	—	(471)
Total comprehensive income for the period	—	—	—	—	—	(471)	13,655	13,184
Placing of shares (note 14(a))	173	—	42,209	—	—	—	—	42,382
Shares purchased for Share Award Scheme (note 14(b))	—	(2,507)	—	—	—	—	—	(2,507)
At 30 June 2011 and 1 July 2011	3,848	(7,177)	144,357	4,259	27,308	(2,520)	149,667	319,742
Changes in equity for the six months ended 31 December 2011:								
Profit for the period	—	—	—	—	—	—	46,623	46,623
Other comprehensive income	—	—	—	—	—	(1,890)	—	(1,890)
Total comprehensive income for the period	—	—	—	—	—	(1,890)	46,623	44,733
Transfer to reserves	—	—	—	—	6,137	—	(6,137)	—
At 31 December 2011	3,848	(7,177)	144,357	4,259	33,445	(4,410)	190,153	364,475

Consolidated Statement of Changes in Equity (continued)

For the six months ended 30 June 2012 - Unaudited
(Expressed in Renminbi)

	Share capital *RMB'000*	Shares held for Share Award Scheme *RMB'000*	Share premium *RMB'000*	Other reserve *RMB'000*	Statutory surplus and general reserves *RMB'000*	Exchange reserve *RMB'000*	Retained profits *RMB'000*	Total equity *RMB'000*
At 1 January 2012	3,848	(7,177)	144,357	4,259	33,445	(4,410)	190,153	364,475
Changes in equity for the six months ended 30 June 2012:								
Profit for the period	—	—	—	—	—	—	14,722	14,722
Other comprehensive income	—	—	—	—	—	296	—	296
Total comprehensive income for the period	—	—	—	—	—	296	14,722	15,018
Dividends approved in respect of the previous year (note 14(c))	—	149	—	—	—	—	(12,493)	(12,344)
Shares awarded and vested under Share Award Scheme (note 14(b))	—	904	—	—	—	—	—	904
At 30 June 2012	3,848	(6,124)	144,357	4,259	33,445	(4,114)	192,382	368,053

The notes on pages 28 to 50 form part of this interim financial report.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2012 - Unaudited
(Expressed in Renminbi)

Six months ended 30 June 2012 *HK$'000* (Unaudited)		Six months ended 30 June 2012 *RMB'000* (Unaudited)	2011 *RMB'000* (Unaudited)
1,472	Cash generated from operations	1,200	7,831
(25,784)	Tax paid	(21,019)	(20,459)
(24,312)	Net cash used in operating activities	(19,819)	(12,628)
(41,746)	Net cash used in investing activities	(34,031)	(32,798)
(18,199)	Net cash (used in)/generated from financing activities	(14,836)	40,790
(84,257)	Net decrease in cash and cash equivalents	(68,686)	(4,636)
174,789	Cash and cash equivalents at 1 January	142,487	80,613
158	Effect of foreign exchange rate changes	129	(369)
90,690	Cash and cash equivalents at 30 June	73,930	75,608

The notes on pages 28 to 50 form part of this interim financial report.

1 CORPORATE INFORMATION AND BASIS OF PREPARATION

(a) Corporate information

The Company was incorporated in the Cayman Islands on 8 March 2007 and registered as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Its principal places of business in the People's Republic of China (the "PRC") and Hong Kong are at Units A, B & C, 10/F, Exhibition Centre, No. 1 Software Park Road, Zhuhai City, Guangdong Province, the PRC and Suite 1101-03, 11/F., 1063 King's Road, Quarry Bay, Hong Kong respectively; and its registered office is at Scotia Centre, 4th Floor, P.O. Box 2804, George Town, Grand Cayman KY1-1112, Cayman Islands.

(b) Basis of preparation

The interim financial report is presented in Renminbi ("RMB"), rounded to the nearest thousand. The measurement basis used in the preparation of the interim financial report is the historical cost basis.

