XINHUA NEWS MEDIA HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 309

INTERIM REPORT 2013/2014

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Ju Mengjun *(Co-chairman)*
Lo Kou Hong *(Co-chairman)*
Yu Guang
David Wei Ji
Chang Yong
Yan Liang

Independent Non-executive Directors

Xu Rong
Tang Binfeng
Wang Qi
Tsang Chi Hon

AUDIT COMMITTEE

Tsang Chi Hon *(Chairman)*
Xu Rong
Wang Qi

REMUNERATION COMMITTEE

Tsang Chi Hon *(Chairman)*
Xu Rong
Wang Qi

NOMINATION COMMITTEE

Ju Mengjun *(Chairman)*
Wang Qi
Tsang Chi Hon

STRATEGY AND DEVELOPMENT COMMITTEE

Yu Guang *(Chairman)*
Yan Liang
Tang Binfeng
Tsang Chi Hon

EXECUTIVE COMMITTEE

Ju Mengjun *(Chairman)*
Yu Guang
David Wei Ji
Chang Yong
Xu Rong
Tsang Chi Hon

CORPORATE GOVERNANCE COMMITTEE

David Wei Ji *(Chairman)*
Yu Guang
Chang Yong
Yan Liang
Tsang Chi Hon

COMPANY SECRETARY

Kwong Yin Ping, Yvonne

AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

SOLICITORS

Troutman Sanders

REGISTER OFFICE

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Grand Cayman
KY1-1104
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

2nd Floor
5 Sharp Street West
Wan Chai
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor
Royal Bank House
24 Shedden Road
P.O. Box 1586
Grand Cayman
KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
26th Floor
Tesbury Centre
28 Queen's Road East
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 referred to as the "Group") for the six months ended 30 September 2013. 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 2013

	Notes	**For the six months ended 30 September 2013 (Unaudited) *HK$'000***	2012 (Unaudited) *HK$'000*
CONTINUING OPERATIONS			
REVENUE	*3*	**106,540**	97,165
Other income and gains	*4*	**892**	723
Staff costs		**(86,280)**	(79,218)
Depreciation and amortisation	*6*	**(9,091)**	(10,544)
Fair value change on derivative financial asset	*12*	**4,932**	–
Impairment of goodwill	*10*	**(9,960)**	–
Other operating expenses		**(26,606)**	(25,797)
Finance costs	*5*	**(5)**	(23)
Share of profit of an associate		**17**	87
LOSS BEFORE TAX FROM CONTINUING OPERATIONS	*6*	**(19,561)**	(17,607)
Income tax	*7*	**–**	7
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		**(19,561)**	(17,600)
DISCONTINUED OPERATION			
Loss for the period from a discontinued operation	*8*	**(438)**	(2,591)
LOSS FOR THE PERIOD		**(19,999)**	(20,191)
OTHER COMPREHENSIVE INCOME/(LOSS)			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations and other comprehensive income/(loss) for the period, net of tax		**1,016**	(549)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(18,983)**	(20,740)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

For the six months ended 30 September 2013

	Note	For the six months ended 30 September 2013 (Unaudited) HK$'000	2012 (Unaudited) HK$'000
Loss attributable to:			
Owners of the Company		**(18,501)**	(19,689)
Non-controlling interests		**(1,498)**	(502)
		(19,999)	(20,191)
Total comprehensive loss attributable to:			
Owners of the Company		**(17,990)**	(20,073)
Non-controlling interests		**(993)**	(667)
		(18,983)	(20,740)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	9		
Basic and diluted			
– For loss for the period		**(1.42) HKcents**	(1.68) HKcents
– For loss from continuing operations		**(1.40) HKcents**	(1.52) HKcents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2013

	Notes	30 September 2013 (Unaudited) HK$'000	31 March 2013 (Audited) HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**5,304**	7,878
Goodwill	*10*	**13,000**	22,960
Intangible assets	*11*	**102,607**	108,650
Investment in an associate		**551**	535
Total non-current assets		**121,462**	140,023
CURRENT ASSETS			
Inventories		**239**	151
Due from an associate	*21(b)*	**1,240**	1,265
Derivative financial asset	*12*	**–**	2,006
Trade receivables	*13*	**38,273**	39,258
Prepayments, deposits and other receivables		**53,555**	37,898
Pledged time deposits	*14*	**10,533**	10,022
Cash and cash equivalents		**56,073**	62,683
		159,913	153,283
Assets classified as held for sale	*8*	**24,727**	24,463
Total current assets		**184,640**	177,746
CURRENT LIABILITIES			
Trade payables	*15*	**4,750**	4,517
Other payables and accrued liabilities		**35,063**	28,260
Finance lease payable	*16*	**55**	52
Tax payable		**225**	219
		40,093	33,048
Liabilities directly associated with the assets classified as held for sale	*8*	**16,081**	15,763
Total current liabilities		**56,174**	48,811

