XINHUA NEWS MEDIA HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 309

INTERIM REPORT 2012 / 2013

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors
Ju Mengjun *(Co-chairman)*
Lo Kou Hong *(Co-chairman)*
Xu Zugen
Mao Hongcheng *(General Manager)*
Chang Loong Cheong
Meng Jin
Shi Guoxiong
Zhou Guanghe

Non-executive Director
Xu Rong

Independent Non-executive Directors
Xu Zhijuan
Tang Binfeng
Wang Qi

AUDIT COMMITTEE
Xu Zhijuan *(Chairman)*
Tang Binfeng
Xu Rong

REMUNERATION COMMITTEE
Xu Zhijuan *(Chairman)*
Tang Binfeng
Xu Rong

NOMINATION COMMITTEE
Ju Mengjun *(Chairman)*
Xu Zhijuan
Tang Binfeng

STRATEGY AND DEVELOPMENT COMMITTEE
Chang Loong Cheong *(Chairman)*
Xu Zugen
Zhou Guanghe
Xu Zhijuan
Tang Binfeng

EXECUTIVE COMMITTEE
Ju Mengjun *(Chairman)*
Mao Hongcheng
Chang Loong Cheong
Meng jin
Xu Rong
Xu Zhijuan

CORPORATE GOVERNANCE COMMITTEE
Mao Hongcheng *(Chairman)*
Chang Loong Cheong
Meng Jin
Shi Guoxiong
Xu Zhijuan

COMPANY SECRETARY
Kwong Yin Ping, Yvonne

AUDITORS
Ernst & Young

SOLICITORS
King & Wood Mallesons

REGISTERED OFFICE
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Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG
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Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS
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 Tengis Limited
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Wan Chai
Hong Kong

PRINCIPAL BANKERS
The Hongkong and Shanghai Banking Corporation Limited
Dah Sing Bank, Limited

STOCK CODE
309

COMPANY'S WEBSITE
www.XHNmedia.com

RESULTS

The board of directors (the "Board") of Xinhua News Media Holdings Limited (the "Company") announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 September 2012. These condensed consolidated interim financial statements have not been audited, but have been reviewed by the Company's audit committee.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		For the six months ended 30 September	
		2012	2011
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
CONTINUING OPERATIONS			
REVENUE	*3*	**97,165**	90,314
Other income and gains	*4*	**723**	638
Staff costs		**(79,218)**	(78,750)
Depreciation and amortisation	*6*	**(10,544)**	(6,453)
Other operating expenses		**(25,797)**	(22,672)
Finance costs	*5*	**(23)**	(14)
Share of profit of an associate		**87**	45
LOSS BEFORE TAX FROM CONTINUING OPERATIONS	*6*	**(17,607)**	(16,892)
Income tax	*7*	**7**	-
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		**(17,600)**	(16,892)
DISCONTINUED OPERATION			
Loss for the period from discontinued operation	*8*	**(2,591)**	(18,376)
LOSS FOR THE PERIOD		**(20,191)**	(35,268)
OTHER COMPREHENSIVE INCOME / (EXPENSE)			
Exchange differences on translation of foreign operations and other comprehensive income / (expense) for the period, net of tax		**(549)**	3,070
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(20,740)**	(32,198)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

	Note	For the six months ended 30 September 2012 (Unaudited) HK$'000	2011 (Unaudited) HK$'000
Loss attributable to:			
Owners of the parent		**(19,689)**	(33,103)
Non-controlling interests		**(502)**	(2,165)
		(20,191)	(35,268)
Total comprehensive loss attributable to:			
Owners of the parent		**(20,073)**	(31,051)
Non-controlling interests		**(667)**	(1,147)
		(20,740)	(32,198)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*9*		
Basic and diluted			
- For loss for the period		**(1.68) HK cents**	(3.02) HK cents
- For loss from continuing operations		**(1.52) HK cents**	(1.54) HK cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**30 September 2012 (Unaudited) *HK$'000***	31 March 2012 (Audited) *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**9,738**	10,009
Goodwill	*10*	**22,960**	-
Intangible assets		**144,184**	152,837
Investment in an associate		**365**	278
Total non-current assets		**177,247**	163,124
CURRENT ASSETS			
Inventories		**-**	93
Due from an associate	*19(b)*	**1,240**	1,375
Trade receivables	*11*	**36,461**	29,838
Prepayments, deposits and other receivables		**27,748**	10,284
Pledged time deposits	*12*	**10,009**	4,001
Cash and cash equivalents		**83,982**	75,563
		159,440	121,154
Assets of a group classified as discontinued operation	*8*	**23,120**	35,052
Total current assets		**182,560**	156,206
CURRENT LIABILITIES			
Trade payables	*13*	**7,430**	2,240
Other payables and accrued liabilities		**30,199**	23,455
Finance lease payable	*14*	**50**	48
Tax payable		**3,134**	-
		40,813	25,743
Liabilities directly associated with the assets classified as discontinued operation	*8*	**15,051**	13,969
Total current liabilities		**55,864**	39,712

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

	Notes	**30 September 2012 (Unaudited) HK$'000**	31 March 2012 (Audited) HK$'000
NET CURRENT ASSETS		**126,696**	116,494
TOTAL ASSETS LESS CURRENT LIABILITIES		**303,943**	279,618
NON-CURRENT LIABILITIES			
Finance lease payable	14	**84**	109
Provision for long service payments		**1,638**	1,531
Deferred income		**6,569**	6,841
Total non-current liabilities		**8,291**	8,481
Net assets		**295,652**	271,137
EQUITY			
Equity attributable to owners of the parent			
Issued capital	15	**13,023**	11,669
Reserves		**270,104**	263,100
		283,127	274,769
Non-controlling interests		**12,525**	(3,632)
Total equity		**295,652**	271,137

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2012

	Attributable to owners of the parent											
	Issued capital HK$'000	Share premium account HK$'000	Capital redemption reserve HK$'000	Merger reserve HK$'000	Share option reserve HK$'000	Warrant reserve HK$'000	Contributed surplus HK$'000	Accumulated losses HK$'000	Exchange fluctuation reserve HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2011 (Audited)	9,063	245,147	254	47,063	16,870	936	26,758	(175,227)	9,741	180,605	19,042	199,647
Loss for the period	-	-	-	-	-	-	-	(33,103)	-	(33,103)	(2,165)	(35,268)
Other comprehensive income for the period:												
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	2,052	2,052	1,018	3,070
Total comprehensive loss for the period	-	-	-	-	-	-	-	(33,103)	2,052	(31,051)	(1,147)	(32,198)
Issue of warrants	-	-	-	-	-	459	-	-	-	459	-	459
Issue of shares	2,606	180,809	-	-	-	-	-	-	-	183,415	-	183,415
Share issue expenses	-	(2,138)	-	-	-	-	-	-	-	(2,138)	-	(2,138)
Equity-settled share option arrangements	-	-	-	-	223	-	-	-	-	223	-	223
At 30 September 2011 (Unaudited)	11,669	423,818	254	47,063	17,093	1,395	26,758	(208,330)	11,793	331,513	17,895	349,408
At 1 April 2012 (Audited)	**11,669**	**423,819***	**254***	**47,063***	**17,313***	**765***	**26,758***	**(264,637)***	**11,765***	**274,769**	**(3,632)**	**271,137**
Loss for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(19,689)**	**-**	**(19,689)**	**(502)**	**(20,191)**
Other comprehensive income for the period:												
Exchange differences on translation of foreign operations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(384)**	**(384)**	**(165)**	**(549)**
Total comprehensive loss for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(19,689)**	**(384)**	**(20,073)**	**(667)**	**(20,740)**
Issue of shares for acquisition (note 15, 20)	**1,354**	**27,077**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**28,431**	**-**	**28,431**
Transfer of warrant reserve upon expiry of warrants	**-**	**-**	**-**	**-**	**-**	**(306)**	**-**	**306**	**-**	**-**	**-**	**-**
Acquisition of subsidiaries (note 20)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**16,824**	**16,824**
At 30 September 2012 (Unaudited)	**13,023**	**450,896***	**254***	**47,063***	**17,313***	**459***	**26,758***	**(284,020)***	**11,381***	**283,127**	**12,525**	**295,652**

