SinoMedia®

中視金橋國際傳媒控股有限公司

SinoMedia Holding Limited

(incorporated in Hong Kong with limited liability)

STOCK CODE：00623

2013

INTERIM REPORT

Contents

Corporate Information

EXECUTIVE DIRECTORS

Mr. Chen Xin *(Chairman)*
Ms. Liu Jinlan
Mr. Li Zongzhou

NON-EXECUTIVE DIRECTOR

Mr. He Hui David

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Ding Junjie
Mr. Qi Daqing
Mr. Lian Yuming
Ms. Wang Xin

AUDIT COMMITTEE

Mr. Qi Daqing *(Chairman)*
Mr. Ding Junjie
Mr. Lian Yuming

REMUNERATION COMMITTEE

Mr. Chen Xin *(Chairman)*
Mr. Ding Junjie
Mr. Lian Yuming

NOMINATION COMMITTEE

Mr. Chen Xin *(Chairman)*
Mr. Ding Junjie
Mr. Lian Yuming

COMPLIANCE COMMITTEE

Mr. Li Zongzhou *(Chairman)*
Mr. Chan Oi Nin Derek

COMPANY SECRETARY

Mr. Chan Oi Nin Derek

AUTHORISED REPRESENTATIVES

Mr. Chen Xin
Mr. Chan Oi Nin Derek

REGISTERED OFFICE OF THE COMPANY

Unit 402, 4th Floor, Fairmont House,
No. 8 Cotton Tree Drive, Admiralty, Hong Kong

CORPORATE HEADQUARTERS

Unit 15D, Xintian International Plaza,
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Shanghai, PRC

AUDITORS

KPMG

SHARE REGISTRAR

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Shops 1712–1716, 17/F, Hopewell Centre,
183 Queen's Road East, Wanchai, Hong Kong

WEBSITE

www.sinomedia.com.hk

Financial Summary

RMB'000	**For the six months ended 30 June 2013**	For the six months ended 30 June 2012	Change (%)
Revenue	**863,921**	700,742	+23%
Profit from operations	**239,796**	107,771	+123%
Profit attributable to equity shareholders of the Company	**170,310**	79,049	+115%
Earnings per share *(RMB)*			
— Basic	**0.306**	0.142	+115%
— Diluted	**0.296**	0.139	+113%

Revenue:

RMB'000	**For the six months ended 30 June 2013**	For the six months ended 30 June 2012	Change (%)
Media resources management	**833,289**	670,813	+24%
Integrated brand communication services	**17,966**	29,107	-38%
Creative production of advertisement and content	**14,661**	7,464	+96%
Rental income	**13,289**	96	+13,743%
Others	**—**	80	-100%
Sales taxes and surcharges	**(15,284)**	(6,818)	+124%
Revenue	**863,921**	700,742	

Management Discussion and Analysis

ABOUT THE GROUP

In the first half of 2013, China's economy experienced a slowdown in growth caused by the domestic and overseas economic landscape as well as the structural adjustments to the economy. Nevertheless, the media advertising industry, and the TV advertising market in particular, experienced an upturn from the corresponding period last year. The Group once again set an example for the industry with a brilliant performance achieved in the midst of the positive momentum, and our core businesses recorded substantial profit increases driven by remarkable revenue growth.

As the Group strove to develop content creation and new media platform to support our long-term growth, we spared no effort in cultivating our integrated brand communication services business to enhance our brand influence in customer service. Meanwhile, we further consolidated our notable market advantage in managing resources for China Central Television ("CCTV") and other core media. In face of various challenges posed by the unpredictable market and frequently varying customer appetites, we further enhanced our professional capabilities in the media services domain.

With regard to management, the Group emphasised attracting new talent and building teams, whilst continuing to exercise stringent control over internal workflows. Property management work for The Place — Golden Bridge Tower (金橋天階大廈), including renovation and leasing, has been executed on schedule. As a leading media corporation in China, SinoMedia's corporate management system matured progressively.

BUSINESS OVERVIEW

I. Media Resources Management

As an operator of the longest business relationship, an abundance of underwriting resources, and wide-ranging forms of partnership with CCTV, the Group won the CCTV Top Ten Advertising Agencies award for the seventh consecutive year and, once again earned the CCTV Outstanding Achievement Award for Advertising Agency during the period under review. The awards not only reflected our capacity, but also highlighted our professionalism and reputation in media resources management, with CCTV as our core media resources.

During the period under review, the Group renewed its current exclusive underwriting contracts, which provides a precondition for maintaining our considerable market share in media resources management for CCTV. The Group had approximately 19,607 minutes of advertising time resources on a total of 50 programmes on channels including CCTV-1 (General)/CCTV-News (Chinese), CCTV-4 (Chinese International, including Europe and the US), CCTV-5 (Sports), CCTV-7 (Military and Agriculture) and CCTV-NEWS (English) across a variety of programming including news, current affairs, agriculture, culture, arts, sports, life, feature programmes, and other topics. Our specific media resources include the "Night News" (晚間新聞) on CCTV-1 (General), "News 30" (新聞30分) jointly broadcast on CCTV-1 (General)/CCTV-News (Chinese), "China News" (中國新聞), "Today's Highlight" (今日關注), "Across the Straits" (海峽兩岸),"Exposition of Chinese Cultural Relics" (國寶檔案) and "China Showbiz" (中國文藝) on CCTV-4 (Chinese International, including Europe and the US), "Weather Forecast" during "Sports News" programmes on CCTV-5 (Sports), programmes including "Zhi Fu Jing" (致富經), "Focus on the Three Agricultural Issues" (聚焦三農), "Daily Agricultural News" (每日農經), and "The Rural World" (鄉村大世界) on CCTV-7 (Military and Agriculture), and all programmes on CCTV-NEWS (English).

In addition to sufficient capital input to acquire resources and a team of decisive marketing personnel, the competent management of a diversified customer base is crucial to operating the exclusively-underwritten CCTV resources. During the period under review, the Group reaped the benefits of long-term relationship-building with clients from various industries. We achieved steady growth in clients from the tourism and business-inviting sectors, whilst also successfully attracting a number of small and medium corporate clients. We also made breakthroughs in the tea and health-care product industries. In addition, the strategic modification of the Group's media products based on market feedback has contributed to maintaining our leading position in face of various economic and market uncertainties.

II. Integrated Brand Communication Services

Integrated brand communication services are critical to enhancing the Group's customer-service capacity. Our focused efforts in this sector have paid off in terms of market recognition and influence of the brand name SinoMedia.

Centred on customer service, our integrated brand communication services business delivered comprehensive, full-dimensional services. We worked with clients to formulate branding strategies and subsequently assist them in developing various communication solutions, including brand management, product positioning, communication strategy, media procurement, advertisement placement monitoring, advertising outcome evaluation, and below-the-line public relations that covered the various media platforms including video on TV and new media, broadcasting, and print media.