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

As at 30 September 2013

	Notes	30 September 2013 (Unaudited) HK$'000	31 March 2013 (Audited) HK$'000
NET CURRENT ASSETS		**128,466**	128,935
TOTAL ASSETS LESS CURRENT LIABILITIES		**249,928**	268,958
NON-CURRENT LIABILITIES			
Finance lease payable	16	**29**	57
Provision for long service payments		**1,600**	1,510
Deferred income		**6,314**	6,423
Total non-current liabilities		**7,943**	7,990
Net assets		**241,985**	260,968
EQUITY			
Equity attributable to owners of the Company			
Issued capital	17	**13,023**	13,023
Reserves		**215,940**	233,930
		228,963	246,953
Non-controlling interests		**13,022**	14,015
Total equity		**241,985**	260,968

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2013

	Attributable to owners of the Company											
	Issued capital HK$'000	Share premium HK$'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$'000	Sub-total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
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	1,354	27,077	–	–	–	–	–	–	–	28,431	–	28,431
Transfer of warrant reserve upon expiry of warrants	–	–	–	–	–	(306)	–	306	–	–	–	–
Acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	–	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
At 1 April 2013 (Audited)	**13,023**	**450,896**	**254**	**47,063**	**17,313**	**-**	**26,758**	**(320,441)**	**12,087**	**246,953**	**14,015**	**260,968**
Loss for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(18,501)**	**-**	**(18,501)**	**(1,498)**	**(19,999)**
Other comprehensive income for the period:												
Exchange differences on translation of foreign operations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**511**	**511**	**505**	**1,016**
Total comprehensive loss for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(18,501)**	**511**	**(17,990)**	**(993)**	**(18,983)**
At 30 September 2013 (Unaudited)	**13,023**	**450,896***	**254***	**47,063***	**17,313***	**-**	**26,758***	**(338,942)***	**12,598***	**228,963**	**13,022**	**241,985**

* These reserve accounts comprise the consolidated reserves of HK$215,940,000 (31 March 2013: HK$233,930,000) in the condensed consolidated statement of financial position as at 30 September 2013.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2013

	For the six months ended 30 September	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	**(6,296)**	(6,341)
NET CASH (OUTFLOW)/INFLOW FROM INVESTING ACTIVITIES	**(960)**	3,445
NET CASH (OUTFLOW)/INFLOW FROM FINANCING ACTIVITIES	**(25)**	1,139
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(7,281)**	(1,757)
Cash and cash equivalents at beginning of period	**63,037**	86,071
Effect of foreign exchange rate changes, net	**427**	225
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**56,183**	84,539
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**56,019**	43,681
Non-pledged time deposits with original maturity of less than three months when acquired	**54**	40,301
Cash and cash equivalents as stated in the condensed consolidated statement of financial position	**56,073**	83,982
Cash and bank balances attributable to a discontinued operation	**110**	557
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows	**56,183**	84,539

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2013

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements for the six months ended 30 September 2013 ("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 (the "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 "Main Board Listing Rules").

The accounting policies and the basis of preparation adopted in the preparation of the Financial Statements are the same as those used in the Group's annual financial statements for the year ended 31 March 2013, 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 below.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

In the current period, the Company has applied, for the first time, the following new and revised standards, amendments and interpretations ("new HKFRSs") issued by the HKICPA, which are effective for the Company's financial period beginning on 1 April 2013. A summary of the new HKFRSs are set out as below:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009 – 2011 Cycle
Amendments to HKFRS 1	First-time Adoption of Hong Kong Financial Reporting Standard – Government Loans
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
Amendment to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
HK(IFRIC) – Int 20	Stripping Costs in Production Phase of Surface Mine

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 which have been prepared and presented. Accordingly, no prior period adjustment has been required.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

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

HKFRS 9	Financial Instruments[2]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[2]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[1]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets[1]
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
HK(IFRIC) – Int 21	Levies[1]

1 Effective for annual periods beginning on or after 1 January 2014
2 Effective for annual periods beginning on or after 1 January 2015

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 "Investment Entities"

The "*Investment Entities*" amendments apply to a particular class of business that qualify as investment entities. The term "*investment entity*" refers to an entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. An investment entity must also evaluate the performance of its investments on a fair value basis. Such entities could include private equity organisations, venture capital organisations, pension funds, sovereign wealth funds and other investment funds.

Under HKFRS 10, reporting entities were required to consolidate all investees that they control (i.e. all subsidiaries). Preparers and users of financial statements have suggested that consolidating the subsidiaries of investment entities does not result in useful information for investors. Rather, reporting all investments, including investments in subsidiaries, at fair value, provides the most useful and relevant information.

In response to this, the amendments provide an exception to the consolidation requirements in HKFRS 10 and require investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. The amendments also set out disclosure requirements for investment entities.

The Group has assessed that the adoption of HKFRS 10 does not have any significant impact on the Group as all subsidiaries within the Group satisfy the requirement of control under HKFRS 10 and there are no new subsidiaries identified under the new guidance.

The amendments are effective from 1 January 2014 with early adoption permitted in order to allow investment entities to apply the amendments at the same time they first apply the rest of HKFRS 10.