* These reserve accounts comprise the consolidated reserves of HK$270,104,000 (31 March 2012: HK$263,100,000) in the condensed consolidated statement of financial position as at 30 September 2012.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended 30 September	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	**(6,341)**	(21,612)
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	**3,445**	(11,316)
NET CASH INFLOW FROM FINANCING ACTIVITIES	**1,139**	34,458
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(1,757)**	1,530
Cash and cash equivalents at beginning of period	**86,071**	87,290
Effect of foreign exchange rate changes, net	**225**	93
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**84,539**	88,913
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**43,681**	16,919
Non-pledged time deposits with original maturity of less than three months when acquired	**40,301**	70,017
Cash and cash equivalents as stated in the condensed consolidated statement of financial positions	**83,982**	86,936
Cash and bank balances attributable to discontinued operation	**557**	1,977
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows	**84,539**	88,913

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements ("Financial Statements") are prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "*Interim Financial Reporting*" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements set out in Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The accounting policies and the basis of preparation adopted in the preparation of the unaudited condensed consolidated interim financial statements are the same as those used in the Group's annual financial statements for the year ended 31 March 2012, except for the adoption of certain new and revised Hong Kong Financial Reporting Standards ("HKFRSs") (which include all HKFRSs, HKASs and Interpretations) that are adopted for the first time for the current period's Financial Statements as disclosed in note 2 to the financial statements below.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Application of new and revised HKFRSs

In the current period, the Group has applied for the first time, the following new and revised standards, amendments and interpretations (the "new HKFRSs") issued by the HKICPA, which are effective for the Group's financial period beginning 1 April 2012.

HKAS 12 (Amendments)	*Deferred Tax — Recovery of Underlying Assets*
HKFRS 1 (Amendments)	*Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*
HKFRS 7 (Amendments)	*Disclosures — Transfers of Financial Assets*

The application of the above new HKFRSs had no material effect on the results and financial positions of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new HKFRSs that have been issued but are not yet effective.

Amendments to HKFRSs	*Annual Improvements 2009-2011 Cycle*[2]
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	*Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance*[2]
HKAS 1 (Amendments)	*Presentation of Items of Other Comprehensive Income*[1]
HKAS 19 (as revised in 2011)	*Employee Benefits*[2]
HKAS 27 (as revised in 2011)	*Separate Financial Statements*[2]
HKAS 28 (as revised in 2011)	*Investments in Associates and Joint Ventures*[2]

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

HKAS 32 (Amendments)	*Presentation — Offsetting Financial Assets and Financial Liabilities*[3]
HKFRS 1 (Amendments)	*Government Loans*[2]
HKFRS 7 (Amendments)	*Disclosures — Offsetting Financial Assets and Financial Liabilities*[2]
HKFRS 7 and HKFRS 9 (Amendments)	*Mandatory Effective Date of HKFRS 9 and Transition Disclosure*[4]
HKFRS 9	*Financial Instruments*[4]
HKFRS 10	*Consolidated Financial Statements*[2]
HKFRS 11	*Joint Arrangements*[2]
HKFRS 12	*Disclosure of Interests in Other Entities*[2]
HKFRS 13	*Fair Value Measurement*[2]
HK(IFRIC) — Int 20	*Stripping Costs in the Production Phase of a Surface Mine*[2]

1 Effective for annual periods beginning on or after 1 July 2012
2 Effective for annual periods beginning on or after 1 January 2013
3 Effective for annual periods beginning on or after 1 January 2014
4 Effective for annual periods beginning on or after 1 January 2015

The Group is in the process of assessing the potential impact of the above new HKFRSs upon initial application but is not yet in a position to state whether the above new HKFRSs will have a significant impact on the Group's and the Company's results of operations and financial position.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has four reportable operating segments as follows:

(a) the cleaning and related services segment engages in the provision of cleaning and related services for office buildings, public areas and residential areas;

(b) the medical waste treatment segment engages in the provision of non-incineration medical waste handling services for hospitals;

(c) the television screen broadcast business segment engages in the provision of publicly broadcasting information and advertisements on television screens services; and

(d) the medical management consulting services segment engages in the provision of hospital management solutions and sales of medical equipment and machinery. This is a newly reportable segment after the Group has completed the acquisition of 51% equity interest of Shanghai GoalReal Hospital Investments Management Limited ("GoalReal") in September 2012. For further details, please refer to note 20 to the financial statements.

The waste treatment business was terminated during the year ended 31 March 2012 as detailed in note 8 to the financial statements.

3. OPERATING SEGMENT INFORMATION (continued)

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment result, which is a measure of adjusted profit/loss before tax from continuing operations. The adjusted profit/loss before tax from continuing operations are measured consistently with the Group's loss before tax from continuing operations except that interest income, finance costs, impairment losses from the Group's financial instruments and share of result of an associate are excluded from such measurement.

The following table presents revenue and results for the Group's operating segments for the six months ended 30 September 2012 and 2011.

	For the six months ended 30 September 2012						
	Continuing operations					Discontinued operation	
	Cleaning and related services (unaudited) *HK$'000*	Television screen broadcast business (unaudited) *HK$'000*	Medical waste treatment (unaudited) *HK$'000*	Medical management consulting services (unaudited) *HK$'000*	Sub-total (unaudited) *HK$'000*	Waste treatment (unaudited) *HK$'000*	Total (unaudited) *HK$'000*
Segment revenue:							
Service income from external customers	93,556	177	3,432	-	97,165	-	97,165
Other income and gains	54	-	230	-	284	441	725
Total	93,610	177	3,662	-	97,449	441	97,890
Segment results	1,434	(14,614)	606	(61)	(12,635)	(2,604)	(15,239)
Reconciliation:							
Interest income							452
Unallocated gains							87
Unallocated expenses							(5,475)
Finance costs							(23)
Loss before tax							(20,198)

3. OPERATING SEGMENT INFORMATION (continued)

	For the six months ended 30 September 2011					
	Continuing operations				Discontinued operation	
	Cleaning and related services (unaudited) *HK$'000*	Television screen broadcast business (unaudited) *HK$'000*	Medical waste treatment (unaudited) *HK$'000*	Sub-total (unaudited) *HK$'000*	Waste treatment (unaudited) *HK$'000*	Total (unaudited) *HK$'000*
Segment revenue:						
Service income from external customers	87,434	50	2,830	90,314	-	90,314
Other income and gains	171	-	337	508	146	654
Total	87,605	50	3,167	90,822	146	90,968
Segment results	(3,087)	(7,764)	(103)	(10,954)	(6,784)	(17,738)
Reconciliation:						
Interest income						139
Unallocated gains						45
Unallocated expenses						(6,361)
Impairment losses recognised in profit or loss in respect of property, plant and equipment*						(11,264)
Finance costs						(89)
Loss before tax						(35,268)

* Impairment of property, plant and equipment was related to waste treatment segment.