In addition, the Group continued to cooperate with MediaCorp of Singapore and the US financial TV station CNBC. We also achieved remarkable success in developing dynamic partnerships with other domestic and overseas media corporations.

During the period under review, the Group continued to provide services to the People's Insurance Company of China (PICC), China Ping An Insurance Group, Shangpintang Ocean Biology Company, King's Luck Brewery Company, and Suning Appliance Company. We were also newly engaged by the Postal Savings Bank of China to provide 2012–2013 brand-management consulting, focusing on communication strategy, media plan, media buying of CCTV, and public relations services; China Life Insurance Company for 2012–2013 media advertising agency business; and Shanghai Pudong Development Bank for local TV station resources procurement. The Group also offered integrated communication services to a number of clients from the tourism and business invitation sectors, such as Guizhou Province and Tianjin in China.

III. Creative Production of Advertisement and Content; New Media Investment and Integration

In view of the complex situation facing the media industry, the development of various media platforms and terminals changes the custom in which audiences come into contact with media. Meanwhile, "content" is becoming more and more important amidst the complex environment filled with mass information. The Group capitalised precisely on these development trends. In tandem with the "tri-network integration" stimulation policy, we implemented a strategic deployment plan of "content + media platforms" to support the Group's long-term development and upstream businesses in the media industry. This segment advanced steadily during the period under review.

Management Discussion and Analysis

1. ***Creative production services for commercial and public service advertisements***

   During the period under review, the Group's video productions included tourism and business promotional videos for areas including Jinhua, Zhejiang, Changzhou, Jiangsu, Manchuria, Yubei District in Chongqing, Linyi, Shandong, and the Leshan Giant Buddha in Sichuan. In addition, we produced commercials, including "Nature" (生態篇) for Sujiu Industry Shares Limited, promotional videos for the Agricultural Bank of China and the Everbright Group, and TV commercials and print advertisements for Origin Water Technology Company.

2. ***Integration, production, and distribution of programme content***

   After an all-out planning effort, the "Video Department" of the Group's non-advertising business segment began to take shape during the period under review, consolidating nearly 10,000 minutes of local and foreign non-copyrighted programming. Based on the requirements of different media platforms, we successfully produced a rich variety of programmes, including micro films and feature series.

   The Group also explored the research and development of original programmes. During the period under review, we completed the research and development, creative production and broadcast negotiations of its first lifestyle feature TV programme with copyrights.

3. ***New media investment and integration***

   New media investment and integration is focused on various media platforms built by the Group or in which the Group holds a controlling or participating interest. We have invested in different categories of projects: websites — Boosj.com (播視網), Wugu.com.cn (吾谷網), and Lotour.com (樂途網); a digital TV channel — Super Channel (環球奇觀); and mobile terminal TV channels — CNLive.com (視訊中國) and 100TV.

   During the period under review, the Group prioritised cultivating the projects newly accomplished last year. It modified the positioning and the structure of Boosj.com to ensure its integrated development, imported a large number of new programmes for Super Channel to support its smooth content transition, and rolled out a series of below-the-line marketing events to boost the brand influence of Wugu.com.cn. Other projects completed earlier also made good progress.

   At a time when opportunities abound, the Group will pay attention to the healthy development of its media platforms. We will integrate them when appropriate and conduct a full assessment of the growth potential of each project for breakthroughs.

FINANCIAL REVIEW

Revenue and Profit Attributable to the Equity Shareholders of the Company

For the six months ended 30 June 2013, the Group recorded revenue of RMB863,921 thousand, representing an increase of 23% over RMB700,742 thousand for the same period last year.

Revenue details are as follows:

I. Media resources management revenue, before sales tax and surcharge deductions, was RMB833,289 thousand, up 24% over RMB670,813 thousand for the same period last year. The increase in revenue from this business was attributable to the Group's effective control over the pace of sales and enhanced promotional efforts for advertising resources. The Group offered a diversified media product portfolio to accommodate the various advertising and promotional campaigns for our clients, whilst also striving to develop potential clients. These efforts contributed to a satisfactory year-on-year growth in the sales of core advertising resources in terms of increases in minutes sold, average sales rate, and average selling price.

II. Integrated brand communication services turnover, before sales tax and surcharge deductions, was RMB613,318 thousand, representing a slight decrease of 3% from RMB632,290 thousand for the same period last year. Under the International Accounting Standards, the Group's revenue is recognised as net commissions, with relevant procurement costs deducted from turnover if the Group procures media resources in the capacity of an agent for clients. On this basis, revenue from this business was RMB17,966 thousand, a drop of 38% from RMB29,107 thousand for the same period last year. The decrease in revenue was due mainly to a lag in the confirmation of media accounts settlement. Commission income receivable from TV stations in 2013 will not be recognised until the second half of the year, while the commission income received in 2012 was recognised in the first half of last year, resulting in a higher base for the same period last year. Given existing signed client contracts, it is expected that turnover and revenue from this business will resume its growth momentum in the second half of the year. The Group will continue to exert significant effort in brand building, enhance our professional service capacity, and expand the scale of our business. Our aim is to increase this business segment's contribution to the Group's overall revenue, thereby achieving a balanced development of our business structure.

III. Revenue recorded from the creative production of advertisement and content, before sales tax and surcharge deductions, was RMB14,661 thousand, representing a growth of 96% over RMB7,464 thousand for the same period last year. Revenue from this business primarily involved commercial advertisement production and the production and distribution of promotional videos by the nationwide public service advertising broadcast network. This business continued its good development during the period, with further enhancements to our creative service capacity and continuing increases in its revenue contribution.

As the overall revenue and gross profit margin of the above core businesses achieved remarkable growth over the same period last year, the profit attributable to equity shareholders of the Company for the six months ended 30 June 2013 totalled RMB170,310 thousand, representing a substantial increase of 115% over RMB79,049 thousand for the same period last year.

Operating Expenses

For the six months ended 30 June 2013, the Group's total operating expenses were RMB93,750 thousand, representing an increase of RMB27,569 thousand over the same period last year, and accounting for 10.9% of revenue (compared to 9.4% for the same period last year).

Operating expenses included the followings:

I. Selling and marketing expenses totalled RMB31,700 thousand, showing an increase of approximately RMB11,674 thousand over RMB20,026 thousand for the same period last year, accounting for 3.7% of revenue (2.9% for the same period last year). The increase in selling and marketing expenses was due primarily to the fact that:

  (1) In line with the significant increase in revenue, variable labour costs, such as performance-based payroll for marketing personnel, rose by approximately RMB6,773 thousand;

  (2) In order to strengthen our exchanges and collaboration with local and international clients, the Group took part in a number of brand-building and media promotion events, which included actively participating in the China National Tourism Fair 2013, convening various VIP customer forums in China, and successfully holding the CCTV International Channels Assembly 2013 in Hong Kong. These events extended the brand influence of the Group and promoted its products and services. In addition, we specifically engaged professional market and industry research organisations to facilitate the Group's effective client development, maintain customer loyalty, and make informed analyses and judgments on the market and industry trends of individual client sectors. As a result, expenses such as business promotion expenses and consultation fees rose by approximately RMB3,180 thousand over the same period last year.