Amendments to HKAS 36 "Impairment of Assets: Recoverable Amount Disclosures for Non-Financial Assets"

The amendments to HKAS 36 are to remove certain unintended disclosure requirements which may be introduced by the consequential amendments to HKAS 36 when HKFRS 13 was issued. Furthermore, these amendments require the disclosure of additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal. The amendments to HKAS 36 are effective for annual periods beginning on or after 1 January 2014. Earlier application is permitted. However, an entity may not apply those amendments in periods (including comparative periods) in which it does not also apply HKFRS 13.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

Amendments to HKAS 39 "Novation of Derivatives and Continuation of Hedge Accounting"

The narrow-scope amendments will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met (in this context, a novation indicates that parties to a contract agree to replace their original counterparty with a new one).

The amendments will be effective for annual periods beginning on or after 1 January 2014 and applied retrospectively. Earlier application is permitted.

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 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 management consulting services segment engages in the provision of investment management and consulting service, management solutions for hospital and sales of medical equipment.

The Group's waste treatment business was terminated on 9 January 2012 as detailed in note 8 in the financial statement.

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 loss, which is a measure of adjusted loss before tax from continuing operations. The adjusted 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.

Segment assets excluded goodwill, investment in an associate and derivative financial asset, as the assets are managed on a group basis.

Segment liabilities excluded finance lease payable, as these liabilities are managed on a group basis.

There are no intersegment sales and transfers between the segments.

3. OPERATING SEGMENT INFORMATION (continued)

The following is an analysis of the Group's revenue and results by reportable segments:

	For the six months ended 30 September 2013						
	Continuing operations					Discontinued operation	
	Cleaning and related services (unaudited) *HK$'000*	Television screen broadcast business (unaudited) *HK$'000*	Medical waste treatment (unaudited) *HK$'000*	Management consulting services (unaudited) *HK$'000*	Sub-total (unaudited) *HK$'000*	Waste treatment (unaudited) *HK$'000*	Total (unaudited) *HK$'000*
Segment revenue:							
Service income from external customers	101,501	727	3,884	428	106,540	–	106,540
Other income and gains	41	1	729	–	771	180	951
Total	101,542	728	4,613	428	107,311	180	107,491
Segment results	2,866	(8,671)	1,576	(4,262)	(8,491)	(438)	(8,929)
Reconciliation:							
Interest income							121
Unallocated gains							4,949
Unallocated expenses							(6,175)
Impairment of goodwill							(9,960)
Finance costs							(5)
Loss before tax							(19,999)

3. OPERATING SEGMENT INFORMATION (continued)

	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$'000*	Management consulting services (unaudited) *HK$'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)

4. OTHER INCOME AND GAINS

	For the six months ended 30 September	
	2013 **(Unaudited)** ***HK$'000***	2012 (Unaudited) *HK$'000*
Sundry income	**506**	17
Amortisation of deferred income	**235**	229
Interest income	**121**	439
Management fee received	**30**	38
	892	723

5. FINANCE COSTS

	For the six months ended 30 September	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest on a finance lease	**5**	7
Interest on bank overdraft	**–**	16
	5	23
Attributable to:		
Continuing operations	**5**	23
Discontinued operation *(note 8)*	**–**	–
	5	23

6. LOSS BEFORE TAX

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

	For the six months ended 30 September	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Cost of services rendered*	**80,273**	86,539
Depreciation		
Continuing operations	**2,782**	2,067
Discontinuing operation	**–**	1,333
Amortisation of intangible assets		
Continuing operations	**6,309**	8,477
Discontinuing operation	**–**	–
Loss on disposal of property, plant and equipment*	**278**	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 (2012: Nil). Subsidiaries located in the People's Republic of China (the "PRC") are subject to the PRC corporate income tax at a rate of 25% on its assessable profits.

No corporate 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 (2012: 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 2013 and 30 September 2013, the waste treatment business was classified as a discontinued operation. As at 30 September 2013, the Group is still negotiating with an independent state-owned enterprise in respect of the sale of Shuyang ITAD.

The results of the waste treatment business for the six months ended 30 September 2013 and 2012 are presented below:

	For the six months ended 30 September	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Other income and gains	**180**	454
Expenses	**(618)**	(3,045)
Loss before tax from the discontinued operation	**(438)**	(2,591)
Income tax	**–**	–
Loss for the period from the discontinued operation	**(438)**	(2,591)

The major classes of assets and liabilities of the waste treatment business classified as held for sale as at 30 September 2013 and 31 March 2013 are as follows:

	30 September 2013	31 March 2013
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
ASSETS		
Property, plant and equipment	**23,348**	22,892
Prepayments, deposits and other receivables	**1,269**	1,217
Cash and cash equivalents	**110**	354
Assets classified as held for sale	**24,727**	24,463
LIABILITIES		
Trade payables	**(53)**	(52)
Other payables and accruals	**(4,883)**	(4,778)
Tax payable	**(283)**	(283)
Loans from a Director	**(10,862)**	(10,650)
Liabilities directly associated with the assets classified as held for sale	**(16,081)**	(15,763)
Net assets classified as held for sale	**8,646**	8,700

8. DISCONTINUED OPERATION (continued)

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

	For the six months ended 30 September	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Operating activities	**(453)**	(11,118)
Investing activities	**–**	–
Financing activities	**–**	1,162
Net cash outflow	**(453)**	(9,956)
Loss per share:		
Basic and diluted, from the discontinued operation	**(0.02) HK cents**	(0.16) HK cents

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

	For the six months ended 30 September	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Loss attributable to ordinary equity holders of the Company from the discontinued operation	**309**	1,817

	Number of shares	
	2013	2012
Weighted average number of ordinary shares in issue during the period used in the basic loss per share calculation *(note 9)*	**1,302,286,040**	1,172,077,778

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 September 2013 and 2012 in respect of a dilution as the impact of share options and warrants outstanding has an anti-dilutive effect on the basic loss per share from discontinued operation amounts presented.