4. OTHER INCOME AND GAINS

	For the six months ended 30 September	
	2012 (Unaudited) *HK$'000*	2011 (Unaudited) *HK$'000*
Bank interest income	**439**	30
Amortisation of government grant	**229**	229
Management fee received	**38**	80
Sundry income	**17**	299
	723	638

5. FINANCE COSTS

	For the six months ended 30 September	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest on bank overdraft	**16**	6
Interest on a finance lease	**7**	8
Interest on loans from a director	**-**	75
	23	89
Attributable to:		
Continuing operations	**23**	14
Discontinued operation (note 8)	**-**	75
	23	89

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

	For the six months ended 30 September	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Cost of services rendered *	**86,539**	81,357
Depreciation		
Continuing operations	**2,067**	515
Discontinued operation	**1,333**	4,530
Amortisation of intangible assets		
Continuing operations	**8,477**	5,938
Discontinued operation	**-**	8
Loss on disposal of property, plant and equipment *	**98**	-

* The expense is from the continuing operations only.

7. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the period (2011: Nil). Subsidiaries located in the People's Republic of China (the "PRC") are subject to the PRC enterprise income tax at a rate of 25% on its assessable profits.

During the period, the Group has acquired 51% equity interest of GoalReal. As of the acquisition date, GoalReal has income tax expenses accrued based on profit from 1 January 2012 to the acquisition date. GoalReal incurred a slight loss for the period after acquisition to 30 September 2012. The accrued income tax expense was then reversed based on assessable profit of the entity as a whole as at 30 September 2012.

No enterprise income tax has been provided for other subsidiaries in the PRC as they did not generate any assessable profits arising in the PRC during the period (2011: Nil).

8. DISCONTINUED OPERATION

On 11 January 2012, the Company announced that the Group had entered into Agreement with the Shuyang Municipal Government to terminate the investment agreement relating to the waste treatment business, namely, the operation of Shuyang ITAD Environmental Technology Limited ("Shuyang ITAD") municipal waste treatment plant located in Shuyang County, Jiangsu Province, PRC on 9 January 2012. As at 31 March 2012 and 30 September 2012, the waste treatment business was classified as a discontinued operation.

The results of the waste treatment business for the six months ended 30 September 2012 and 2011 are presented below:

	For the six months ended 30 September	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Revenue	**-**	-
Other income and gains	**454**	155
Impairment of property, plant and equipment	**-**	(11,264)
Expenses	**(3,045)**	(7,192)
Finance costs (note 5)	**-**	(75)
Loss before tax from discontinued operation	**(2,591)**	(18,376)
Income tax	**-**	-
Loss for the period from discontinued operation	**(2,591)**	(18,376)

8. DISCONTINUED OPERATION (continued)

The major classes of assets and liabilities of the waste treatment business classified as discontinued operation as at 30 September 2012 and 31 March 2012 are as follows:

	30 September 2012 (Unaudited) ***HK$'000***	31 March 2012 (Audited) *HK$'000*
ASSETS		
Property, plant and equipment	**21,354**	23,251
Trade receivables	**60**	61
Prepayments, deposits and other receivables	**1,149**	1,232
Pledged time deposits	**-**	10,049
Cash and cash equivalents	**557**	459
Assets classified as discontinued operation	**23,120**	35,052
LIABILITIES		
Trade payables	**-**	(52)
Other payables and accruals	**(4,255)**	(4,283)
Tax payable	**(283)**	(283)
Loans from a director	**(10,513)**	(9,351)
Liabilities directly associated with the assets classified as discontinued operation	**(15,051)**	(13,969)
Net assets directly associated with discontinued operation	**8,069**	21,083

The net cash flows incurred by waste treatment business are as follows:

	For the six months ended 30 September	
	2012 (Unaudited) ***HK$'000***	2011 (Unaudited) *HK$'000*
Operating activities	**(11,118)**	(2,748)
Investing activities	**-**	(3,179)
Financing activities	**1,162**	4,276
Net cash outflow	**(9,956)**	(1,651)
Loss per share:		
Basic and diluted, from discontinued operation	**(0.16) HK cents**	(1.48) HK cents

8. DISCONTINUED OPERATION (continued)

The calculations of the basic loss per share from the discontinued operation are based on:

	For the six months ended 30 September	
	2012	2011
	(Unaudited)	(Unaudited)
Loss attributable to ordinary equity holders of the parent from discontinued operation	**HK$1,817,000**	HK$16,246,000
Weighted average number of ordinary shares in issue during the period used in the basic loss per share calculation (note 9)	**1,172,077,778**	1,096,697,427

9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

Basic loss per share

The calculation of basic loss per share is based on the loss for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares in issue during the period.

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 September 2012 and 2011 in respect of a dilution as the impact of the share options and warrants outstanding had an anti-dilutive effect on the basic loss per share amounts presented. The diluted loss per share was the same as the basic loss per share.

The calculation of basic loss per share is based on:

	For the six months ended 30 September	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Loss		
Loss attributable to ordinary equity holders of the parent used in the basic loss per share calculation		
From continuing operations	**(17,872)**	(16,857)
From discontinued operation	**(1,817)**	(16,246)

9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (continued)

	For the six months ended 30 September	
	2012	2011
	(Unaudited)	(Unaudited)
	Number of shares	
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic loss per share calculation	**1,172,077,778**	1,096,697,427

10. GOODWILL

During the period, goodwill was resulted from the acquisition of 51% equity interest of GoalReal. The consideration for this acquisition was the issue of 135,387,000 new ordinary shares of HK$0.01 each of the Company at a price of HK$0.2142 each and a cash consideration of approximately HK$12,000,000. The total consideration combined was HK$41,000,000. This constituted a discloseable transaction and details of which were described in the Company's announcements dated 29 August 2012 and 10 September 2012. For details, please refer to note 20 to the financial statements.

11. TRADE RECEIVABLES

The Group's trading terms with its customers are mainly on credit. The credit period is generally for a period of 30 days, extending up to 90 days for customers with a long term relationship. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

11. TRADE RECEIVABLES (continued)

At the end of the reporting period, the aged analysis of trade receivables, based on invoice date, is as follows:

	30 September 2012 (Unaudited) *HK$'000*	31 March 2012 (Audited) *HK$'000*
Within 30 days	**15,990**	15,507
31 - 60 days	**9,487**	9,038
61 - 90 days	**2,899**	4,393
91 - 120 days	**2,239**	359
Over 120 days	**5,846**	541
	36,461	29,838

12. PLEDGED TIME DEPOSITS

The Group's banking facilities amounting to HK$10,000,000 (31 March 2012: HK$14,000,000), of which no banking facilities (31 March 2012: Nil) had been utilised as at the end of the reporting period, are secured by the pledge of certain of the Group's time deposits amounting to HK$10,009,000 (31 March 2012: HK$4,001,000).