II. General and administrative expenses totalled RMB62,050 thousand, representing an increase of approximately RMB15,895 thousand over RMB46,155 thousand last year, and accounted for 7.2% of revenue (compared to 6.5% for the same period last year). The increase in general and administrative expenses arose mainly from:

  (1) To meet the demand for talent to support SinoMedia's group development and the advancement of our new businesses, we placed increased emphasis on attracting talent and employed senior management staff and professional personnel in certain departments. Also, we continued to provide compensation and benefits to our internal staff as the incentive to pursue career growth. Accordingly, labour costs, including staff payroll, increased by approximately RMB8,318 thousand. In addition, expenses such as leasing and property fees and office expenses rose by approximately RMB2,553 thousand, in tandem with an increase in office space;

  (2) To support our long-term business development, the Group acquired certain office premises at the end of last year. Relocation will take place during the second half of this year. Depreciation expenses and related tax charges for the new property were approximately RMB2,342 thousand in the first half of 2013;

  (3) The Group conducted a comprehensive assessment and analysis of the collectability of trade receivables and the corporate value of equity investments, and made prudent and appropriate provisions accordingly. During the period under review, provision for impairment losses on trade receivables increased by approximately RMB8,269 thousand compared to the same period last year. Equity investments showed no evidence of impairment during the period. Provision for impairment on long-term investments decreased by approximately RMB6,916 thousand compared to the same period last year. Provision for impairment losses on trade receivables and impairment of long-term investments increased by a total of approximately RMB1,353 thousand compared to the same period last year.

Operating expenses accounted for a slightly higher percentage of revenue compared to the same period last year, but were anticipated and under our control. The Group will continue to strengthen our internal cost controls and further optimise our overall budgetary control system across all departments, to continue improving the operating profit margin.

Significant Investments, Acquisitions, and Disposals

In December 2012, the Group entered into a framework agreement with an independent third party to acquire certain office premises located in the Tianjie Building, which is situated at 9 Guanghua Road, Chaoyang District, Beijing. Meanwhile, the Group terminated the acquisition of the property at 12 Dongdaqiao Road in the same district. During the six months ended 30 June 2013, the Group received a full refund of RMB230 million for the Dongdaqiao Road property project. Pursuant to the requirements of the framework agreement, we have paid the second installment of approximately RMB41 million for the acquisition of the Tianjie Building. The renaming of the Tianjie Building and other follow-up matters on this project are expected to be completed in the second half of this year.

Liquidity and Financial Resources

The Group maintained a strong financial position and adequate liquidity, and strictly controlled our financial risk in order to safeguard the interests of our shareholders.

As of 30 June 2013, the Group's cash and bank balances totalled RMB1,164,275 thousand (31 December 2012: RMB1,442,752 thousand), of which approximately 95% was denominated in Renminbi and the remaining 5% in US dollars and other currencies.

During the period under review, details of the Group's cash flows status were as follows:

I. Net cash outflow from operating activities totalled RMB339,860 thousand (net cash inflow of RMB395,690 thousand for the same period last year). The outflow was mainly attributable to: (1) a notable increase in trade receivables still within credit periods as a result of an increase in revenue during the period under review. As of the end of the period, trade receivables (excluding bills receivable and net of allowance for doubtful debts) totalled RMB181,054 thousand (31 December 2012: RMB86,451 thousand); and (2) the gradual repayment to media suppliers of outstanding media agency costs for prior years, which led to a decrease in trade payables from RMB1,165,772 thousand at the end of last year to RMB778,172 thousand by the end of the period under review. The Group will continue to exercise stringent control over the collection of overdue receivables. We will further optimise our internal procedures for collecting trade receivables to ensure a healthy liquidity position.

II. Net cash inflow from investing activities totalled RMB179,791 thousand (net cash outflow of RMB15,899 thousand for the same period last year). Please refer to the section "Significant Investments, Acquisitions, and Disposals" above for the major reasons.

III. Net cash outflow from financing activities totalled RMB119,272 thousand (net cash outflow of RMB95,639 thousand for the same period last year), which arose mainly from the payment of final and special dividends for 2012.

Taking into account the above factors, our cash and bank balances decreased by approximately RMB278,477 thousand compared to the end of last year. The Group currently maintains cash and bank balances at a healthy level that can adequately meet our short-term and mid-term liquidity requirements.

As of 30 June 2013, the Group's total assets amounted to RMB2,828,317 thousand, which consisted of equity attributable to equity shareholders of the Company of RMB1,277,518 thousand and non-controlling interests of RMB10,523 thousand. As of the end of the period, the Group had no bank loans.

The majority of the Group's revenues, expenses, and capital investments were denominated in RMB.

Management Discussion and Analysis

Human Resources

As of 30 June 2013, the Group had a total of about 420 employees, which approximates the number at the beginning of the year. We have implemented a remuneration policy that is competitive in the industry, and offer commissions and discretionary bonuses to our sales personnel and other employees in accordance to the Group's performance and the performance and experience of individual employees. Meanwhile, we also provide employees with benefits such as insurance and medical check-ups in order to maintain our competitiveness in the labour market. The Group offers various training courses and seminars for our employees, with a view to enhancing their knowledge and skills. In addition, in order to align the personal interests of employees with those of shareholders, share options are granted to employees under the Company's share option schemes. Share options that were granted but remained unexercised as of the end of the period totalled 36,911,500 units.

INDUSTRY AND GROUP OUTLOOK

China's macro economy in the first quarter of 2013 was back on the upturn. The overall budget for the media advertising industry increased once again. According to statistics published by CTR Market Research, an authoritative research institution, the traditional media advertising market recorded a 10% growth rate during the first quarter of 2013, an improvement over the same period last year. TV media trumped all others and rebounded significantly.

China's gross domestic product growth continued its downward trend and achieved year-on-year growth of 7.6% in the first half of 2013. Many industries have made pessimistic forecasts regarding the prospects for the second half of 2013. Taking into account the macro economy, policy directions, industry attitudes, customer feedback, and other factors, the Group remains cautious about the economic and market environment for the second half of the year and the coming year. The Group will closely monitor the situation and continue to leverage on its competitive edge to respond to any changes in a timely manner. Meanwhile, it remains prudently optimistic about achieving its targets of this year.