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

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 Company, and the weighted average number of ordinary shares of 1,302,286,040 (2012: 1,172,077,778) 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 2013 and 2012 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 and diluted loss per share is based on:

	For the six months ended 30 September	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Loss		
Loss attributable to ordinary equity holders of the Company used in the basic and diluted loss per share calculation		
From continuing operations	**(18,192)**	(17,872)
From discontinued operation	**(309)**	(1,817)

	Number of shares	
	2013	2012
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted loss per share calculation	**1,302,286,040**	1,172,077,778

10. GOODWILL

The Group

	HK$'000
Cost	
At 31 March 2013, 1 April 2013 and 30 September 2013	62,145
Accumulated impairment	
At 31 March 2013	39,185
Impairment for the period	9,960
At 30 September 2013	49,145
Carrying amount	
At 30 September 2013	**13,000**
At 31 March 2013	22,960

10. GOODWILL (continued)

Goodwill is allocated to the Group's cash-generating units identified according to business segment as follows:

	30 September 2013 (Unaudited) ***HK$'000***	31 March 2013 (Audited) *HK$'000*
Medical waste treatment	**–**	–
Management consulting services	**13,000**	22,960
	13,000	22,960

Management consulting services

During the year ended 31 March 2013, goodwill was resulted from the acquisition of 100% equity interest of Pan Asia Century Holdings Limited ("PAC Holdings") and its subsidiaries (collectively known as "Pan Asia Group"). The principal activity of Pan Asia Group is management consulting services.

The recoverable amount of this group of cash-generating units is determined based on a value in use calculation which uses cash flow projections based on financial budgets covering a period of 9.25 years, and a pre-tax discount rate of 24.17% per annum. Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flows beyond that budget period have been extrapolated using a steady 3% per annum growth rate which is the projected long-term average growth rate for the international leisure goods market.

Due to the underperformance of Pan Asia Group, an impairment test was done. The test was based on an estimated recoverable amount of the cash-generating units by comparing the higher of the fair value less costs to sell and the value in use of the cash-generating unit base on the discount cash flow method.

Medical waste treatment

Goodwill acquired through business combination in the year ended 31 March 2008 related to medical waste treatment cash-generating unit of HK$39,185,000 has been fully impaired.

11. INTANGIBLE ASSETS

	Medical waste treatment *HK$'000*	**Free right** *HK$'000*	**Total** *HK$'000*
Cost			
At 31 March 2013	34,376	151,286	185,662
Additions	2	–	2
Exchange realignment	684	–	684
At 30 September 2013	35,062	151,286	186,348
Accumulated amortisation and impairment			
At 31 March 2013	20,949	56,063	77,012
Amortisation during the period	479	5,830	6,309
Exchange realignment	420	–	420
At 30 September 2013	21,848	61,893	83,741
Carrying amount			
At 30 September 2013	**13,214**	**89,393**	**102,607**
At 31 March 2013	13,427	95,223	108,650

12. DERIVATIVE FINANCIAL ASSET

During the six months ended 30 September 2013, the consideration adjustment in relation to the acquisition of Pan Asia Group was finalised and the Group will receive in total of approximately HK$6,938,000 in cash which is included in "other receivable" in the condensed consolidated statement of financial position as at 30 September 2013. Fair value gain of the derivative financial asset of approximately HK$4,932,000 is recognised in profit or loss for the six months ended 30 September 2013.

Pursuant to the agreement entered into between the Group and the vendor in relation to the acquisition of Pan Asia Group, the initial consideration is subject to adjustment if the actual net profit of Pan Asia Group for the 12-month period commencing from the completion date falls below HK$10,000,000, in which case the vendor shall pay to the Group an amount equivalent to 51% of the difference between HK$10,000,000 on and the actual net profit. If Pan Asia Group records a net loss, vendor shall pay to the Group an amount equivalent to 51% of the sum of HK$10,000,000 and the absolute amount of the net loss.

13. TRADE RECEIVABLES

	30 September 2013 (Unaudited) *HK$'000*	31 March 2013 (Audited) *HK$'000*
Trade receivable	**38,273**	39,258

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.

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

	30 September 2013 (Unaudited) *HK$'000*	31 March 2013 (Audited) *HK$'000*
Within 30 days	**17,577**	16,234
31 – 60 days	**10,789**	9,190
61 – 90 days	**2,669**	3,491
91 – 120 days	**369**	10,018
Over 120 days	**6,869**	325
	38,273	39,258

14. PLEDGED TIME DEPOSITS

As the end of reporting period, the Group's banking facilities were secured by the pledge of certain of the Group's time deposits amounting to HK$10,533,000 (31 March 2013: HK$10,022,000).