13. TRADE PAYABLES

At the end of the reporting period, the aged analysis of trade payables, based on the invoice date, is as follows:

	30 September 2012 (Unaudited) *HK$'000*	31 March 2012 (Audited) *HK$'000*
Within 30 days	**5,004**	2,155
31 - 60 days	**-**	-
61 - 90 days	**2,426**	85
	7,430	2,240

The trade payables are non-interest-bearing and are normally settled on 30-day terms.

14. FINANCE LEASE PAYABLE

The Group leases certain of its plant and machinery for its business. The leases are classified as finance leases and have remaining lease term of 3 years.

As at 30 September 2012, the total future minimum lease payments under finance leases were as follows:

	30 September 2012 (Unaudited) ***HK$'000***	31 March 2012 (Audited) *HK$'000*
Amounts payable:		
Within one year	**60**	60
In the second year	**60**	60
In the third to fifth years, inclusive	**30**	60
Total minimum finance lease payments	**150**	180
Future finance charges	**(16)**	(23)
Total net finance lease payables	**134**	157
Portion classified as current liabilities	**(50)**	(48)
Non-current portion	**84**	109

15. SHARE CAPITAL

	30 September 2012 (Unaudited) ***HK$'000***	31 March 2012 (Audited) *HK$'000*
Authorised:		
2,000,000,000 (31 March 2012: 2,000,000,000) ordinary shares of HK$0.01 each	**20,000**	20,000
Issued and fully paid:		
1,302,286,040 (31 March 2012: 1,166,899,040) ordinary shares of HK$0.01 each	**13,023**	11,669

15. SHARE CAPITAL (continued)

A summary of the transactions during the period with reference to the below movements in the Company's issued ordinary share capital is as follows:

	Number of shares in issue	Issued capital (Unaudited) *HK$'000*
Issued:		
At 1 April 2012	1,166,899,040	11,669
New shares issued for acquisition (Note)	135,387,000	1,354
At 30 September 2012	1,302,286,040	13,023

Note: On 24 September 2012, 135,387,000 ordinary shares of HK$0.01 each of the Company were issued at a price of HK$0.2142 per share as part of the consideration for the Group's acquisition of the Pan Asia Group.

Details of the acquisition were set out in the Company's announcements dated 29 August 2012 and 10 September 2012 and note 20 to the financial statements.

Employee share option scheme

The Company operates a share option scheme (the "Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Share Option Scheme are the employees of the Group (including any executive director, non-executive director, independent non-executive director) or any consultant of the Group. The Share Option Scheme was adopted by the Company's shareholders on 24 April 2003 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

During the six months ended 30 September 2012, no share option was granted, exercised, lapsed or cancelled by the Company under the Share Option Scheme.

As at 30 September 2012, the Company had 19,000,000 share options outstanding under the existing Share Option Scheme, which represented approximately 1.46% of the Company's shares in issue as at that date.

The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 19,000,000 additional ordinary shares of the Company and additional share capital of HK$190,000 and share premium of HK$5,035,000 (before issue expenses).

Warrants

On 7 December 2010, the Company and the placing agent entered into the second warrant placing agreement, pursuant to which the Company had conditionally agreed to place, through the placing agent on a best efforts basis, a maximum of 76,500,000 unlisted warrants at the warrant issue price of HK$0.01 per warrant. Each warrant entitled the holder thereof to subscribe for one ordinary share of HK$0.01 each at a subscription price of HK$0.70 per share, payable in cash and subject to adjustment, from the date of issue of the warrants to the expiry, which was 18 months from the issue of the warrants.

15. SHARE CAPITAL (continued)

During the year ended 31 March 2011, 30,600,000 warrants of HK$0.01 each were issued pursuant to the second warrant placing agreement dated 7 December 2010 for a total cash consideration, before related expenses, of HK$306,000.

All existing warrants in accordance with the terms and conditions of the instrument dated 7 December 2010 constituting the warrants expired as at 17 September 2012.

On 11 April 2011, the Company and the placing agent entered into the third warrant placing agreement, pursuant to which the Company had conditionally agreed to place, through the placing agent on a best efforts basis, a maximum of 45,900,000 unlisted warrants at the warrant issue price of HK$0.01 per warrant. Each warrant entitled the holder thereof to subscribe for one ordinary share of HK$0.01 each at a subscription price of HK$0.70 per share, payable in cash and subject to adjustment, from the date of issue of the warrants to the expiry, which was 18 months from the issue of the warrants.

On 3 May 2011, 45,900,000 warrants of HK$0.01 each were issued pursuant to the third warrant placing agreement for a total cash consideration, before related expenses, of HK$459,000.

During the period, no warrant was exercised. At the end of the reporting period, the Company had 45,900,000 outstanding warrants which remained unexercised and lapsed on 2 November 2012.

16. CONTINGENT LIABILITIES

At the end of the reporting period, the Group had contingent liabilities as follows:

(a) The Group has executed performance guarantees to the extent of an aggregate amount of HK$4,760,000 (31 March 2012: HK$1,157,000) in respect of certain services provided to various customers by the Group.

(b) The Group had a contingent liability in respect of possible future long service payments to employees under the Employment Ordinance, with a maximum possible amount of approximately HK$3,060,000 as at 30 September 2012 (31 March 2012: HK$2,912,000). The contingent liability has arisen because, at the end of the reporting period, a number of current employees have achieved the required number of years of service to the Group in order to be eligible for long service payments under the Employment Ordinance if their employment is terminated under certain circumstances. A provision of HK$1,638,000 (31 March 2012: HK$1,531,000) in respect of such payments has been made in the condensed consolidated statement of financial position as at 30 September 2012.

16. CONTINGENT LIABILITIES (continued)

(c) During the ordinary course of its business, the Group may from time to time be involved in litigation concerning personal injuries sustained by its employees or third party claimants. The Group maintains insurance cover and, in the opinion of the directors, based on current evidence, any such existing claims should be adequately covered by the insurance as at 30 September 2012 and 31 March 2012.

17. OPERATING LEASE ARRANGEMENTS

The Group leases its office properties and staff quarters under operating lease arrangements, which are negotiated for terms ranging from one to five years.

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	30 September 2012 (Unaudited) *HK$'000*	31 March 2012 (Audited) *HK$'000*
Within one year	**1,622**	1,941
In the second to fifth years, inclusive	**1,438**	220
	3,060	2,161

18. COMMITMENTS

In addition to the operating lease commitments detailed in note 17 to the financial statements above, the Group had the following capital expenditure commitments at the end of the reporting period:

	30 September 2012 (Unaudited) *HK$'000*	31 March 2012 (Audited) *HK$'000*
Contracted, but not provided for:		
Property, plant and equipment	**2,397**	2,997
	2,397	2,997

19. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions and balances disclosed elsewhere in these condensed consolidated interim financial statements, the Group had the following material transactions with related companies, of which certain directors of the Company are also the directors, during the period. Certain related companies are owned by a discretionary trust of which the beneficiaries include the family members of Dr. Lo Kou Hong and certain related companies owned by Xinhua News Agency Asia-Pacific Regional Bureau.