The amounts in this interm financial report are presented in RMB. The translation into Hong Kong dollar ("HK$") of this interim report as of, and for the six months ended 30 June 2012 is for convenience only and has bee made at the rate of HK$1.2267 to RMB1. This translation should not be construed as a representation that the RMB amounts actually represented have been, or could be, converted into HK$ at this or any other rate.

This interim financial report has 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 "Listing Rules"), including compliance with International Accounting Standard 34, *Interim financial reporting* ("IAS 34"), issued by the International Accounting Standards Board (the "IASB"). It was authorised for issue by the Board of Directors on 22 August 2012.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2011 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2012 annual financial statements. Details of these changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with IAS 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.

1 CORPORATE INFORMATION AND BASIS OF PREPARATION (Continued)

(b) Basis of preparation (Continued)

This interim financial report contains condensed consolidated interim 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 2011 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 International Financial Reporting Standards ("IFRSs").

The interim financial report is unaudited, but has 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 Hong Kong Institute of Certified Public Accountants. KPMG's independent review report to the Board of Directors is included on page 21.

The financial information relating to the financial year ended 31 December 2011 that is included in the interim financial report 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 31 December 2011 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 29 February 2012.

2 CHANGES IN ACCOUNTING POLICIES

The IASB has issued a few amendments to IFRS that are first effective for the current accounting period of the Group and the Company. These include the amendments to IFRS 7, "Financial instruments: Disclosures – Transfers of financial assets".

The amendments to IFRS 7 concerning transfers of financial assets require certain disclosures to be included in the annual financial statements in respect of all transferred financial assets that are not derecognised and for any continuing involvement in a transferred asset existing at the reporting date, irrespective of when the related transfer transaction occurred.

None of the other developments are relevant to the Group's financial statements and the Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 SEGMENT REPORTING

The Group has four reportable segments as described below, which are the Group's strategic business units. For each of the business units, the Group's senior executive management reviews internal management reports on a monthly basis. Segment information below is presented in a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment. The following describes the operations in each of the Group's reportable segments:

— Print media advertising: this segment engages in the sale of advertising space in the Group's magazines to advertising customers in the PRC and Hong Kong.

— Circulation: this segment engages in the publication of and the distribution of the Group's magazines in the PRC and Hong Kong.

— Digital media: this segment is a digital media platform in which the Group publishes multiple digital media products and sells advertising spaces.

— Television: this segment engages in the sales of air-time television advertisements, sales of product placement advertisements within the television programs, and syndication income from distributing programs to various television channels.

Other operations include the Group's provision of management and consultancy services, and exhibition and event arrangement services to the Group's customers.

(a) Segment results and assets

For the purpose of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results and assets attributable to each reportable segment on the following bases:

Segment assets include fixed assets, goodwill, intangible assets and trade receivables arising from each of the reportable segments as the Group's senior executive management considers that the utilisation of fixed assets, goodwill and intangible assets and the recoverability of trade receivables have significant impact to the Group's actual performance, liquidity and credit risk. No segment liabilities analysis is presented as the Group monitors and manages its liabilities on a group basis.

Revenue and expenses are allocated to the reportable segments with reference to the income generated by those segments and the expenses incurred by those segments. Segment results do not include the Group's share of results arising from the activities of the Group's associates and jointly controlled entity as these investments do not form a significant part of the Group's operation.

3 SEGMENT REPORTING (Continued)

(a) Segment results and assets (Continued)

The measure used for reporting segment profit or loss is profit or loss before tax, as included in the internal management reports that are reviewed by the Group's senior executive management. Segment profit or loss is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to the budget of the respective segments, and other entities that operate within these industries.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the six months ended 30 June 2012 and 2011 is set out below:

	Six months ended 30 June 2012 (unaudited)				
	Print media advertising	Digital media	Television	Circulation	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Reportable segment revenue derived from the Group's external customers	273,453	14,929	1,716	10,224	300,322
Reportable segment profit/(loss)	81,243	4,359	(7,589)	(48,461)	29,552
Interest income	—	—	—	—	—
Interest expense	—	—	—	—	—
Depreciation for the period	(7,962)	(682)	(1,161)	(29)	(9,834)
Amortisation for the period	(254)	(1,916)	—	—	(2,170)
Reportable segment assets as at 30 June 2012	273,612	58,132	9,739	12,195	353,678