15. 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 2013 (Unaudited) *HK$'000*	31 March 2013 (Audited) *HK$'000*
Within 30 days	**2,631**	1,490
31 – 60 days	**9**	842
61 – 90 days	**10**	45
Over 90 days	**2,100**	2,140
	4,750	4,517

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

16. FINANCE LEASE PAYABLE

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

As at 30 September 2013 and 31 March 2013, the total future minimum lease payments under finance leases were as follows:

	30 September 2013 (Unaudited) *HK$'000*	31 March 2013 (Audited) *HK$'000*
Amounts payable:		
Within one year	**60**	60
In the second year	**30**	60
In the third to fifth year, inclusive	**–**	–
Total minimum finance lease payments	**90**	120
Future finance charges	**(6)**	(11)
Total net finance lease payable	**84**	109
Portion classified as current liabilities	**(55)**	(52)
Non-current portion	**29**	57

17. SHARE CAPITAL

	30 September 2013 (Unaudited) *HK$'000*	31 March 2013 (Audited) *HK$'000*
Authorised: 2,000,000,000 (31 March 2013: 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 2013: 1,302,286,040) ordinary shares of HK$0.01 each	**13,023**	13,023

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 31 March 2013, 1 April 2013 and at 30 September 2013	1,302,286,040	13,023

Employee share option scheme

As at 30 September 2013, there were 19,000,000 share options under the Share Option Scheme. During the six months ended 30 September 2013, no share options were lapsed. 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).

At the date of approval of these condensed consolidated interim financial statements, 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 Share Option Scheme was expired on 23 April 2013. No further share options would be granted under the scheme, but share options outstanding should remain in full force and effects in all other respects.

18. CONTINGENT LIABILITIES

At the end of the reporting period, the Group's contingent liabilities are as follows:

(i) The Group has executed performance guarantees to the extent of an aggregate amount of HK$2,722,000 (31 March 2013: HK$4,838,000) in respect of certain services provided to various customers by the Group.

(ii) 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$2,941,000 as at 30 September 2013 (31 March 2013: HK$2,830,000). 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$1,600,000 (31 March 2013: HK$1,510,000) in respect of such payments has been made in the condensed consolidated statement of financial position as at 30 September 2013.

(iii) 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 2013 and 31 March 2013.

19. 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 due as follows:

	30 September 2013 (Unaudited) ***HK$'000***	31 March 2013 (Audited) *HK$'000*
Within one year	**1,282**	1,219
In the second to fifth years, inclusive	**785**	980
	2,067	2,199

20. COMMITMENTS

In addition to the operating lease commitments detailed in note 19 above, the Group had the following capital expenditure commitments at the end of the reporting period:

	30 September 2013 (Unaudited) *HK$'000*	31 March 2013 (Audited) *HK$'000*
Contracted, but not provided for:		
Property, plant and equipment	**–**	102
	–	102

21. 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	
	Notes	**2013 (Unaudited) *HK$'000***	2012 (Unaudited) *HK$'000*
Management fee income from a related company	*(i)*	**30**	30
Interest income from an associate	*(ii)*	**25**	26
Rental expenses to related companies	*(iii)*	**–**	872
Management fee to related companies	*(iv)*	**–**	118

Notes:

(i) The management fee income for 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 income received from an associate was charged at an interest rate of 5% per annum on the outstanding amount due from an associate.

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

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

21. 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 2013.

As at 30 September 2013, the loans from a director amounted to approximately HK$10,862,000 (31 March 2013: HK$10,650,000) are included in a discontinued operation. The loans from a director are charged at interest rates from 1% to 6.65% per annum on the outstanding loans amount and the director agreed to waive the interest expenses for the six month ended 30 September 2013. The loans from a director are not repayable within the next twelve months except for loans of approximately HK$3,277,000 which are repayable within the next twelve months.

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

	For the Six months ended 30 September	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Short term employee benefits	**1,015**	1,987
Post-employment benefits	**36**	188
Total compensation paid to key management personnel	**1,051**	2,175

22. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements were approved and authorised for issue by the Board on 29 November 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING RESULTS

The Group's turnover from continuing operations for the six months ended 30 September 2013 amounted to approximately HK$106,540,000, represented 9.7% increase as compared to the same period last year. The loss of the Group for the six months ended 30 September 2013 from continuing operations was approximately HK$19,561,000 (2012: HK$17,600,000). Cleaning and related services business made a profit of approximately HK$2,866,000, the medical waste treatment business made a profit of approximately HK$1,576,000, the management consulting services make a loss of approximately HK$4,262,000 and the television screen broadcast business made a loss of approximately HK$8,671,000, of which HK$5,830,000 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").

The discontinuation of the operation of the municipal waste treatment plant was located in Shuyang County, Jiangsu Province, PRC. Total loss from the discontinued operation for the six months ended 30 September 2013 was approximately HK$438,000.

