

星島 SING TAO
新聞集團

星島新聞集團有限公司
SING TAO NEWS CORPORATION LIMITED



2010

INTERIM REPORT

貳零壹零中期報告

(Stock Code 股份代號：1105)

Consolidated Income Statement

綜合收益表

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

The board of directors (“Board”) of Sing Tao News Corporation Limited (“Company”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (“Group”) for the six months ended 30 June 2010 together with the comparative figures for the corresponding period in 2009 as follows:

星島新聞集團有限公司(「本公司」)董事會(「董事會」)欣然公佈本公司及其附屬公司(「本集團」)截至二零一零年六月三十日止六個月之未經審核簡明綜合業績，連同二零零九年同期之比較數字如下：

		For the six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 (Unaudited) (未經審核)	2009 二零零九年 (Unaudited) (未經審核)
		HK\$'000 千港元	HK\$'000 千港元
REVENUE	收入	2	1,607,067
Cost of sales	銷售成本		(1,227,416)
Gross profit	毛利		379,651
Other income and gains/(losses), net	其他收入及收益／ (虧損)淨額	3	(2,097)
Gain on de-consolidation of a subsidiary	取消綜合一間附屬公司 而獲得之收益	4	11,474
Distribution costs	分銷成本		(129,242)
Administrative expenses	行政開支		(153,759)
Other expenses	其他開支		(4,942)
Finance costs	融資成本	5	(1,405)
Share of profits and losses of:	應佔下列公司溢利及虧損：		
Jointly-controlled entities	共同控制公司		13,444
Associates	聯營公司		-
Impairment of an amount due from a jointly-controlled entity	應收一間共同控制 公司款項減值		(8,000)
PROFIT/(LOSS) BEFORE TAX	除稅前溢利／(虧損)	6	105,124
Income tax expense	所得稅	7	(3,391)
PROFIT/(LOSS) FOR THE PERIOD	期內溢利／(虧損)		101,733
ATTRIBUTABLE TO:	以下人士應佔：		
Owners of the Company	本公司擁有人		104,900
Non-controlling interests	非控股權益		(3,167)
			101,733
Earnings/(loss) per share attributable to ordinary equity holders of the Company – (HK cents)	本公司普通股權持有人 應佔每股溢利／(虧損) －(港仙)	8	
Basic	基本		12.37
Diluted	攤薄		12.26

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

		For the six months ended 30 June	
		截至六月三十日止六個月	
		2010	2009
		二零一零年	二零零九年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Profit/(loss) for the period	期內溢利／(虧損)	101,733	(24,218)
Other comprehensive income for the period, net of tax:	期內其他全面收益(除稅後):		
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	672	8,129
Total comprehensive income/(loss) for the period	期內總全面收益／(虧損)	102,405	(16,089)
Attributable to:	以下人士應佔:		
Owners of the Company	本公司擁有人	105,572	(14,089)
Non-controlling interests	非控股權益	(3,167)	(2,000)
		102,405	(16,089)