The Group is convinced that, in our media advertising industry, video advertisements will continue to be the primary focus, with a particular desire for high-quality, authoritative, and exclusive content and resources. In addition, the interconnection of TV and multimedia has created a trend of hybrid communication that not only increases the value of TV media, but also enhances the effectiveness of advertising from the perspective of our customers.

In view of the above, in the second half of the year the Group will leverage the advantages of its media resources, cater to market needs, work out more popular media products and explore more communication channels to provide choices for clients, in order to keep up our growth momentum. With respect to building clientele, the Group will focus on enhancing customer loyalty with our strategic services and expertise, increasing market share, and emphasising the power of brand influence and professionalism. For emerging business segments in their developmental stages, we will increase our investment in media platform construction and creative content production, and stick to our development approach after fully taking stock of market prospects and the economic environment.

We believe that economic structural adjustments will create new opportunities for the long-term development of China's economy. The Group's Board of Directors, management, and entire staff will persevere to meet such opportunities and overcome the challenges with our unremitting sense of responsibility and organisation skills, in order to generate handsome returns for investors.

Consolidated Statement of Profit or Loss

For the six months ended 30 June 2013 — unaudited
(Expressed in Renminbi)

	Notes	Six months ended 30 June 2013 RMB'000	2012 RMB'000
Revenue		**863,921**	700,742
Cost of services		**(560,797)**	(540,806)
Gross profit		**303,124**	159,936
Other income		**30,422**	14,016
Selling and marketing expenses		**(31,700)**	(20,026)
General and administrative expenses		**(62,050)**	(46,155)
Profit from operations		**239,796**	107,771
Finance income	*5(a)*	**11,661**	9,215
Finance costs	*5(a)*	**(330)**	(2,062)
Net finance income		**11,331**	7,153
Share of gain of associates		**114**	1,443
Profit before taxation		**251,241**	116,367
Income tax	*6*	**(79,350)**	(36,200)
Profit for the period		**171,891**	80,167
Attributable to:			
Equity shareholders of the Company		**170,310**	79,049
Non-controlling interests		**1,581**	1,118
Profit for the period		**171,891**	80,167
Earnings per share	*7*		
Basic earnings per share (RMB)		**0.306**	0.142
Diluted earnings per share (RMB)		**0.296**	0.139

The notes on pages 17 to 31 are an integral part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 12(a).

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2013 — unaudited
(Expressed in Renminbi)

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Profit for the period	**171,891**	80,167
Other comprehensive income for the period (after tax and reclassification adjustments)	**197**	1,032
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of the Company and overseas subsidiary	**197**	1,032
Other comprehensive income for the period	**197**	1,032
Total comprehensive income for the period	**172,088**	81,199
Attributable to:		
Equity shareholders of the Company	**170,507**	80,081
Non-controlling interests	**1,581**	1,118
Total comprehensive income for the period	**172,088**	81,199

The notes on pages 17 to 31 are an integral part of this interim financial report.

Consolidated Statement of Financial Position

At 30 June 2013 — unaudited
(Expressed in Renminbi)

	Notes	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000
Non-current assets			
Property, plant and equipment	8	**231,638**	53,253
Investment property	8	**687,867**	3,766
Prepayments		**22,869**	792,869
Interest in associates		**48,342**	48,086
Other non-current financial assets		**23,504**	24,339
Trade and other receivables	9	**1,300**	—
Deferred tax assets		**4,463**	5,146
		1,019,983	927,459
Current assets			
Trade and other receivables	9	**644,059**	468,945
Cash and cash equivalents	10	**1,164,275**	1,442,752
		1,808,334	1,911,697
Current liabilities			
Trade and other payables	11	**1,459,392**	1,501,348
Current taxation		**61,044**	91,666
		1,520,436	1,593,014
Net current assets		**287,898**	318,683
Total assets less current liabilities		**1,307,881**	1,246,142
Non-current liabilities			
Other non-current financial liability		**12,489**	12,442
Deferred tax liability		**7,351**	—
		19,840	12,442
NET ASSETS		**1,288,041**	1,233,700

Consolidated Statement of Financial Position

At 30 June 2013 — unaudited
(Expressed in Renminbi)

	At 30 June 2013 *RMB'000*	At 31 December 2012 *RMB'000*
CAPITAL AND RESERVES		
Share capital	**172**	171
Reserves	**1,277,346**	1,224,542
Total equity attributable to equity shareholders of the Company	**1,277,518**	1,224,713
Non-controlling interests	**10,523**	8,987
TOTAL EQUITY	**1,288,041**	1,233,700

The notes on pages 17 to 31 are an integral part of this interim financial report.

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2013 — unaudited
(Expressed in Renminbi)

	Attributable to equity shareholders of the Company										
	Share capital	Share premium	Capital redemption reserve	Capital reserve	Statutory reserve	Translation reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2012	171	469,209	21	32,331	60,652	(4,163)	(9,338)	469,992	1,018,875	6,359	1,025,234
Changes in equity for the six months ended 30 June 2012:											
Equity settled share-based transactions	–	–	–	2,166	–	–	–	–	2,166	–	2,166
Purchase of own shares	–	–	–	–	–	–	–	(1,418)	(1,418)	–	(1,418)
Dividends	–	–	–	–	–	–	–	(96,546)	(96,546)	–	(96,546)
Exercise of share option	1	3,530	–	(1,202)	–	–	–	–	2,329	–	2,329
Total comprehensive income for the period	–	–	–	–	–	1,032	–	79,049	80,081	1,118	81,199
Balance at 30 June 2012	172	472,739	21	33,295	60,652	(3,131)	(9,338)	451,077	1,005,487	7,477	1,012,964
Changes in equity for the six months ended 31 December 2012:											
Equity settled share-based transactions	–	–	–	1,738	–	–	–	–	1,738	–	1,738
Purchase of own shares	(1)	–	1	–	–	–	–	(5,928)	(5,928)	–	(5,928)
Dividends	–	–	–	–	–	–	–	–	–	(405)	(405)
Appropriation to reserves	–	–	–	–	136	–	–	(136)	–	–	–
Exercise of share option	–	234	–	(61)	–	–	–	–	173	–	173
Total comprehensive income for the period	–	–	–	–	–	(299)	–	223,542	223,243	1,915	225,158
Balance at 31 December 2012	171	472,973	22	34,972	60,788	(3,430)	(9,338)	668,555	1,224,713	8,987	1,233,700
Balance at 1 January 2013	**171**	**472,973**	**22**	**34,972**	**60,788**	**(3,430)**	**(9,338)**	**668,555**	**1,224,713**	**8,987**	**1,233,700**
Changes in equity for the six months ended 30 June 2013:											
Equity settled share-based transactions	**–**	**–**	**–**	**1,570**	**–**	**–**	**–**	**–**	**1,570**	**–**	**1,570**
Dividends	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(119,452)**	**(119,452)**	**(45)**	**(119,497)**
Exercise of share option	**1**	**9,911**	**–**	**(9,732)**	**–**	**–**	**–**	**–**	**180**	**–**	**180**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**–**	**197**	**–**	**170,310**	**170,507**	**1,581**	**172,088**
Balance at 30 June 2013	**172**	**482,884**	**22**	**26,810**	**60,788**	**(3,233)**	**(9,338)**	**719,413**	**1,277,518**	**10,523**	**1,288,041**

The notes on pages 17 to 31 are an integral part of this interim financial report.