3 SEGMENT REPORTING (Continued)

(a) Segment results and assets (Continued)

	Six months ended 30 June 2011 (unaudited)				
	Print media advertising	Digital media	Television	Circulation	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Reportable segment revenue derived from the Group's external customers	235,807	4,570	994	10,281	251,652
Reportable segment profit/(loss)	72,343	1,737	(3,905)	(46,590)	23,585
Interest income	97	—	—	1	98
Interest expense	(661)	—	—	—	(661)
Depreciation for the period	(6,056)	(33)	(281)	(17)	(6,387)
Amortisation for the period	(255)	(600)	—	—	(855)
Reportable segment assets as at 31 December 2011	269,358	24,350	10,249	12,266	316,223

(b) Reconciliations of reportable segment revenues, profit or loss and assets

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue		
Reportable segment revenue derived from the Group's external customers	**300,322**	251,652
Other income	**5,330**	6,345
Less: Sales taxes and other surcharges	**(10,931)**	(22,512)
Consolidated turnover	**294,721**	235,485

3 SEGMENT REPORTING (Continued)

(b) Reconciliations of reportable segment revenues, profit or loss and assets (Continued)

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit		
Reportable segment profit derived from the Group's external customers	**29,552**	23,585
Other income	**5,330**	6,345
Share of profit/(loss) of associates	**363**	(535)
Share of profit/(loss) of a jointly controlled entity	**207**	(759)
Unallocated head office and corporate expenses (note)	**(13,592)**	(8,063)
Consolidated profit before taxation	**21,860**	20,573

Note: Depreciation of RMB289,000 and RMB347,000 is included in unallocated head office and corporate expenses for the six months ended 30 June 2012 and 2011 respectively.

Interest income of RMB742,000 and RMB2,000 is included in unallocated head office and corporate expenses for the six months ended 30 June 2012 and 2011 respectively.

Interest expenses of RMB1,713,000 and RMB71,000 is included in unallocated head office and corporate expenses for the six months ended 30 June 2012 and 2011 respectively.

3 SEGMENT REPORTING (Continued)

(b) Reconciliations of reportable segment revenues, profit or loss and assets (Continued)

	30 June 2012 RMB'000 (Unaudited)	31 December 2011 RMB'000 (Audited)
Assets		
Reportable segment assets	**353,678**	316,223
Corporate and unallocated assets	**1,964**	7,000
Interests in associates	**7,855**	4,008
Interest in a jointly controlled entity	**1,825**	1,618
Investments	**2,000**	2,000
Deferred tax assets	**3,590**	5,254
Other receivables, deposits and prepayments	**76,974**	73,602
Amount due from a jointly controlled entity	**398**	—
Deposits and cash	**73,930**	142,487
Consolidated total assets	**522,214**	552,192

4 TURNOVER

The Group is principally engaged in the provision of multimedia advertising services, printing and distribution of magazines and provision of advertising-related services.

Turnover represents the invoiced sales net of sales discounts, sales returns and sales tax.

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Advertising income	**284,787**	240,377
Circulation income	**10,224**	10,281
TV production, sponsorship, event and service income	**10,641**	7,339
	305,652	257,997
Less: Sales taxes and other surcharges	**(10,931)**	(22,512)
	294,721	235,485

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
(a) Finance costs		
Interest charged on		
– Bank loans repayable within 5 years	**1,163**	156
– Bank loans repayable after 5 years	**550**	576
	1,713	732
(b) Other items		
Depreciation of fixed assets	**10,123**	6,734
Amortisation of intangible assets	**2,170**	855
Operating lease charges in respect of properties	**11,595**	8,436
Impairment losses on trade receivables, net	**167**	198
Interest income from bank deposits	**(742)**	(100)
Net foreign exchange (gain)/loss	**(73)**	268

6 INCOME TAX

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax - PRC Corporate Income Tax		
Provision for the period	**5,834**	6,586
(Over)/under-provision in respect of prior years	**(374)**	332
	5,460	6,918
Deferred tax		
Origination of temporary differences	**1,678**	—
Actual tax expense	**7,138**	6,918

Notes:

(i) Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.