Consolidated Statement of Financial Position

綜合財務狀況表

30 June 2010 二零一零年六月三十日

		30 June 2010 二零一零年 六月三十日 (Unaudited) (未經審核)	31 December 2009 二零零九年 十二月三十一日
	Notes 附註	HK\$'000 千港元	HK\$'000 千港元
NON-CURRENT ASSETS 非流動資產			
Property, plant and equipment		625,275	649,109
Investment properties		33,195	32,552
Prepaid land lease payments		25,258	25,609
Property under development		-	95,882
Goodwill		857	7,099
Other intangible assets		13,400	13,963
Interests in jointly-controlled entities		104,684	130,681
Interests in an associate		94,308	-
Available-for-sale investments	10	55,235	55,235
Deposit for an investment		27,443	29,243
Deferred tax assets		11,078	11,560
Other deposits paid		37,719	12,081
Total non-current assets		1,028,452	1,063,014
CURRENT ASSETS 流動資產			
Inventories		119,404	65,782
Trade receivables	11	514,694	459,967
Prepayments, deposits and other receivables		52,275	95,432
Financial assets at fair value through profit or loss	12	47,843	41,296
Tax recoverable		4,114	713
Cash and cash equivalents		431,119	409,327
Total current assets		1,169,449	1,072,517
CURRENT LIABILITIES 流動負債			
Trade and bills payables	13	135,175	119,210
Other payables and accruals		217,133	207,860
Tax payable		77,529	84,022
Interest-bearing bank borrowing		21,500	30,000
Finance lease and hire purchase contract payables		1,610	1,565
Total current liabilities		452,947	442,657
NET CURRENT ASSETS 流動資產淨值		716,502	629,860
TOTAL ASSETS LESS CURRENT LIABILITIES 已減流動負債之資產總值		1,744,954	1,692,874
NON-CURRENT LIABILITIES 非流動負債			
Finance lease and hire purchase contract payables		6,237	5,723
Deferred tax liabilities		36,237	36,554
Total non-current liabilities		42,474	42,277
Net assets 資產淨值		1,702,480	1,650,597
EQUITY 股權			
Equity attributable to owners of the Company			
Issued capital	14	170,054	169,168
Reserves		1,532,039	1,423,846
Proposed final dividend		-	25,419
Total equity		1,702,093	1,618,433
Non-controlling interests		387	32,164
Total equity		1,702,480	1,650,597

Consolidated Statement of Changes in Equity

綜合權益變動表

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

		Unaudited 未經審核										Non- controlling interests 非控股權益	Total equity 股權總額	
		Attributable to owners of the Company 本公司擁有人應佔												
		Available- for-sale										Total	Total	
Issued ordinary share capital 已發行 普通股 股本	Share premium account 溢價賬	Contributed surplus 繳入盈餘	Share option reserve 購股權 儲備	Asset revaluation reserve 資產 重估儲備	Investment revaluation reserve 投資 重估儲備	Exchange fluctuation reserve 匯兌 波動儲備	Other reserves 其他儲備	Retained profits 保留溢利	Proposed final dividend 擬派 末期股息	Total				
HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
At 1 January 2010	於二零一零年一月一日	169,168	-	413,825	18,711	55,495	2,710	29,306	19,960	883,839	25,419	1,618,433	32,164	1,650,597
Total comprehensive income for the period	期內全面收益	-	-	-	-	-	-	672	-	104,900	-	105,572	(3,167)	102,405
De-consolidation of a subsidiary	取消綜合一間附屬公司	-	-	-	-	(10,780)	-	-	-	10,780	-	-	(28,610)	(28,610)
Issue of ordinary shares	發行普通股	886	4,094	-	(1,638)	-	-	-	-	-	-	3,342	-	3,342
Equity-settled share option arrangements	股權結算購股權安排	-	-	-	219	-	-	-	-	-	-	219	-	219
Final 2009 dividend declared	已宣派二零零九年末期股息	-	-	-	-	-	-	-	-	(54)	(25,419)	(25,473)	-	(25,473)
At 30 June 2010	於二零一零年六月三十日	170,054	4,094	413,825	17,292	44,715	2,710	29,978	19,960	999,465	-	1,702,093	387	1,702,480

		Unaudited 未經審核										Non- controlling interests 非控股權益	Total equity 股權總額
		Attributable to owners of the Company 本公司擁有人應佔											
		Available- for-sale										Total	Total
Issued ordinary share capital 已發行 普通股 股本	Share premium account 溢價賬	Contributed surplus 繳入盈餘	Share option reserve 購股權 儲備	Asset revaluation reserve 資產 重估儲備	Investment revaluation reserve 投資 重估儲備	Exchange fluctuation reserve 匯兌 波動儲備	Other reserves 其他儲備	Retained profits 保留溢利	Proposed final dividend 擬派 末期股息	Total			
HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2009	於二零零九年一月一日	169,168	413,825	18,732	52,459	5,838	19,336	796,510	8,458	1,484,326	43,225	1,527,551	
Total comprehensive income/ (loss) for the period	期內全面收益/(虧損)	-	-	-	-	8,129	-	(22,218)	-	(14,089)	(2,000)	(16,089)	
Equity-settled share option arrangements	股權結算購股權安排	-	-	45	-	-	-	-	-	45	-	45	
Final 2008 dividend declared	已宣派二零零八年末期股息	-	-	-	-	-	-	-	(8,458)	(8,458)	-	(8,458)	
At 30 June 2009	於二零零九年六月三十日	169,168	413,825	18,777	52,459	13,967	19,336	774,292	-	1,461,824	41,225	1,503,049	