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2013 — unaudited
(Expressed in Renminbi)

		Six months ended 30 June	
		2013	2012
	Notes	***RMB'000***	*RMB'000*
Cash (used in)/generated from operations		**(237,922)**	446,728
Tax paid		**(101,938)**	(51,038)
Net cash (used in)/generated from operating activities		**(339,860)**	395,690
Net cash generated from/(used in) investing activities		**179,791**	(15,899)
Net cash used in financing activities		**(119,272)**	(95,639)
Net (decrease)/increase in cash and cash equivalents		**(279,341)**	284,152
Cash and cash equivalents at 1 January	*10*	**1,442,752**	913,179
Effect of foreign exchange rates changes		**864**	813
Cash and cash equivalents at 30 June	*10*	**1,164,275**	1,198,144

The notes on pages 17 to 31 are an integral part of this interim financial report.

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

1 BASIC OF PREPARATION

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, including compliance with International Accounting Standard ("IAS") 34, *Interim financial reporting*, issued by the International Accounting Standards Board ("IASB"). It was authorized for issuance on 22 August 2013.

The interim financial report has been prepared in accordance with the same accounting policies adopted by Sinomedia Holding Limited (the "Company") and its subsidiaries (together referred to as the "Group") in the 2012 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2013 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 judgments, 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.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2012 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 ("IFRS"). This interim financial report is unaudited.

The financial information relating to the financial year ended 31 December 2012 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 2012 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 20 March 2013.

The consolidated financial statements for the period ended 30 June 2013 comprise the Group and the Group's interest in associates.

2 CHANGES IN ACCOUNTING POLICIES

The IASB has issued a number of new IFRSs and amendments to IFRS that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

- Amendments to IAS 1, *Presentation of financial statements — Presentation of items of other comprehensive income*
- IFRS 10, *Consolidated financial statements*
- IFRS 12, *Disclosure of interests in other entities*
- IFRS 13, *Fair value measurement*
- *Annual Improvements to IFRSs 2009-2011 Cycle*
- Amendments to IFRS 7 — *Disclosures — Offsetting financial assets and financial liabilities*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

Amendments to IAS 1, Presentation of financial statements — Presentation of items of other comprehensive income

The amendments to IAS 1 require entities to present the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met separately from those that would never be reclassified to profit or loss. The Group's presentation of other comprehensive income in these financial statements has been modified accordingly.

IFRS 10, Consolidated financial statements

IFRS 10 replaces the requirements in IAS 27, Consolidated and separate financial statements relating to the preparation of consolidated financial statements and SIC 12 Consolidation — Special purpose entities. It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns.

The adoption does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 January 2013.

IFRS 12, Disclosure of interests in other entities

IFRS 12 brings together into a single standard all the disclosure requirements relevant to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The disclosures required by IFRS 12 are generally more extensive than those previously required by the respective standards. Since those disclosure requirements only apply to a full set of financial statements, the Group has not made additional disclosures in this interim financial report as a result of adopting IFRS 12.

2 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

IFRS 13, Fair value measurement

IFRS 13 replaces existing guidance in individual IFRS with a single source of fair value measurement guidance. IFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. Some of the disclosures are specifically required for financial instruments in the interim financial reports. The Group has provided those disclosures in note 13. The adoption of IFRS 13 does not have any material impact on the fair value measurements of the Group's assets and liabilities.

Annual Improvements to IFRSs 2009-2011 Cycle

This cycle of annual improvements contains amendments to five standards with consequential amendments to other standards and interpretations. Among them, IAS 34 has been amended to clarify that total assets for a particular reportable segment are required to be disclosed only if the amounts are regularly provided to the chief operating decision maker ("CODM") and only if there has been a material change in the total assets for that segment from the amount disclosed in the last annual financial statements. The amendment also requires the disclosure of segment liabilities if the amounts are regularly provided to the CODM and there has been a material change in the amounts compared with the last annual financial statements. The amendment does not have any impact on the segment disclosure of the Group because the Group does not have any reportable segments with total assets or total liabilities materially different from the amounts reported in the last annual financial statements.

Amendments to IFRS 7 — Disclosures — Offsetting financial assets and financial liabilities

The amendments introduce new disclosures in respect of offsetting financial assets and financial liabilities. Those new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32, *Financial instruments: Presentation* and those that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments and transactions, irrespective of whether the financial instruments are set off in accordance with IAS 32. The adoption of the amendments does not have an impact on the Group's interim financial report because the Group has not offset financial instruments, nor has it entered into master netting arrangement or similar agreement which is subject to the disclosures of IFRS 7.

3 SEGMENT REPORTING

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 resources allocation and performance assessment, the Group has determined and presented a single reportable segment to disclose information as a whole about its services, geographical areas, and major customers.

4 SEASONALITY OF OPERATIONS

TV advertisement spending in China shows notable seasonal fluctuations, with higher customer demand and more advertisement spending occurring in the second half of each calendar year. As a result, utilisation rates are generally lower in the first half of the year, compared to the second half. On the other hand, cost of services consist primarily of the cost to purchase TV advertisement time from various advertisement resource providers, which is generally incurred ratably over the entire year. Gross profit and gross margin are therefore comparatively lower for the first half of a year.

5 PROFIT BEFORE TAXATION

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

(a) Finance income and costs

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Interest income on bank deposits	**11,399**	9,215
Changes in fair value of derivative financial instruments	**180**	—
Net foreign exchange gain	**82**	—
Finance income	**11,661**	9,215
Changes in fair value of derivative financial instruments	**(310)**	(690)
Net foreign exchange loss	**—**	(1,349)
Others	**(20)**	(23)
Finance costs	**(330)**	(2,062)
Net finance income	**11,331**	7,153

5 PROFIT BEFORE TAXATION (CONTINUED)

(b) Other items:

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Depreciation	**10,970**	3,839
Impairment losses on bad and doubtful accounts	**9,759**	1,490
Impairment losses on associate	**—**	6,916

6 INCOME TAX

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Current tax — PRC income tax	**71,316**	30,877
Deferred taxation	**8,034**	5,323
	79,350	36,200

No provision has been made for Hong Kong profits tax as the Company and its overseas subsidiary did not have assessable profit subject to Hong Kong profits tax for the six months ended 30 June 2013 and 2012.