(ii) No provision has been made for Hong Kong Profits Tax as the tax losses brought forward from previous years exceed the estimated assessable profits for the period.

(iii) Taxation for subsidiaries operating in the PRC is calculated at the prevailing tax rates based on existing legislation, interpretations and practices in respect thereof.

(iv) No tax attributable to associates and jointly controlled entity for the six months ended 30 June 2012 and 2011 are included in the shares of results of associates and jointly controlled entity respectively.

7 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company, and the weighted average number of ordinary shares in issue (after adjusting for shares held for share award scheme and share placement) of 432,244,000 shares (2011: 417,112,000 shares) calculated as follows:

	Six months ended 30 June	
	2012	2011
	'000	*'000*
	(Unaudited)	(Unaudited)
Issued ordinary shares as at 1 January	**437,850**	417,000
Effect of shares held for share award scheme	**(5,606)**	(4,841)
Effect of share placement	—	4,953
Weighted average number of ordinary shares at 30 June	**432,244**	417,112

There were no dilutive potential ordinary shares during the six months ended 30 June 2012 and 30 June 2011.

8 FIXED ASSETS

During the six months ended 30 June 2012, the Group acquired items of fixed assets in aggregate amounts of RMB13,395,000, which primarily consisted of leasehold improvement, furniture and fixtures and office equipment amounting to RMB2,030,000, RMB6,501,000 and RMB4,779,000 respectively.

9 INTANGIBLE ASSETS

(Unaudited)	Publishing rights *RMB'000*	Customer relationship *RMB'000*	Domain and IT platform *RMB'000*	Others *RMB'000*	Total *RMB'000*
Cost:					
At 1 January 2012	3,000	3,652	—	1,374	8,026
Exchange differences	—	—	—	5	5
Arising from business combination (note 18)					
– Mobilezine Acquisition	—	3,140	—	—	3,140
– Website Acquisition	—	3,590	4,239	800	8,629
At 30 June 2012	3,000	10,382	4,239	2,179	19,800
Accumulated amortisation:					
At 1 January 2012	1,275	1,252	—	151	2,678
Exchange differences	—	—	—	1	1
Charge for the period	225	1,256	326	363	2,170
At 30 June 2012	1,500	2,508	326	515	4,849
Net book value:					
At 30 June 2012	1,500	7,874	3,913	1,664	14,951
At 31 December 2011 (audited)	1,725	2,400	—	1,223	5,348

10 GOODWILL

	2012	2011
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
At 1 January	**12,961**	12,961
Arising from business combination (note 18)		
– Mobilezine Acquisition	**2,399**	—
– Website Acquisition	**12,843**	—
At 30 June/31 December	**28,203**	12,961

Goodwill is allocated to the Group's cash-generating units (CGU) identified according to country of operation and operating segment as follows:

	30 June 2012	31 December 2011
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Digital media – the PRC	**28,203**	12,961

11 INTERESTS IN ASSOCIATES

In March 2012, the Group completed the acquisition of 20% equity interests in Rakuraku Technologies Inc. ("Rakuraku") from an independent third party for a consideration of JPY45,000,000 (equivalent to RMB3,484,000).

12 TRADE RECEIVABLES

An ageing analysis of trade receivables by transaction date as of the end of the reporting period is as follows:

	30 June 2012 RMB'000 (Unaudited)	31 December 2011 RMB'000 (Audited)
Within 30 days	**60,456**	72,320
31 days to 90 days	**85,854**	75,264
91 days to 180 days	**42,409**	37,515
More than 180 days	**13,769**	13,439
	202,488	198,538
Less: Allowance for doubtful debts	**(2,021)**	(1,854)
	200,467	196,684

The Group normally allows a credit period ranging from 30 to 180 days to its advertising and circulation customers (with a certain limited number of customers granted a credit period of 270 days). Normally, the Group does not hold any collateral from its customers. All of the trade receivables are expected to be recovered within one year.