		For the six months ended 30 September	
		2012	2011
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
Management fee income from related companies	(i)	**30**	30
Interest income from an associate	(ii)	**26**	27
Interest expenses on loans from a director	(iii)	**-**	75
Rental expenses to related companies	(iv)	**872**	1,219
Management fee to related companies	(v)	**118**	209

Notes:

(i) The management fee income from the provision of accounting and administrative services and the sharing of office space and facilities with the Group was charged at a lump sum annually with reference to the actual costs incurred.

(ii) The interest received from an associate was charged at an interest rate of 5% per annum on the outstanding amount due from an associate.

(iii) The loans from a director were charged at an interest rate of 1% per annum (2011: 1%) on the outstanding loans due from a director of HK$10,513,000 (31 March 2012: HK$4,910,000). During the six months ended 30 September 2012, the director waived the interest expenses of HK$53,000.

(iv) The rental was paid to related companies on a mutually agreed basis.

(v) The building management fee was paid to related companies on a mutually agreed basis.

19. RELATED PARTY TRANSACTIONS (continued)

(b) Outstanding balances with related parties:

The amount due from an associate is unsecured, bears interest at a rate of 5% per annum and is repayable on or before 14 November 2012.

Except for certain loans from a director totaling HK$5,603,000 which are unsecured, interest-free and repayable from 22 March 2014 to 13 June 2016, the remaining loans of HK$4,910,000 are unsecured, interest-bearing at 1% per annum and repayable from 14 October 2015 to 30 November 2015.

(c) Compensation of key management personnel of the Group:

	For the six months ended 30 September	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Short term employee benefits	**1,987**	3,160
Post-employment benefits	**188**	193
Equity-settled share option expenses	**-**	276
Total compensation paid to key management personnel	**2,175**	3,629

20. ACQUISITION OF SUBSIDIARIES

On 24 September 2012, the Group completed the acquisition of 100% equity interest of Pan Asia Century Holdings Limited ("Pan Asia Century Holdings") and shareholders' loan of HK$22,140,000 at a consideration of HK$41,000,000.

Pan Asia Century Holdings was incorporated on 23 April 2012 in the British Virgin Islands with limited liability, whose principal business is investment holding. Pan Asia Century Holdings owns the entire issued share capital of Pan Asia Century Investments Limited ("Pan Asia Century Investments") which holds 51% of the entire equity interest in GoalReal (collectively referred to as "Pan Asia Group"). GoalReal is principally engaged in (i) hospital investment management and consultation, (ii) the provision of hospital management solutions, and (iii) sales of medical equipment and machinery.

20. ACQUISITION OF SUBSIDIARIES (continued)

The total consideration of HK$41,000,000 was satisfied in the following manner:

(a) HK$12,000,000 paid in cash; and

(b) HK$29,000,000 settled as follows:

(i) HK$28,999,895.40 settled by the allotment and issue of 135,387,000 consideration shares at HK$0.2142 per share; and

(ii) the balance to be paid in cash.

The total consideration is subject to adjustment if the actual net profit of the Pan Asia Group for the 12-month period commencing from the completion date falls below HK$10,000,000, in which case Pan Asia Century Consulting Limited (the "Vendor") shall pay to the Group an amount calculated as: (HK$10,000,000 – actual net profit) x 51%. Details of the acquisition were set out in the Company's announcements dated 29 August 2012 and 10 September 2012.

The carrying amount and fair value of the net assets acquired and the goodwill arising from the acquisition of the Pan Asia Group are as follows:

	HK$'000
Property, plant and equipment	1,327
Trade receivables	7,486
Prepayments, deposits and other receivables	15,971
Cash and cash equivalents	21,674
Other payables and accrued liabilities	(9,021)
Tax payable	(3,142)
	34,295
Less: Non-controlling interest	(16,824)
	17,471
Goodwill arising on acquisition (note 10)*	22,960
Consideration	40,431
Satisfied by:	
Cash	12,000
New ordinary shares issued**	28,431
	40,431

20. ACQUISITION OF SUBSIDIARIES (continued)

Notes:

* According to HKFRS 3, goodwill was recognised as the difference between:

(a) the aggregate of the consideration transferred, any non-controlling interest in the acquiree and the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; and

(b) the net identifiable assets acquired.

Goodwill arose in the business combination because the cost of the combination included a control premium paid to acquire the Pan Asia Group. In addition, the consideration paid for the combination included amounts in relation to the revenue growth and future economic benefits arising from them which cannot be measured reliably.

** The fair value of the new ordinary shares issued was based on the quoted closing price of the Company's share of HK$0.21 at the date of acquisition and 135,387,000 shares.

21. COMPARATIVE AMOUNTS

The comparative statements of comprehensive income and cash flows have been re-presented as if the operation discontinued during the year ended 31 March 2012, as detailed in note 8 to the financial statements, had been discontinued at the beginning of the comparative period. Certain comparative amounts in notes 3, 4, 5 and 6 to the financial statements have been reclassified to conform with the current period's presentation. In the opinion of the directors, such reclassification provided a more appropriate presentation on the Group's results.

22. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements were approved and authorised for issue by the Board on 28 November 2012.

MANAGEMENT DISCUSSION AND ANALYSIS

Operating Results

The Group's turnover from continuing operations for the six months ended 30 September 2012 amounted to HK$97,165,000, represented a 7.6% increase as compared to the same period last year. The loss of the Group for the six months ended 30 September 2012 from continuing operations was HK$17,600,000 (2011: HK$16,892,000). Cleaning and related services business made a profit of HK$1,434,000, the medical waste treatment business made a profit of HK$606,000 and the television screen broadcast business made a loss of HK$14,614,000, of which HK$7,564,000 was from the amortisation for the intangible asset related to the granting of the Free Right by Xinhua News Agency Asia-Pacific Regional Bureau Limited ("APRB") for the television screen broadcast business under the cooperation agreement entered into by Asia-Pacific Regional Bureau and the Company on 22 November 2010 (the "Cooperation Agreement").

Total loss from the discontinued operation for the six months ended 30 September 2012 was HK$2,591,000.

Financial Review

As at 30 September 2012, the Group's cash and cash equivalents and pledged time deposits totalled HK$93,991,000 (31 March 2012: HK$79,564,000) and its current ratio (excludes discontinued operation) was 3.91 (31 March 2012: 4.71). The Group's net assets were HK$295,652,000 (31 March 2012: HK$271,137,000).

As at 30 September 2012, the Group did not have any bank borrowings but the Group had a finance lease payable and loans from a director of HK$134,000 and HK$10,513,000 as at 30 September 2012 respectively (31 March 2012: HK$157,000 and HK$9,351,000); loans from a director was included in discontinued operation and therefore, its gearing ratio, representing ratio of a finance lease payable and loans from a director to shareholders' equity was 3.6% (31 March 2012: 3.5%). The Group's shareholders' equity amounted to HK$295,652,000 as at 30 September 2012 (31 March 2012: HK$271,137,000).

The Group takes a prudent approach to cash management and risk control. Its revenues, expenses and capital expenditures in relation to cleaning related business and television screen broadcast business are transacted in Hong Kong dollars ("HK$"), whereas those of the medical waste treatment business, waste treatment business and medical management consulting services are transacted in Renminbi ("RMB"). The Group's cash and bank balances are primarily denominated in HK$, RMB and United States dollars.