Pursuant to the currently applicable income tax rules and the PRC regulations, the Group's entities in the PRC were liable to the PRC Corporate Income Tax at a rate of 25% during the six months ended 30 June 2013 (six months ended 30 June 2012: 25%).

7 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB170,310 thousand (six months ended 30 June 2012: RMB79,049 thousand) and the weighted average number of ordinary shares of 555,755,368 (2012: 557,258,011 shares) in issue during the interim period.

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB170,310 thousand (six months ended 30 June 2012: RMB79,049 thousand) and the weighted average number of ordinary shares of 574,481,246 (2012: 570,661,382 shares).

8 PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

During the six months ended 30 June 2013, the Group acquired items of property, plant and equipment with a cost of RMB185,646 thousand (six months ended 30 June 2012: RMB1,524 thousand) and acquired items of investment property with a cost of RMB690,296 thousand (six months ended 30 June 2012: nil). Items of property, plant and equipment with a net book value of RMB2,486 thousand were disposed of during the six months ended 30 June 2013 (six months ended 30 June 2012: RMB261 thousand), resulting in a loss on disposal of RMB64 thousand (six months ended 30 June 2012: a gain on disposal of RMB193 thousand).

9 TRADE AND OTHER RECEIVABLES

As of the end of the reporting period, the ageing analysis of trade debtors and bills receivable (which are included in trade and other receivables) is as follows:

	At 30 June 2013 *RMB'000*	At 31 December 2012 *RMB'000*
Non-current assets		
Trade and other receivables	**1,300**	—
	1,300	—
Current assets		
Within 3 months	**156,917**	84,391
3 to 6 months	**37,774**	23,512
6 to 12 months	**12,011**	3,390
Over 12 months	**64,389**	62,686
Total trade and bills receivable	**271,091**	173,979
Less: allowance for doubtful debts	**(73,388)**	(65,129)
Trade and bills receivable, net of allowance for doubtful debts	**197,703**	108,850
Prepayments and deposits to media suppliers	**371,214**	308,047
Advances to employees	**9,595**	4,474
Other debtors and prepayments	**71,521**	52,238
Less: allowance for doubtful debts of other debtors	**(6,164)**	(4,664)
Interest receivables	**190**	—
	644,059	468,945
	645,359	468,945

Credit terms are granted to the customers, depending on credit assessment carried out by management on an individual basis. The credit terms for trade receivables are generally from nil to 90 days.

10 CASH AND CASH EQUIVALENTS

	At 30 June 2013 *RMB'000*	At 31 December 2012 *RMB'000*
Cash at bank and in hand	**1,164,275**	1,442,752

11 TRADE AND OTHER PAYABLES

As of the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables) is as follows:

	At 30 June 2013 *RMB'000*	At 31 December 2012 *RMB'000*
Due within 3 months or on demand	**380,921**	406,901
Due after 3 months but within 6 months	**267,357**	116,532
Due after 6 months but within 12 months	**129,894**	642,339
Total trade payables	**778,172**	1,165,772
Advances from customers	**369,945**	308,380
Payroll and welfare expenses payables	**15,266**	17,302
Other tax payables	**9,524**	4,708
Other payables and accrued charges	**285,389**	4,135
Dividends payable due to non-controlling interests of a subsidiary	**1,096**	1,051
	1,459,392	1,501,348

12 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the interim period

No dividend attributable to the interim period has been declared and paid by the Company.

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year approved and paid during the interim period

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year, paid of approximately RMB10.9 cents per share (six months ended 30 June 2012: approximately RMB8.6 cents per share)	**59,726**	48,273
Special dividend in respect of the previous financial year, paid of approximately RMB10.9 cents per share (six months ended 30 June 2012: approximately RMB8.6 cents per share)	**59,726**	48,273
	119,452	96,546

(b) Purchase of own shares

During the interim period ended 30 June 2013, the Company did not repurchase any of its own shares on The Stock Exchange of Hong Kong Limited.

(Expressed in Renminbi unless otherwise indicated)

13 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities measured at fair value

(i) Fair value hierarchy

	Fair value measurements as at 30 June 2013 using			
	Fair value at 30 June 2013	Quoted prices in active market for identical asset (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Financial assets				
Other non-current financial assets				
Available-for-sale equity securities	–	–	–	–
— Ftuan.com	–	–	–	–
— CNLive	20,000	–	–	20,000
Redemption option	3,182	–	–	3,182
Conversion option	322	–	–	322
Financial liability				
Other non-current financial liability	12,489	–	–	12,489

13 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial assets and liabilities measured at fair value (Continued)

(i) *Fair value hierarchy* (Continued)

	Fair value measurements as at 31 December 2012 using			
	Fair value at 31 December 2012	Quoted prices in active market for identical asset (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Financial assets				
Other non-current financial assets				
Available-for-sale equity securities				
— Ftuan.com	–	–	–	–
— CNLive	20,000	–	–	20,000
Redemption option	3,259	–	–	3,259
Conversion option	508	–	–	508
Other option	572	–	–	572
Financial liability				
Other non-current financial liability	12,442	–	–	12,442

During the six months ended 30 June 2013, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2012: nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

13 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial assets and liabilities measured at fair value (Continued)

(ii) Information about Level 3 fair value measurements

- Financial assets

The conversion option represents the right to convert preferred shares to common shares of FoneNet Inc. based on a conversion price determined by the financial performance of FoneNet Inc. according to the agreement signed by the Company and FoneNet Inc. in 2011. The fair value of conversion option is calculated by Black-Scholes Option Pricing model, of which major inputs are based on the management's best estimates of FoneNet Inc.'s financial performance and market related data at the end of reporting period.

The redemption option represents the right to require FoneNet Inc. to redeem its preferred shares under certain conditions according to the agreement signed by the Company and FoneNet Inc. in 2011. The fair value of redemption option is calculated by Black-Scholes Option Pricing model, of which major inputs are based on the management's best estimates of FoneNet Inc.'s financial performance and market related data at the end of reporting period.

Other option represents the rights to obtain 5% of interest of Beijing Lotour Huicheng Internet Technology Company Limited ("Lotour Huicheng") based on the financial performance of Lotour Huicheng according to the term in purchase agreement signed by the Group and Beijing Lotour Internet Technology Company Limited. The option to purchase equity interests is measured based on management's best estimates of the financial performance and the discount rate to reflect the specific risks relating to Lotour Huicheng.