13 TRADE PAYABLES

An ageing analysis of trade payables of the Group is as follows:

	30 June 2012 RMB'000 (Unaudited)	31 December 2011 RMB'000 (Audited)
Within 30 days	**15,644**	13,557
31 days to 90 days	**5,619**	10,358
91 days to 180 days	**828**	—
More than 180 days	**148**	—
	22,239	23,915

All of the trade payables are expected to be settled within one year.

14 CAPITAL, RESERVES AND DIVIDENDS

(a) The movements in the authorised and issued share capital of the Company during the year/period are set out as follows:

The Company

	Note	No. of shares	Ordinary shares of HK$0.01 each	
			HK$'000	*RMB'000*
Authorised:				
At 1 January 2011, 31 December 2011 (audited), 1 January 2012 and 30 June 2012 (unaudited)		8,000,000,000	80,000	70,485
Issued and fully paid:				
At 1 January 2011		417,000,000	4,170	3,675
Placing of shares	(i)	20,850,000	208	173
At 31 December 2011 (audited) and 30 June 2012 (unaudited)		437,850,000	4,378	3,848

Note:

(i) Placing of shares

On 19 May 2011, the Company issued and allotted 20,850,000 shares at a price of HK$2.50 per share to Mr. Shao Zhong for gross proceeds of HK$52,125,000 (equivalent to RMB43,295,000). The difference of HK$50,818,000 (equivalent to RMB42,209,000) between the net proceeds of HK$51,026,000 (equivalent to RMB42,382,000) and the par value of the share issued of HK$208,000 (equivalent to RMB173,000) has been credited to share premium account of the Company. The shares were issued for the purpose of share placement (the "2011 Placing") in May 2011.

The details of the 2011 Placing and subscription of shares were set out in the Company's announcement dated 6 May 2011.

14 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(b) Equity settled share-based transactions

(i) Details of the Awarded Shares awarded and vested during the six months ended 30 June 2012 are as follows:

Vesting date	Date of award	Number of Awarded Shares vested	Average fair value per share		Cost of related Awarded Shares	
			HK$	*RMB*	*HK$'000*	*RMB'000*
4 June 2012	14 May 2012	430,000	2.58	2.10	1,109	904

(ii) Movement in the number of shares held under the Award Scheme is as follows:

	2012 (unaudited)		2011 (audited)	
	Number of shares held	**Value**	Number of shares held	Value
		RMB'000		*RMB'000*
At 1 January	**5,670,000**	**7,177**	4,070,000	4,670
Purchased during the period	**—**	**—**	1,600,000	2,507
Dividend reinvested to the scheme	**—**	**(149)**	—	—
Shares vested during the period	**(430,000)**	**(904)**	—	—
At 30 June/31 December	**5,240,000**	**6,124**	5,670,000	7,177

During the six months ended 30 June 2012, no share of the Company (2011: 1,600,000 shares) was purchased by the controlled special purpose entity.

During the six months ended 30 June 2012, 430,000 shares (30 June 2011: Nil) were awarded and vested to selected employees, under the Award Scheme, as approved by the Board of Directors of the Company.

As at 30 June 2012, there was no outstanding unvested awarded share (30 June 2011: Nil).

14 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(c) Dividends

Dividends attributable to the previous financial year, approved and paid during the period.