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月

		For the six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 (Unaudited) (未經審核)	2009 二零零九年 (Unaudited) (未經審核)
		HK\$'000 千港元	HK\$'000 千港元
NET CASH FLOWS FROM OPERATING ACTIVITIES	經營業務產生之現金流量淨額	103,111	10,086
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES	投資業務產生／(使用)之現金流量淨額	(45,471)	742
NET CASH FLOWS USED IN FINANCING ACTIVITIES	融資活動使用之現金流量淨額	(37,465)	(29,870)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等值項目增加／(減少)淨額	20,175	(19,042)
Cash and cash equivalents at beginning of period	期初之現金及現金等值項目	403,702	428,184
Effects of foreign exchange rate changes, net	匯率變動之影響淨額	(18)	10,786
CASH AND CASH EQUIVALENTS AT END OF PERIOD	期終之現金及現金等值項目	423,859	419,928
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值項目結餘分析		
Cash and bank balances	現金及銀行結餘	310,201	380,323
Non-pledged time deposits	無抵押定期存款	120,918	43,283
Cash and cash equivalents as stated in the statement of financial position	財務狀況表內所述的現金及現金等值項目	431,119	423,606
Non-pledged time deposits with original maturity of more than three months when acquired	於取得時到期日超過三個月之無抵押定期存款	(7,260)	(3,678)
Cash and cash equivalents as stated in the statement of cash flows	現金流量表內所述的現金及現金等值項目	423,859	419,928

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

1. ACCOUNTING POLICIES

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

The accounting policies and basis of preparation adopted in the preparation of the interim financial statements are consistent with those adopted in the preparation of the annual financial statements for the year ended 31 December 2009.

In the current period, the Group has applied, for the first time, a number of new standards, amendments and interpretations issued by the HKICPA, which are effective for accounting periods beginning on or after 1 January 2010.

HKFRS 1 (Revised)	<i>First-time Adoption of Hong Kong Financial Reporting Standards</i>
HKFRS 1 Amendments	<i>Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards – Additional Exemptions for First-time Adopters</i>
HKFRS 2 Amendments	<i>Amendments to HKFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Transactions</i>
HKFRS 3 (Revised)	<i>Business Combinations</i>
HKAS 27 (Revised)	<i>Consolidated and Separate Financial Statements</i>
HKAS 39 Amendment	<i>Amendment to HKAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items</i>

1. 會計政策

本簡明綜合中期財務報表乃根據香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄16所載之適用披露規定以及香港會計師公會（「香港會計師公會」）頒佈之香港會計準則（「香港會計準則」）第34號「中期財務報告」編製。

編製本中期財務報表時所採納之會計政策及編製基準與編製截至二零零九年十二月三十一日止年度全年財務報表所採用者相同。

於本期間，本集團首次應用香港會計師公會所頒佈之多項於二零一零年一月一日或之後開始會計期間生效之新訂及經修訂香港財務報告準則及其詮釋。

香港財務報告準則第1號（經修訂）	首次執行香港財務報告準則
香港財務報告準則第1號（修訂本）	修訂香港財務報告準則第1號「首次執行香港財務報告準則」：給予首次採納者的額外豁免
香港財務報告準則第2號（修訂本）	修訂香港財務報告準則第2號「以股份為基礎的付款」：集團內以現金結算的以股份為基礎的支付交易
香港財務報告準則第3號（經修訂）	業務合併
香港會計準則第27號（經修訂）	綜合及單獨財務報表
香港會計準則第39號（修訂本）	修訂香港會計準則第39號「金融工具：確認和計量」－符合條件的被對沖項目

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

1. ACCOUNTING POLICIES (continued)

HK(IFRIC)-Int 17	<i>Distribution of Non-cash Assets to Owners</i>
HK Interpretation 4 (Revised in December 2009)	<i>Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases</i>
Improvements to HKFRSs 2009	Amendments to a number of HKFRSs

The application of HKAS 27 (Revised) has resulted in a change in the Group's accounting policies regarding increases or decreases in ownership interests in subsidiaries.