The movements of warrants and options during the year/period are set out below:

The Group

	At 30 June 2013 ***RMB'000***	At 31 December 2012 *RMB'000*
At 1 January	**4,339**	10,447
Utilisation of other financial assets during the year/period	**(752)**	(907)
Changes in fair value	**(83)**	(5,201)
At 30 June/31 December	**3,504**	4,339

13 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial assets and liabilities measured at fair value (Continued)

(ii) ***Information about Level 3 fair value measurements*** *(Continued)*

- Financial liability

Other non-current financial liability accounted for the present value of the expected consideration to be paid for the acquisition of remaining 10% equity interests in Beijing Golden Bridge Senmeng Media Advertising Company Limited ("Golden Bridge Senmeng") based on the financial performance of Golden Bridge Senmeng according to the agreement signed by CTV Golden Bridge International Media Group Company Limited, Beijing Senmeng Media Advertising Company Limited ("Beijing Senmeng") and beneficial owner of Beijing Senmeng in 2010.

The fair value of the expected consideration to be paid is made based on the management's best estimates of the financial performance and the discount rate to reflect the specific risks relating to Golden Bridge Senmeng.

The movements of other non-current financial liability during the year/period are set out below:

The Group

	At 30 June 2013 ***RMB'000***	At 31 December 2012 *RMB'000*
At 1 January	**12,442**	14,245
Net changes in fair value of other financial liability	**47**	(1,803)
At 30 June/31 December	**12,489**	12,442

(b) Fair value of financial instruments carried at other than fair value

The carrying amounts of the Group's and the Company's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 30 June 2013 and 31 December 2012.

14 CAPITAL COMMITMENTS OUTSTANDING NOT PROVIDED FOR IN THE INTERIM FINANCIAL REPORT

	At 30 June 2013 *RMB'000*	At 31 December 2012 *RMB'000*
Contracted for	**27,021**	341,246

15 CONTINGENT ASSETS AND LIABILITIES

As at 30 June 2013, the Group and the Company did not have any significant contingent assets and liabilities.

16 MATERIAL RELATED PARTY TRANSACTIONS

(a) Transactions with the ultimate controlling shareholder of the Group

The Group had the following transactions with the ultimate controlling shareholder of the Group that were carried out in the normal course of business:

		Six months ended 30 June	
	Note	**2013** *RMB'000*	2012 *RMB'000*
Rental of office	*(i)*	**486**	486

(i) Golden Bridge Senmeng rented the office in Xinzhou Commercial Building from Ms. Liu Jinlan, the ultimate controlling shareholder of the Group, at a price of RMB486 thousand for the six months ended 30 June 2013 and 2012.

16 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with other related parties

		Six months ended 30 June	
		2013	2012
	Note	***RMB'000***	*RMB'000*
Rental of office	*(i)*	**325**	325

(i) CTV Golden Bridge International Media Group Company Limited, a subsidiary of the Company, rented an office from Shanghai CTV Golden Bridge International Culture and Communication Company Limited, which was effectively controlled by the ultimate controlling shareholder of the Group, at a price of RMB325 thousand for the six months ended 30 June 2013 and 2012. The amount of rent charged under the lease was determined with reference to amounts charged by Shanghai CTV Golden Bridge International Culture and Communication Company Limited to third parties.

(c) Outstanding balance with related parties

	At 30 June	At 31 December
	2013	2012
	RMB'000	*RMB'000*
Rental of office	**513**	706

The balance represents non-cancellable rentals payable by the Group to Ms. Liu Jinlan and Shanghai CTV Golden Bridge International Culture and Communication Company Limited for the rentals of 2013.

17 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

The Group and the Company did not have any non-adjusting events after the reporting period.

Other Information

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

As at 30 June 2013, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required to be (a) notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) recorded in the register required to be kept by the Company under Section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

(i) Interests in the Company — Long Positions

Name of director	Nature of interest	Number of ordinary shares held	Number of underlying shares held under equity derivatives *(Note 1)*	Total	Approximate percentage of issued share capital of the Company
Liu Jinlan	Founder of discretionary trust, beneficiary of trust and beneficial interest	257,428,169 *(Note 2)*	4,400,000	261,828,169	46.75%
Chen Xin	Founder of discretionary trust and beneficiary of trust	257,428,165 *(Note 3)*	—	257,428,165	45.96%
Li Zongzhou	Beneficial interest	—	2,500,000	2,500,000	0.45%
He Hui David	Beneficial interest	—	600,000	600,000	0.11%
Qi Daqing	Beneficial interest	—	260,000	260,000	0.05%
Ding Junjie	Beneficial interest	—	200,000	200,000	0.04%
Lian Yuming	Beneficial interest	—	200,000	200,000	0.04%
Wang Xin	Beneficial interest	—	200,000	200,000	0.04%

Notes:

1. Details of the underlying shares are set out in the section headed "Share Option Schemes" in this report.

2. Liu Jinlan is deemed to be interested in 257,428,169 shares of the Company. These shares are held by three discretionary trusts, namely UME Trust, DFS (No. 2) Trust and CLH Trust, all founded by Liu Jinlan. In respect of 209,941,513 shares therein held by CLH Trust, Liu Jinlan is also a beneficiary of the trust.

3. Chen Xin is deemed to be interested in 257,428,165 shares of the Company. These shares are held by three discretionary trusts, namely MHS Trust, DFS (No. 1) Trust and CLH Trust, all founded by Chen Xin. In respect of 209,941,513 shares therein held by CLH Trust, Chen Xin is also a beneficiary of the trust.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (CONTINUED)

(ii) Interests in associated corporations of the Company — Long Positions

Name of director	Name of associated corporation	Nature of interest	Approximate percentage of issued share capital of the associated corporation
Liu Jinlan	CLH Holding Limited	Founder of discretionary trust	100%
	Golden Bridge International Culture Limited	Corporate interest	100%
	Golden Bridge Int'l Advertising Holdings Limited	Corporate interest	100%
	CTV Golden Bridge International Media Group Co., Ltd.	Corporate interest	0.3%
Chen Xin	CLH Holding Limited	Founder of discretionary trust	100%
	Golden Bridge International Culture Limited	Corporate interest	100%
	Golden Bridge Int'l Advertising Holdings Limited	Corporate interest	100%

Apart from the foregoing, as at 30 June 2013, none of the directors and chief executive of the Company had any interests or short positions in the shares, underlying shares and debenture of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) recorded in the register required to be kept by the Company under Section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEMES

The Company has adopted share option schemes on 29 June 2007 (the "Pre-IPO Scheme") and 27 May 2008 (the "Post-IPO Scheme"), respectively, whereby the directors of the Company are authorised, at their discretion, to invite any full time employee, director or any person approved by the board or shareholders of the Company to take up options (the "Pre-IPO Options" and the "Post-IPO Options", respectively) to subscribe for shares of the Company. No further options will be granted under the Pre-IPO Scheme. The Post-IPO Scheme shall be valid and effective for a period of ten years ending on 7 July 2018.

The total number of securities available for issue under both the Pre-IPO Scheme and the Post-IPO Scheme as at 30 June 2013 was 36,911,500 shares which represented approximately 7% of the issued share capital of the Company as at 30 June 2013.