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Final dividend in respect of the previous financial year of HK3.5 cents (equivalent to RMB2.85 cents) per share (2011: Nil)	**12,493**	—

15 COMMITMENTS

(a) Capital commitments

Capital commitments outstanding at 30 June 2012 but not provided for in the interim financial report were as follows:

	30 June 2012	31 December 2011
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Authorised but not contracted for	—	3,715
Contracted for	—	16,541

15 COMMITMENTS (Continued)

(b) Operating lease commitments

At 30 June 2012, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	30 June 2012 *RMB'000* **(Unaudited)**	31 December 2011 *RMB'000* (Audited)
Leases expiring:		
– Within 1 year	**20,957**	23,132
– After 1 year but within 5 years	**9,721**	18,505
	30,678	41,637

(c) Other commitments

At 30 June 2012, the total future minimum payments under non-cancellable licensing agreements for international cooperation titles are as follows:

	30 June 2012 *RMB'000* **(Unaudited)**	31 December 2011 *RMB'000* (Audited)
Licenses expiring:		
– Within 1 year	**7,357**	6,786
– After 1 year but within 5 years	**29,536**	30,679
– After 5 years	**23,173**	26,250
	60,066	63,715

16 CONTINGENT LIABILITIES

At 30 June 2012 and 31 December 2011, there were contingent liabilities in respect of guarantees given by the Company on behalf of subsidiaries relating to bank loans and credit facilities up to RMB13,914,000 (2011: RMB14,694,000). The Company had not recognised any deferred income for the guarantees given in respect of borrowings and other banking facilities for subsidiaries as their fair value cannot be reliably measured and their transaction price was RMB Nil (2011: RMB Nil).

At 30 June 2012 and 31 December 2011, the Directors do not consider it is probable that a claim will be made against the Company under of the guarantees.

At 30 June 2012 and 31 December 2011, the Group had no other material contingent liabilities.

17 MATERIAL RELATED PARTY TRANSACTIONS

(a) The Group entered into the following related party transactions during the six months ended 30 June 2012 and 30 June 2011

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Recurring		
Agency and commission income (note (i))	**187**	278
Licensing fee expenses (note (ii))	**(368)**	—
Non-recurring		
Development cost paid to an associate (note (iii))	**(1,637)**	—

Notes:

(i) This represented agency and commission income receivable from a jointly controlled entity, Hangzhou Shili Cultural Media Co., Ltd. (杭州實力文化傳播有限公司) ("Hangzhou Shili") for the provision of services as advertising agents. It is charged at a pre-determined rate mutually agreed, which is based on the market rates of the related services provided.

(ii) This represented the licensing fee expense payable to Hangzhou Shili for the rights to use the publishing license held by Hangzhou Shili. It is charged at a pre-determined rate mutually agreed, which is based on the market rates of the related licensing services provided.

(iii) This represented development cost paid to an associate, Rakuraku, for the development of applications for the Group. It is charged at a pre-determined rate mutually agreed, which is based on the market rates of the related services provided.

The Directors of the Company are of the opinion that the above related party transactions were conducted on normal commercial terms and in the ordinary course of business.

17 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(b) Other than disclosed elsewhere in the interim financial report, the Group's had the following balance with related parties and included in other payables and accruals as at 30 June 2012:

	30 June 2012 RMB'000 (Unaudited)	31 December 2011 RMB'000 (Audited)
Amount due to a director in respect of the Website Acquisition (note 18(a))	4,500	—

(c) Key management personnel remuneration

	Six months ended 30 June 2012 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)
Basic salaries, allowances and benefits in kind	6,584	6,441
Discretionary bonuses	1,059	—
Share-based payment under Share Award Scheme	714	—
Retirement scheme contributions	157	149
	8,514	6,590

18 BUSINESS COMBINATIONS

(a) In September 2011, the Group entered into agreements to acquire 100% equity interests in Shanghai Senyin Information Technology Co., Ltd ("Shanghai Senyin") and 100% equity interests in Guangzhou Xiandai Yidong Shuma Chuanbo Company Limited ("Guangzhou Xiandai") (together referred to as the "Website Acquisition") for a consideration of RMB18,000,000. The Website Acquisition was completed in February 2012.

The Website Acquisition is a related party transaction and also constitutes a connected party transaction as defined under the Listing Rules, details of which are set out in the announcement of the Company dated 20 September 2011.