Foreign currency risks in relation to exchange rate fluctuations of RMB will be mitigated as future revenue from the medical waste treatment business and medical management consulting services, which is in RMB, can offset future liabilities and expenses.

As at 30 September 2012, the Group's banking facilities were secured by the pledge of certain of the Group's time deposits amounting to HK$10,009,000 (31 March 2012: HK$4,001,000).

Business Review

Though facing high competitions from the existing and new market players, the Group managed to extend the market share in cleaning services, one of the Group's core businesses during the period under review. A two-year contract was signed with a US based and listed international fashion and clothing retailer to provide initial and day-to-day cleaning to their second store in Hong Kong.

The contract in connection with the provision of regular and high-level cleaning in addition to marble fitting maintenance services for a headquarters building owned and managed by a prominent real estate developer in Central was renewed for another two years with a service contract of another Grade-A office and commercial building situated in Tsuen Wan awarded to the Group by the same developer later of the period.

The contract for providing comprehensive cleaning to a skyscraper office building standing on the waterfront of Central was renewed for three years with an option to extend for another three years. Several contracts for residential estate, shopping arcades and other composite properties in hand were also renewed for a term ranging from one to three years.

The broad range of stone maintenance products covering various aspects of the industrial needs from our business partner enjoyed increased popularity and recognition, not only in the local market, but also in Mainland China and Macau.

In respect of the medical waste treatment business, the operations of two medical waste treatment plants of the Group in Siping City and Suihua City in Mainland China continue smoothly.

In respect of the disposal of the Municipal Waste Treatment Plant facilities in Shuyang, the Group is continuing its negotiation with an independent state-owned enterprise.

For the television screen broadcast business, the Group's first contract for providing media content and advertisement on through trains operated by the MTR Corporation Limited ("MTR") running from Guangzhou East and Hong Kong and the television screen at the MTR Hunghom Departure Hall continues smoothly. In early September 2012, the Group has completed the installation of television broadcasting equipment and cables at the Hong Kong International Airport ("HK Airport"). Test runs of television programs including news and lifestyle programs on selected television screens at departure gates have already started. It is expected that the television screens will become fully operational by December 2012 .

The Group has also approached advertising agencies to discuss cooperation possibilities with a view to enlarge its customer base and reducing operating costs.

The Group is a newcomer in the media business; hence the management has adopted a highly prudent approach in the development of the television screen broadcast business. The fundamental start up preparations for the broadcast operations had taken longer to complete than planned. The operating results of the television screen broadcast business were also affected by a slowdown of the overall economy in Hong Kong since 2011. The Group is confronted with cautious spending sentiments of potential customers; and extra efforts have to be made to anticipate and respond to rapidly evolving consumer tastes and preferences for advertising.

According to the Cooperation Agreement, APRB has undertaken that the audited operating revenue derived from the television screen broadcast business for the year ended 31 December 2011 and the year ending 31 December 2012 will be no less than HK$30,000,000 and HK$100,000,000, respectively and to pay compensation to the Company in the event any part of the undertaking cannot be fulfilled. The Company has started negotiations with APRB on remedial actions. As there was no provision in the Cooperation Agreement for how the compensation will be calculated, discussions are still being conducted in ascertaining a fair and reasonable basis in determining compensation. Professional assistance has been sought in this relation including assessment of economic damages by professional valuer and legal advice on appropriateness of various remedial considerations. An announcement will be made when an agreement has been made.

Following the acquisition of the Pan Asia Group in September 2012, the Group has a new business of hospital investment management and consultation, hospital management solutions, and sales of medical equipment. For the period under review, the Group has recorded a loss of approximately HK$61,000 for the business segment. However, the directors are confident that the new business will grow and add value to the Group.

Prospects

Cleaning and related services

The Statutory Minimum Wage ("SMW") at an initial rate of $28 per hour which came into effect on 1 May 2011 is due to be revised on 1 May 2013. The SMW rate would have far-reaching effects and impacts on various sectors including cleaning services which are labour intensive.

Challenges in terms of strained labour supply and wages spirals would likely to lie ahead and would certainly be the deep concerns of the service providers. With our renowned reputation in the industry, our stable workforce of various classifications and our management strengths, the Group is confident that we can gain the upper hand in the accomplishments amidst the operating environment.

Television screen broadcast business

In 2012, the Group has formulated defined developmental direction and objectives for its television screen broadcast business, it has already established the framework for sales network and identified targeted sales partners. Recently, the Group is working with several advertising agents based in Mainland China and Hong Kong. Working together with these advertising agents, the Group is able to cultivate and maintain better relationships with customers and better focus in developing business with Chinese enterprises.

The test run of the program for the HK Airport has already started earlier in September 2012. The Group expected the commencement of broadcast in the HK Airport will significantly increase the Group's influence, recognition and brand image over the market and media, promoting other advertising-related business, so as to promote stable income growth.

The Group is still negotiating with the owners of several large property management companies for commencing broadcast in their shopping malls and markets for direct contact with consumers, which would enhance the advertising power of the Group's commercial programs. The contents of programs are expected to be localised in the future to include more local language programs, which show significant improvement in contents diversification and local procedures.

The Group is now negotiating with a property owner in Central District for media broadcasting on an outdoor LED video wall. Negotiation of principal terms and condition is now underway. The Group is looking forward to finalise the deal by the end of 2012.

Medical management consulting services

It is believed that the performance of medical management consulting business carried out by GoalReal will be improved when Professor Wang is able to dedicate fully to his work in GoalReal as disclosed in the Company's announcements dated 29 August 2012 and 10 September 2012.

The Group will continue to consider acquisitions of new businesses in a prudent manner; based on criteria, inter alia, profit-generating track records, future growth prospects, size of operations and having regard to the relevant business and industry environment.

Interim Dividend

The directors do not recommend the payment of any interim dividend to shareholders for the six months ended 30 September 2012 (2011: Nil).

Capital Structure

On 24 September 2012, 135,387,000 ordinary shares of HK$0.01 each of the Company were issued at a price of HK$0.2142 per share as part of the consideration for the Group's acquisition of the Pan Asia Group.

As at 30 September 2012, the total number of issued ordinary shares of the Company was 1,302,286,040 shares (31 March 2012: 1,166,899,040 shares).

Warrants

(a) Warrants placed on 18 March 2011

On 18 March 2011, an aggregate of 30,600,000 unlisted warrants had been successfully placed by the Company to not less than six placees who were third parties independent of and not connected to the Company and its connected persons, at the issue price of HK$0.01 per warrant and the subscription price of HK$0.70 per warrant. The subscription period for the warrants was from the date of issue of the warrants to 17 September 2012.

During the period, no warrantholders had exercised the subscription rights attached to the warrants. The remaining 30,600,000 unlisted warrants at the issue price of HK$0.01 each expired. The related warrant reserve of HK$306,000 was transferred to accumulated losses.

(b) Warrants placed on 3 May 2011

On 3 May 2011, an aggregate of 45,900,000 unlisted warrants had been successfully placed by the Company to not less than six placees who were third parties independent of and not connected to the Company and its connected persons, at the issue price of HK$0.01 per warrant and the subscription price of HK$0.70 per warrant. The subscription period for the warrants was from the date of issue of the warrants to the expiry, which was 18 months from the issue of the warrants.