SHARE OPTION SCHEMES (CONTINUED)

Movements of the share options under the share option schemes for the six months ended 30 June 2013 are as follows:

	No. of options outstanding as at 1 January 2013	No. of options granted during the period	No. of options exercised during the period	No. of options forfeited during the period	No. of options outstanding as at 30 June 2013	Date of grant	Exercise price	Exercise period
Directors								
Liu Jinlan	3,200,000	–	–	–	3,200,000	10 July 2007	RMB1.56	*Note 2*
	1,200,000	–	–	–	1,200,000	2 July 2010	HKD1.84	*Note 4*
Li Zongzhou	1,600,000	–	–	–	1,600,000	10 July 2007	RMB1.56	*Note 1*
	900,000	–	–	–	900,000	2 July 2010	HKD1.84	*Note 4*
He Hui David	600,000	–	–	–	600,000	2 July 2010	HKD1.84	*Note 4*
Qi Daqing	260,000	–	–	–	260,000	17 September 2009	HKD1.49	*Note 3*
Ding Junjie	200,000	–	–	–	200,000	17 September 2009	HKD1.49	*Note 3*
Lian Yuming	200,000	–	–	–	200,000	29 August 2011	HKD2.62	*Note 4*
Wang Xin	200,000	–	–	–	200,000	11 September 2012	HKD3.22	*Note 4*
Employees								
in aggregate	8,796,000	–	–	–	8,796,000	4 July 2007 to 7 March 2008	RMB1.56	*Note 1*
	200,000	–	–	–	200,000	17 September 2009	HKD1.49	*Note 3*
	13,667,500	–	(122,500)	(187,500)	13,357,500	2 July 2010	HKD1.84	*Note 4*
	500,000	–	–	(375,000)	125,000	22 November 2010	HKD2.82	*Note 4*
	873,000	–	–	–	873,000	6 December 2010	HKD2.88	*Note 4*
	2,040,000	–	–	–	2,040,000	29 August 2011	HKD2.62	*Note 4*
	800,000	–	–	–	800,000	9 January 2012	HKD2.36	*Note 4*
	1,660,000	–	–	–	1,660,000	11 September 2012	HKD3.22	*Note 4*
	–	700,000	–	–	700,000	12 April 2013	HKD4.31	*Note 4*

Notes:

1. A Pre-IPO Options holder may exercise a maximum of 25% of the total number of the Pre-IPO Options granted after the lapse of 365 days from the acceptance of the Pre-IPO Options. Subsequently, for every full year of continuous service with the Company, the holder may exercise a maximum of another 25% of the total number of the Pre-IPO Options granted, up to eight years from the date of grant.

   Pre-IPO Options granted to Li Zongzhou are exercisable from 8 January 2009 to 9 July 2015, subject to the vesting requirement mentioned in (1) above. Exercisable period of the Pre-IPO Options granted to employees of the Group commenced on 8 January 2009 and will expire on a date ranging from 3 July 2015 to 6 March 2016 (depending on their respective dates of grant of the options), also subject to the vesting requirements mentioned above.

SHARE OPTION SCHEMES (CONTINUED)

2. An exception to the vesting requirement mentioned in (1) above is that Liu Jinlan may exercise a maximum of 50% of the total number of the Pre-IPO Options granted after the lapse of 365 days from the acceptance of the options. Subsequently, for every full year of continuous service with the Company, Liu Jinlan may exercise a maximum of another 25% of the total number of the options granted, up to eight years from the date of grant.

   Pre-IPO Options granted to Liu Jinlan are exercisable from 8 January 2009 to 9 July 2015, subject to the vesting requirement mentioned above.

3. A Post-IPO Options holder may exercise a maximum of 25% of the total number of the Post-IPO Options granted from the acceptance of the Post-IPO Options. Subsequently, for every full year of continuous service with the Company, the holder may exercise a maximum of another 25% of the total number of the Post-IPO Options granted, up to eight years from the date of grant.

4. A Post-IPO Options holder may exercise a maximum of 25% of the total number of the Post-IPO Options granted after the lapse of one full year from the date of grant of the Post-IPO Options. Subsequently, for every full year of continuous service with the Company, the holder may exercise a maximum of another 25% of the total number of the Post-IPO Options granted, up to eight years from the date of grant.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES — LONG POSITIONS

As at 30 June 2013, so far as known to the directors and chief executive of the Company, the following corporations (other than a director or chief executive of the Company) had, or were deemed or taken to have interests or short position in the shares or underlying shares of the Company, which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Substantial shareholder	Nature of interest	Total number of ordinary shares held	% of total issued shares
Equity Trustee Limited	Trustee *(Note 1)*	304,914,821	54.44%
CLH Holding Limited	Corporate interest *(Note 2)*	209,941,513	37.48%

Notes:

1. Equity Trustee Limited is deemed to be interested in 304,914,821 shares of the Company as it is the trustee of CLH Trust (shares held by Golden Bridge International Culture Limited), MHS Trust (shares held by Merger Holding Service Company Limited), UME Trust (shares held by United Marine Enterprise Company Limited), DFS (No. 1) Trust (shares held by Digital Finance Service Company Limited) and DFS (No. 2) Trust (shares held by SinoMedia Investment Ltd.).

2. These shares are directly held by Golden Bridge International Culture Limited which is a wholly owned subsidiary of Golden Bridge Int'l Advertising Holdings Limited which in turn is a wholly owned subsidiary of CLH Holding Limited. CLH Holding Limited is deemed to be interested in 209,941,513 shares of the Company held by Golden Bridge International Culture Limited.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES — LONG POSITIONS (CONTINUED)

Save as disclosed above, so far as known to the directors and chief executive of the Company, as at 30 June 2013, there was no other persons or corporations (other than a director or chief executive of the Company) who had any interests or short position in the shares or underlying shares of the Company, which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

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

During the six months ended 30 June 2013, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE PRACTICES

During the six months ended 30 June 2013, the Company had complied with all the applicable provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, save for the deviation from code provision A.6.7.

Under Code Provision A.6.7, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of the shareholders. Due to other pre-arranged business commitments which must be attended to by each of them, Mr. Ding Junjie, Mr. Qi Daqing, and Mr. Lian Yuming, being independent non-executive directors of the Company, were not present at the annual general meeting of the Company held on 23 May 2013.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding directors' securities transactions.

Having been made specific enquiry, all the directors of the Company confirmed that they complied with the required standard set out in the Model Code during the six months ended 30 June 2013.

AUDIT COMMITTEE

The Audit Committee has, together with the management of the Company, reviewed the Group's unaudited consolidated financial statements and the interim report for the six months ended 30 June 2013, including the accounting principles and practices adopted by the Group.