The principal activity of Shanghai Senyin is the operation of a website. Guangzhou Xiandai is dormant but owns a digital publishing license. On completion of the Mobilezine Acquisition (note 18(b)) in March 2012, Guangzhou Xiandai took up the operation of Mobilezine.

18 BUSINESS COMBINATIONS (Continued)

(a) (continued)

The Website Acquisition represents an opportunity for the Group to expand its digital media business segment. The fair values of the identifiable assets and liabilities of the website business as at the date of acquisition and the corresponding carrying amounts immediately before the Website Acquisition were as follows:

	Carrying amount *RMB'000*	Fair value recognised on acquisition *RMB'000*
Non-current assets	538	538
Intangible assets (note 9)	—	8,629
Trade and other receivables	1,502	1,502
Taxation recoverable	132	132
Cash and cash equivalents	90	90
Trade and other payables	(5,734)	(5,734)
Net assets		5,157
Goodwill (note 10)		12,843
		18,000
Satisfied by:		
Purchase consideration:		
– Cash paid		13,500
– Consideration payable and amount due to a director		4,500
		18,000

An analysis of the net outflow of cash and cash equivalents in respect of the Website Acquisition is as follows:

Cash consideration paid	(13,500)
Cash and cash equivalents acquired	90
Net cash outflow in respect of the Website Acquisition	(13,410)

Since the date of the acquisition to 30 June 2012, the website business contributed turnover and loss after tax of RMB2,919,000 and RMB1,313,000 respectively. Had the above acquisition taken place at the beginning of the year, there would have been no significant impact on the Group's revenue and profit for the six months ended 30 June 2012.

18 BUSINESS COMBINATIONS (Continued)

(b) In March 2012, the Group entered into an agreement with an independent third party to acquire the business operation of "Mobilezine" and its related assets (the "Mobilezine Business") (referred to as the "Mobilezine Acquisition") for a consideration of RMB5,000,000.

The principal activity of the Mobilezine Business is the publication of news and lifestyle information on a mobile network in the PRC.

The Mobilezine Acquisition represents an opportunity to expand the Group's multimedia platform. The fair values of the identifiable assets and liabilities of the Mobilezine Business as at the date of acquisition and the corresponding carrying amounts immediately before the Mobilezine Acquisition were as follows:

	Carrying amount	Fair value recognised on acquisition
	RMB'000	*RMB'000*
Fixed assets	24	—
Intangible assets (note 9)	—	3,140
Receivables	20	20
Payables	(559)	(559)
Net assets		2,601
Goodwill (note 10)		2,399
		5,000
Satisfied by:		
Purchase consideration:		
– Consideration payable		5,000

Since the date of the acquisition to 30 June 2012, the Mobilezine Business contributed turnover and profit after tax of RMB771,000 and RMB2,000 respectively. Had the above acquisition taken place at the beginning of the year, there would have been no significant impact on the Group's revenue and profit for the six months ended 30 June 2012.

(c) **Acquisition-related costs**

The Group incurred acquisition-related costs of RMB450,000 relating to external legal fees and other professional fees. The legal and professional fees have been included in "administrative and other operating expenses" of the Group's consolidated statement of comprehensive income.

(Expressed in Renminbi)

19 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDING 31 DECEMBER 2012

Up to the date of the interim financial report, the IASB has issued a number of amendments, new standards and interpretations which are not yet effective for the year ending 31 December 2012 and which have not been adopted in the interim financial report.

	Effective for accounting periods beginning on or after
Amendments to IAS 1, *Presentation of financial statements* *-Presentation of items of other comprehensive income*	1 July 2012
IFRS 9, *Financial instruments*	1 January 2015
IFRS 10, *Consolidated financial statements*	1 January 2013
IFRS 11, *Joint arrangements*	1 January 2013
IFRS 12, *Disclosure of interests in other entities*	1 January 2013
IFRS 13, *Fair value measurement*	1 January 2013
IAS 27, *Separate financial statements (2011)*	1 January 2013
IAS 28, *Investments in associates and joint ventures*	1 January 2013
Revised IAS 19, *Employee benefits*	1 January 2013

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