During the period, no warrantholders had exercised the subscription rights attached to the warrants. Subsequent to the reporting period, the 45,900,000 outstanding warrants remained unexercised and lapsed on 2 November 2012.

Contingent Liabilities

At the end of the reporting period, the Group had contingent liabilities as follows:

(a) The Group has executed performance guarantees to the extent of an aggregate amount of HK$4,760,000 (31 March 2012: HK$1,157,000) in respect of certain services provided to various customers by the Group.

(b) The Group had a contingent liability in respect of possible future long service payments to employees under the Employment Ordinance, with a maximum possible amount of approximately HK$3,060,000 as at 30 September 2012 (31 March 2012: HK$2,912,000). The contingent liability has arisen because, at the end of the reporting period, a number of current employees have achieved the required number of years of service to the Group in order to be eligible for long service payments under the Employment Ordinance if their employment is terminated under certain circumstances. A provision of HK$1,638,000 (31 March 2012: HK$1,531,000) in respect of such payments has been made in the condensed consolidated statement of financial position as at 30 September 2012.

(c) During the ordinary course of its business, the Group may from time to time be involved in litigation concerning personal injuries sustained by its employees or third party claimants. The Group maintains insurance cover and, in the opinion of the directors, based on current evidence, any such existing claims should be adequately covered by the insurance as at 30 September 2012 and 31 March 2012.

Employees and Remuneration Policies

The total number of employees of the Group as at 30 September 2012 was 1,462 (31 March 2012: 1,579). Total staff costs, including directors' emoluments and net pension contributions, for the period under review amounted to HK$79,218,000 (2011: HK$79,775,000). The Group provides employees with training programmes to equip them with the latest skills.

Remunerations are commensurate with individual job nature, work experience and market conditions, and performance-related bonuses are granted to employees on discretionary basis. In addition, all employees of the Group, including directors, are eligible to participate in the Company's share option scheme.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2012.

SHARE OPTION SCHEME

Details of the Share Option Scheme are disclosed in note 15 to the financial statements.

The following table discloses movements in the Company's share options outstanding during the six months ended 30 September 2012:

	Number of share options					
Name or category of participant	At 1 April 2012	Granted/ exercised/ lapsed/ cancelled during the period	At 30 September 2012	Date of grant of share options (1)	Exercise period of share options	Exercise price of share options (2) HK$ per share
Directors						
Dr. Lo Kou Hong	6,000,000	-	6,000,000	12-5-05	22-4-05 to 21-4-15	0.275
Other employees						
In aggregate (3)	13,000,000	-	13,000,000	12-5-05	22-4-05 to 21-4-15	0.275
	19,000,000	-	19,000,000			

Notes to the table of share options outstanding during the period:

(1) The vesting period of the share options is from the date of grant until the commencement of the exercise period.

(2) The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

(3) Ms. Ko Lok Ping, Maria Genoveffa resigned as an executive director of the Company on 27 September 2011. The 6,000,000 share options granted by the Company to Ms. Ko Lok Ping, Maria Genoveffa for subscribing 6,000,000 shares of the Company remain exercisable.

Mr. Leung Tai Tsan, Charles and Mr. Cheung Pui Keung, James resigned as executive directors of the Company on 27 October 2011. The 3,000,000 share options granted by the Company to Mr. Leung Tai Tsan, Charles and the 4,000,000 share options granted by the Company to Mr. Cheung Pui Keung, James for subscribing 3,000,000 shares and 4,000,000 shares of the Company respectively remain exercisable.

No share options have been granted/exercised/lapsed/cancelled during the six months ended 30 September 2012.

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 September 2012, the interests of the directors of the Company in shares and underlying shares of the Company and its associated corporations as recorded in the register required to be kept under Section 352 of the Securities and Futures Ordinance (the "SFO"); or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

(a)(i) Interests in shares of the Company

Name of director	Long/Short position	Capacity	Number of ordinary shares	Percentage* of the Company's issued share capital
Dr. Lo Kou Hong	Long	Founder of a discretionary trust	40,000,000 *(Note (1))*	3.07%
	Long	Interest of spouse	1,700,000 *(Note (2))*	0.13%

Notes:

(1) These shares were owned by The Lo's Family (PTC) Limited in its capacity as the trustee of The Lo's Family Unit Trust, a unit trust of which all the units in issue were owned by Equity Trustee Limited as the trustee of The Lo's Family Trust, a discretionary trust of which the objects included Dr. Lo Kou Hong's family members.

Accordingly, Dr. Lo Kou Hong, as the founder of The Lo's Family Trust, was deemed to be interested in the shares owned by The Lo's Family (PTC) Limited in its capacity as the trustee of The Lo's Family Unit Trust under Part XV of the SFO.

(2) Dr. Lo Kou Hong was deemed to be interested in the 1,700,000 shares of the Company through interest of his spouse, Ms. Ko Lok Ping, Maria Genoveffa.

* The percentage represents the number of ordinary shares interested divided by the number of the Company's issued shares as at 30 September 2012.

(a)(ii) Interests in underlying shares of the Company - physically settled unlisted equity derivatives

Name of director	Long/Short position	Capacity	Number of underlying shares in respect of the share options granted	Percentage* of the underlying shares over the Company's issued share capital
Dr. Lo Kou Hong	Long	Beneficial owner	6,000,000	0.46%
	Long	Interest of spouse	6,000,000 *(Note)*	0.46%

Details of the above share options as required to be disclosed by the Listing Rules have been disclosed in the section headed "Share option scheme".

Note: Dr. Lo Kou Hong was deemed to be interested in the 6,000,000 share options of the Company through interest of his spouse, Ms. Ko Lok Ping, Maria Genoveffa.

* The percentage represents the number of underlying shares interested divided by the number of the Company's issued shares as at 30 September 2012.

(b)(i) Associated corporation – Peixin Group Ltd. ("Peixin"), a subsidiary of the Company

Name of director	Long/Short position	Capacity	Number of ordinary shares in Peixin	Percentage* of Peixin's issued share capital
Dr. Lo Kou Hong	Long	Interest held by controlled corporations	42 shares *(Note)*	30%

Note: The 42 shares in Peixin were held through the controlled corporations of Dr. Lo Kou Hong and Ms. Ko Lok Ping, Maria Genoveffa. As such, Dr. Lo Kou Hong was deemed to be interested in such shares pursuant to Part XV of the SFO.

* The percentage represents the number of underlying shares interested divided by the number of Peixin's issued shares as at 30 September 2012.

(b)(ii) Associated corporation – Shuyang ITAD, a subsidiary of the Company

Name of director	Long/Short position	Capacity	Amount of registered capital in Shuyang ITAD	Percentage* of Shuyang ITAD's issued share capital
Dr. Lo Kou Hong	Long	Interest held by controlled corporation	RMB62,500,000 *(Note)*	100%

Note: The registered capital in Shuyang ITAD was held through the controlled corporations of Dr. Lo Kou Hong and Ms. Ko Lok Ping, Maria Genoveffa. As such, Dr. Lo Kou Hong was deemed to be interested in such registered capital pursuant to Part XV of the SFO.

* The percentage represents the amount of registered capital interested divided by the number of Shuyang ITAD's issued shares as at 30 September 2012.

In addition to the above, as at 30 September 2012, Dr. Lo Kou Hong held one share in a subsidiary of the Company in a non-beneficial capacity, solely for the purpose of complying with the minimum company membership requirements.