FINANCIAL REVIEW

As at 30 September 2013, the Group's cash and cash equivalents and pledged time deposits totalled approximately HK$66,606,000 (31 March 2013: HK$72,705,000) and its current ratio (excluding discontinued operation) was 3.99 (31 March 2013: 4.64). The Group's net assets were approximately HK$241,985,000 (31 March 2013: HK$260,968,000).

As at 30 September 2013, the Group did not have any bank borrowings but the Group had a finance lease payable and loans from a director of approximately HK$84,000 and HK$10,862,000 as at 30 September 2013 respectively (31 March 2013: HK$109,000 and HK$10,650,000) and therefore, its gearing ratio, representing ratio of a finance lease payable and loans from a Director to shareholders' equity was 4.4% (31 March 2013: 4.1%). The Group's shareholders' equity amounted to approximately HK$241,985,000 as at 30 September 2013 (31 March 2013: HK$260,968,000).

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

As at 30 September 2013, the Group's banking facilities were secured by the pledge of certain of the Group's time deposits amounting to approximately HK$10,533,000 (31 March 2013: HK$10,022,000).

BUSINESS REVIEW

Television screen broadcast business

For the television screen broadcast business, specially produced news programs including finance, sports, entertainment and lifestyle run smoothly on through trains operated by the MTR Corporation Limited ("MTR") running from Guangzhou East and Hong Kong and at the MTR Hunghom Departure Hall, and television programs broadcasting on selected television screens at departure gates in the Hong Kong International Airport ("HK Airport") continue to run smoothly.

The Group has benefited from agency agreements with advertising agents in both Mainland China and Hong Kong as the Group has enjoyed additional sources of advertising revenue resulting from an increased number of clients from Mainland China during the period. In addition, the Group has endeavoured to approach media agents to discuss cooperation in sharing television screen resources to increase broadcasting channels and reduce capital investment costs.

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 ended 31 December 2012 will be no less than HK$30,000,000 and HK$100,000,000, respectively. Negotiations on remedial actions are on-going and the Company expects to reach an agreement with APRB by the end of 2013. Appropriate announcement will be made when an agreement has been reached.

Cleaning and related services

Cleaning and related services continued to be the core business of the Group and had achieved progressive growth. Existing contracts with several Grade-A commercial/office buildings in Wanchai, Admiralty, Central and Aberdeen areas, which expired during the period under review, were renewed for various terms ranging from one year to three years. The Group is also able to obtain a new contract for providing day-to-day cleaning and stone finishing maintenance services to a luxurious residential apartment building in Kadoorie Hill. The Group was also successful in bidding a two-year contract for a high-class residential estate comprising over thousands of deluxe apartments, detached houses, private roads and amenities on Hong Kong Island South for the provision of daily, periodic and high-level cleaning, pest and rodent control services as well as stone finishing maintenance and restoration.

The Group provides high-level cleaning services by establishing its own service teams to ensure quality and, most importantly, safety. This is unlike many other service providers who usually outsource such services to their sub-contractors. This portion of our service also achieved a notable growth during the period.

The Group has been maintaining constant contact with our European business partner in stone and tile maintenance and restoration products reflecting to them the prevailing market trends and requirements for devising more products matching the needs of end-users in Hong Kong, Macau and Mainland China. The variety of products continues to gain growing recognition.

Medical waste treatment business

For the medical waste treatment business, the two medical treatment plants of the Group in Siping city and Suifa city in the Mainland China continue to be operate smoothly.

Management consulting services business

The management consulting services business is facing a tough market environment. As a result, the segment has generated a loss of HK$4,847,000 for the six months ended 30 September 2013, which was mostly due to the write off of certain non-refundable tender deposits. Subsequently, projected revenue from these tender deposits were written off which resulted in an impairment of goodwill.

Pursuant to the agreement dated 29 August 2012 to acquire the shares in PAC Holdings, the consideration was 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 was less than HK$10,000,000. The actual net loss of the Pan Asia Group for the 12-month period ended 23 September 2013 was HK$3,604,000. Accordingly, the consideration was adjusted and the Group is entitled to a payment of HK$6,938,000 from the vendor. The management will start discussions with the vendor regarding the payment.

Waste treatment business

The Group was engaged in negotiation with an independent state-owned enterprise regarding the Group's investment in a waste treatment plant in Shuyang County, Jiangsu Province. The negotiation is still continuing.

PROSPECTS

Television screen broadcast business

With the change of management during the reporting period, the Group is dedicated and focused on recapturing the shortfall during the development stage of the television screen broadcast business in previous years. The Group will endeavor to redeploy all necessary resources in improving the branding image and hence increasing its coverage and market share.

The Group has begun working with several advertising agents based in Mainland China and Hong Kong. Although some of the contracts were relatively small, results showed that the Group has created a profile of customers from Mainland China via the agents. The Group will keep focusing on customers from Mainland China.

For the television screen broadcasting at the HK Airport, the Group keeps putting effort in securing sponsorship on television programs production. The Group is confident that the successful running of the HK Airport project will enhance the Group's profitability and improve the branding image to international customers and consumers.