Save as disclosed above, as at 30 September 2012, none of the directors of the Company had any interests or short positions in shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, nor had there been any grant or exercise of rights of such interests during the six months ended 30 September 2012.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2012, the following persons (other than the directors of the Company) had interests of 5% or more in the issued shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Name of substantial shareholder	Long/Short position	Capacity	Number of ordinary shares	Percentage* of the Company's issued share capital
APRB	Long	Beneficial owner	214,681,040	16.48%
Xinhua News Agency Asia-Pacific Regional Bureau	Long	Interest held by controlled corporation	214,681,040 *(Note(1))*	16.48%
Pan Asia Century Consulting Limited	Long	Beneficial owner	135,387,000	10.40%
	Short	Beneficial owner	20,000,000	1.54%
Mr. Lau Kin Sing, Ericson	Long	Interest held by controlled corporation	135,387,000 *(Note (2))*	10.40%
	Short	Interest held by controlled corporation	20,000,000 *(Note (2))*	1.54%
Ms. Ko Lok Ping, Maria Genoveffa	Long	Beneficial owner	1,700,000	0.13%
	Long	Interest of spouse	40,000,000 *(Note (3))*	3.07%
The Lo's Family (PTC) Limited	Long	Trustee	40,000,000 *(Note (4))*	3.07%
Equity Trustee Limited	Long	Trustee	40,000,000 *(Note (4))*	3.07%

Notes:

(1) These shares were owned by APRB, the entire issued share capital of which was owned by Xinhua News Agency Asia-Pacific Regional Bureau. Accordingly, Xinhua News Agency Asia-Pacific Regional Bureau was deemed to be interested in such shares pursuant to Part XV of the SFO.

(2) These shares were owned by Pan Asia Century Consulting Limited, the entire issued share capital of which was owned by Mr. Lau Kin Sing, Ericson as at 30 September 2012. Accordingly, Mr. Lau Kin Sing, Ericson was deemed to be interested in such shares pursuant to Part XV of the SFO. After the reporting period, the interest of Mr. Lau Kin Sing, Ericson in the issued capital of Pan Asia Century Consulting Limited was reduced to 30%. The remaining 70% was beneficially owned by several independent parties.

(3) Ms. Ko Lok Ping, Maria Genoveffa was deemed to be interested in the 40,000,000 shares of the Company through interest of her spouse, Dr. Lo Kou Hong.

(4) These shares were owned by The Lo's Family (PTC) Limited in its capacity as the trustee of The Lo's Family Unit Trust, a unit trust of which all the units in issue were owned by Equity Trustee Limited as the trustee of The Lo's Family Trust. By virtue of its ownership of all the issued units in The Lo's Family Unit Trust, Equity Trustee Limited in its capacity as the trustee of The Lo's Family Trust was deemed to be interested in such shares owned by The Lo's Family (PTC) Limited in its capacity as the trustee of The Lo's Family Unit Trust.

Such interest was also disclosed as the interest of Dr. Lo Kou Hong in the above section headed "Directors' interests in shares and underlying shares of the Company and its associated corporations".

* The percentage represents the number of ordinary shares interested divided by the number of the Company's issued shares as at 30 September 2012.

Save as disclosed above, as at 30 September 2012, no person, other than the Company's directors whose interests are set out in the above section headed "Directors' interests in shares and underlying shares of the Company and its associated corporations", had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

MATERIAL ACQUISITIONS AND DISPOSALS

On 29 August 2012, Ally Thrive Investments Limited ("Ally Thrive"), a wholly-owned subsidiary of the Company, entered into an agreement with the Vendor to acquire all the issued shares of and shareholder's loan in Pan Asia Century Holdings for a total consideration of HK$41,000,000. Pan Asia Century Holdings owns the entire issued capital of Pan Asia Century Investments which in turn owns 51% of the equity interest in GoalReal. GoalReal is principally engaged in (i) hospital investment management and consultation, (ii) the provision of hospital management solutions, and (iii) sales of medical equipment and machinery. The total consideration was satisfied by HK$12,000,104.60 in cash and an issue of 135,387,000 new ordinary shares of the Company at HK$0.2142 per share. The consideration is subject to a downward adjustment if the actual net profit of the Pan Asia Group for the 12-month period commencing from the completion date falls below HK$10,000,000. As security for the Vendor's potential payment obligations which will arise if downward adjustment has to be made, the Vendor has pledged 20,000,000 ordinary shares in the Company to Ally Thrive. The acquisition was completed on 24 September 2012. For details of the acquisition, please refer to the announcements of the Company dated 29 August 2012 and 10 September 2012.

Save as disclosed above, there was no material acquisition and disposal by the Group during the six months ended 30 September 2012.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its own code of conduct governing directors' dealings in the Company's securities (the "Own Code") on terms no less exacting than the Model Code as set out in Appendix 10 to the Listing Rules. Specific enquiry has been made to all the Directors and all of them have confirmed that they have complied with the Own Code and the Model Code throughout the period for the six months ended 30 September 2012.

COMPLIANCE WITH WRITTEN GUIDELINES FOR SECURITIES TRANSACTIONS BY RELEVANT EMPLOYEES OF THE COMPANY

The Company also has established written guidelines on no less exacting terms than the Model Code (the "Employees Written Guidelines") for governing the securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company or its securities. No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

CORPORATE GOVERNANCE

Throughout the period for the six months ended 30 September 2012, the Company had complied with the code provisions set out in the Corporate Governance Code effective from 1 April 2012 (the "CG Code") contained in Appendix 14 of the Listing Rules for which were applicable to the said period, except for the following deviations:

Code Provision A.2.1

Code A.2.1 requires the roles of the Chairman and Chief Executive Officer should be separate and should not be performed by the same individual.

Mr. Ju Mengjun and Dr. Lo Kou Hong are Co-chairmen of the Board each contributing his experience and focusing on the television screen broadcast business and the cleaning and related business, respectively. The Board considers that each of Mr. Ju Mengjun and Dr. Lo Kou Hong holds the office of Chairman in relation to the television screen broadcast business and the cleaning and related business of which they monitor and manage effectively. Accordingly, the Board is of the opinion that such arrangement is appropriate to the Group's dual business model and in the best interests of the Company.

Code Provision A.6.7

Code A.6.7 requires the independent non-executive directors and non-executive director should also attend general meetings and develop a balanced understanding of the views of shareholders.

The non-executive director of the Company, Mr. Xu Rong, and two independent non-executive directors of the Company, namely Mr. Tang Binfeng and Mr. Wang Qi, were unable to attend the annual general meeting of the Company held on 29 September 2012 due to their other commitments.

AUDIT COMMITTEE

The audit committee of the Company comprises 3 members, namely, Ms. Xu Zhijuan (Chairman of audit committee), Mr. Tang Binfeng who are independent non-executive directors of the Company and Mr. Xu Rong, who is a non-executive director of the Company. The audit committee has reviewed with the management of the Group the unaudited interim financial results of the Group for the six months ended 30 September 2012, including the accounting principles and practices adopted by the Group.

On behalf of the Board
Xinhua News Media Holdings Limited
Ju Mengjun **Lo Kou Hong**
Co-chairman *Co-chairman*

Hong Kong, 28 November 2012