Recently, the Group has extended the broadcast right to provide news programs including finance, sports, entertainment and lifestyle to the passengers on the through trains between Guangzhou East and Hunghom, as well as the MTR Hunghom Departure Hall with MTR for further three years.

Negotiations for media broadcast on an LED video wall in Central District is towards the closing stage. The Group is looking forward to launch the broadcasting service by the end of 2013.

The Group is also discussing with enterprises in the PRC regarding the possible formation of strategic cooperation relationship in media advertisement business. The Group has already approached two possible enterprises in the PRC, aiming to enhance the Group's profile and further expansion on media advertising business.

The Group recognises the potential value of the television screen broadcast business, and thus will refocus its full attention in making this a success. Barring unforeseen circumstances, the Directors believe the above many ongoing discussions and negotiations would have positive impacts on the Group in the immediate future.

Cleaning and related services

A stable and efficient labour force is the most valuable asset in the service industry. Despite the current situation in Hong Kong of a demand-over-supply in the labour market, the Group has been able to report a relatively low labour turnover rate. This was because the Group could manage to maintain a close and established employer-employee relationship. The Group has also set up certain dedicated staff programs to look after our staff's concerns and welfare.

The Group has accumulated solid experience in integrating cleaning and related services business in different segments, which contributed to our growth in recent years. The Group is optimistic and confident in continuing to enlarge our market share and develop our business further in the year ahead.

Medical waste treatment business

The two medical waste treatment plants located in Siping City and Suihua City are now well established and are expected to continue their smooth operations. The Group therefore expects the medical waste treatment business segment can continue to bring in revenue to the Group in the future.

Management consulting services business

The Group has been deploying resources and efforts to strengthen the performance of management consulting services business. The Group is in a planning stage in further explore different business opportunities in the PRC medical equipment and hospital management service markets.

As a result of the loss of multiple tender security deposit, the forecast for the management consulting services business is significantly worse than six months ago. A significant reduction in future income is reflected in the management forecast which results in impairment on goodwill. The management will look into other avenues of revenue with considerable less risk.

INTERIM DIVIDEND

The directors do not recommend the payment of any interim dividend to shareholders for the six months ended 30 September 2013 (2012: Nil).

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$2,722,000 (31 March 2013: HK$4,838,000) 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$2,941,000 as at 30 September 2013 (31 March 2013: HK$2,830,000). 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$1,600,000 (31 March 2013: HK$1,510,000) in respect of such payments has been made in the condensed consolidated statement of financial position as at 30 September 2013.

(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 2013 and 31 March 2013.

EMPLOYEES AND REMUNERATION POLICIES

The total number of employees of the Group as at 30 September 2013 was 1,547 (31 March 2013: 1,519). Total staff costs, including directors' emoluments and net pension contributions, for the period under review amounted to HK$86,280,000 (30 September 2012: HK$79,218,000). 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.

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

Neither the Company nor any of its subsidiaries has purchase, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2013.

SHARE OPTION SCHEME

The Company operated a share option scheme (the "Scheme"), which was expired on 23 April 2013. No further share options would be granted under the scheme, but share options outstanding should remain in full force and effects in all other respects.

The following table discloses movements in the Company's share options outstanding during the six months ended 30 September 2013:

	Number of share options						
Name or category of participant	**At 1 April 2013**	**Lapsed during the year**	**Exercised during the year**	**At 30 September 2013**	**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
	6,000,000	–	–	6,000,000			
Other employees							
In aggregate (3)	13,000,000	–	–	13,000,000	12-5-05	22-4-05 to 21-4-15	0.275
	13,000,000	–	–	13,000,000			
	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. Ceung 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/cancelled during the six months ended 30 September 2013.

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

As at 30 September 2013, the interests of the directors of the Company in the 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 pursuant to the Model Code, were as follows:

A.(1) 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
Mr. Yu Guang	Long	Interest held by controlled corporation	133,387,000 *(Note (1))*	10.24%
	Short	Interest held by controlled corporation	20,000,000 *(Note (1))*	1.54%
Dr. Lo Kou Hong	Long	Founder of a discretionary trust	40,000,000 *(Note (2))*	3.07%
	Long	Interest of spouse	1,700,000 *(Note (3))*	0.13%

Notes:

(1) These shares were owned by Pan Asia Century Consulting Limited which was owned by Huian International Investment Limited. The entire issued share capital of Huian International Investment Limited was owned by Mr. Yu Guang. Accordingly, Mr. Yu Guang was deemed to be interested in such shares pursuant to Part XV of the SFO.

(2) 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.

(3) 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 2013.

A.(2) 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 2013.

B.(1) ASSOCIATED CORPORATION – PEIXIN GROUP LIMITED ("PEXIN"), 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 the Peixin's issued shares as at 30 September 2013.

B.(2) 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	RMB123,640,000 *(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 2013.

In addition to the above, as at 30 September 2013, 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 2013, none of the directors or chief executive of the Company had any interests or short positions in the 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 2013.

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

As at 30 September 2013, the following persons (other than the directors and chief executives 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:

INTERESTS IN SHARES OF THE COMPANY

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	16.49%
Xinhua News Agency Asia-Pacific Regional Bureau	Long	Interest held by controlled corporation	214,681,040 *(Note (1))*	16.49%
Pan Asia Century Consulting Limited	Long	Beneficial owner	135,387,000	10.40%
	Short	Beneficial owner	20,000,000	1.54%
Huian International Investment Limited	Long	Interest held by controlled corporation	133,387,000 *(Note (2))*	10.24%
	Short	Interest held by controlled corporation	20,000,000 *(Note (2))*	1.54%
The Lo's Family (PTC) Limited	Long	Trustee	40,000,000 *(Note (3))*	3.07%
Equity Trustee Limited	Long	Trustee	40,000,000 *(Note (3))*	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.

The Company noted that APRB have yet to submit the Corporate Substantial Shareholder Notice pursuant to S.324 of Part XV of SFO to the Stock Exchange and the Company to report the percentage change in shareholding as the result of the Discloseable Transaction.

(2) These shares were owned by Pan Asia Century Consulting Limited which was owned by Huian International Investment Limited. Accordingly, Huian International Investment Limited was deemed to be interested in such shares pursuant to Part XV of the SFO.

(3) 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 the 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 2013.

CONNECTED TRANSACTIONS

Saved as disclosed below, the Group had not entered into any connected transactions or continuing connected transactions not exempt under Rules 14A.31 or 14A.33 of the Listing Rules during the six months ended 30 September 2013

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

Mr. Xu Zugen resigned as an executive director and a member of the strategy and development committee of the Company with effect from 22 June 2013.

Mr. Mao Hongcheng resigned as an executive director, the chairman of the corporate governance committee, a member of the executive committee of the Company with effect from 15 July 2013.

Mr. Shi Guoxiong was appointed as the chairman of the corporate governance committee of the Company with effect from 15 July 2013.

Mr. Yu Guang was appointed as an executive director of the Company with effect from 14 August 2013.

Mr. David Wei Ji was appointed as an executive director of the Company with effect from 20 August 2013.

Mr. Chang Loong Cheong resigned as an executive director and chairman of the strategy and development committee and a member of the executive committee and the corporate governance committee of the Company with effect from 10 September 2013.

Mr. Meng Jin resigned as an executive director and a member of the executive committee and the corporate governance committee of the Company with effect from 10 September 2013.

Mr. Shi Guoxiong resigned as an executive director and chairman of the corporate governance committee of the Company with effect from 10 September 2013.

Mr. Zhou Guanghe resigned as an executive director and a member of the strategy and development committee of the Company with effect from 10 September 2013.

Mr. Chang Yong was appointed as an executive director of the Company and a member of the executive committee and the corporate governance committee of the Company with effect from 10 September 2013.

Mr. Yan Liang was appointed as an executive director of the Company and a member of the strategy and development committee and the corporate governance committee of the Company with effect from 10 September 2013.

Mr. Yu Guang was appointed as chairman of the strategy and development committee of the Company and a member of the executive committee and the corporate governance committee of the Company with effect from 10 September 2013.

Mr. David Wei Ji was appointed as chairman of the corporate governance committee of the Company and a member of the executive committee of the Company with effect from 10 September 2013.

Ms. Xu Zhijun, was removed as an independent non-executive director with effect from 20 November 2013. Contemporaneously, Ms. Xu was also removed as chairman of the audit committee and the remuneration committee of the Company and as a member of each of the executive committee, the strategy and development committee, the nomination committee and the corporate governance committee.

Mr. Tsang Chi Hon was appointed as an independent non-executive director of the Company, the chairman of the audit committee and the remuneration committee of the Company and a member of each of the executive committee, the strategy and development committee, the nomination committee and the corporate governance committee of the Company with effect from 25 November 2013.

Mr. Tang Binfeng ceased to be a member of each of the audit committee, the remuneration committee and the nomination committee of the Company with effect from 25 November 2013.

Mr. Wang Qi was appointed as a member of each of the audit committee, the remuneration committee and the nomination committee of the Company with effect from 25 November 2013.

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 2013.

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 2013, the Company had complied with the code provisions set out in the Corporate Governance 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 13.5(2)

The Company submitted Declaration and Undertaking forms in regards to new Directors appointed during and after the reporting period, other than Mr. Yan Liang and Mr. Tsang Chi Hon, pursuant to Rule 13.5 (2) on 6 December 2013. Mr. Yan Liang and Mr. Tsang Chi Hon will make submission shortly.

Notification of Change of Directors of a Non-Hong Kong Company regarding the appointment and resignation of directors effective on 10 September 2013 were filed to the Companies Registry on 28 November 2013.

The Register of Directors and Officers regarding appointment and resignation of directors effective on 10 September 2013 were submitted to the Cayman Registrar on 28 November 2013.

Due to many recent personnel changes, the Company inadvertently overlooked the submission deadline.

AUDIT COMMITTEE

The Audit Committee of the Company comprises 3 members, namely, Tsang Chi Hon (Chairman of Audit Committee), Mr. Xu Rong and Mr. Wang Qi who are independent non-executive directors 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 2013, 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, 29 November 2013