When control of a subsidiary is lost as a result of a transaction, event or other circumstances, the revised standard requires that the Group derecognises all assets, liabilities and non-controlling interests at their carrying amounts. Any retained interest in the former subsidiary is recognised at its fair value at the date the control is lost. A gain or loss on loss of control is recognised in profit or loss as the difference between the proceeds, if any, and these adjustments.

The application of the other new and revised HKFRSs had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

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

1. 會計政策(續)

香港(國際財務報告 詮釋委員會) — 詮釋第17號	向擁 有者 分 配 非 現 金 資 產
香港詮釋第4號 (二零零九年十二月 經修訂)	租 賃 : 釐 定 香 港 土 地 租 賃 之 限 期
二零零九年香港財務 報告準則的改進	修 訂 若 干 香 港 財 務 報 告 準 則

採納香港會計準則第27號(經修訂)導致本集團關於增加或減少於附屬公司擁有權益之會計政策有所變動。

當因一項交易、事項或其他情況而導致失去附屬公司控制權，已修訂之準則規定本集團需按賬面值解除確認所有資產、負債及非控股權益。任何於前附屬公司之保留權益於失去控制權當日按其公平值確認。失去控制權產生之收益或虧損按出售所得款項(如有)與該等調整之差額於損益中確認。

採用其他新訂及經修訂香港財務報告準則對本集團於本會計期度或過往會計期度之綜合財務報表並無重大影響。

本集團並無應用下列已頒佈但仍未生效之新訂及經修訂香港財務報告準則。

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

1. ACCOUNTING POLICIES (continued)

HKFRS 1 Amendment	Amendment to HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards – Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters</i> ¹
HKFRS 9	<i>Financial Instruments</i> ²
HKAS 24 (Revised)	<i>Related Party Disclosures</i> ³
HKAS 32 Amendment	Amendment to HKAS 32 <i>Financial Instruments: Presentation – Classification of Rights Issues</i> ⁴
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 <i>Prepayments of a Minimum Funding Requirement</i> ³
HK(IFRIC)-Int 19	<i>Extinguishing Financial Liabilities with Equity Instruments</i> ¹
Improvements to HKFRSs 2010	Amendments to a number of HKFRSs

¹ Effective for annual periods beginning on or after 1 July 2010

² Effective for annual periods beginning on or after 1 January 2013

³ Effective for annual periods beginning on or after 1 January 2011

⁴ Effective for annual periods beginning on or after 1 February 2010

The directors of the Company anticipate that the application of the new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

1. 會計政策(續)

香港財務報告準則第1號(修訂本)	修訂香港財務報告準則第1號「首次執行香港財務報告準則」：首次採納者有關香港財務報告準則第7號比較披露資料的有限豁免 ¹
香港財務報告準則第9號	金融工具 ²
香港會計準則第24號(經修訂)	關聯方披露 ³
香港會計準則第32號(修訂本)	修訂香港會計準則第32號「金融工具：列報」—供股的分類 ⁴
香港(國際財務報告詮釋委員會)一詮釋第14號(修訂本)	修訂香港(國際財務報告詮釋委員會)一詮釋第14號「預付最低資金要求」 ³
香港(國際財務報告詮釋委員會)一詮釋第19號	以股本工具抵銷金融負債 ¹
二零一零年香港財務報告準則的改進	修訂若干香港財務報告準則

¹ 於二零一零年七月一日或之後開始之年度期間生效。

² 於二零一三年一月一日或之後開始之年度期間生效。

³ 於二零一一年一月一日或之後開始之年度期間生效。

⁴ 於二零一零年二月一日或之後開始之年度期間生效。

本公司董事預計採用新訂及經修訂香港財務報告準則對本集團之業績及財務狀況並不造成重大影響。

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

2. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operation decision-maker.

2. 經營分部資料

就管理而言，本集團根據產品及服務組織成業務單位。營運分部按照與向主要經營決策者提供的內部報告貫徹一致的方式報告。

For the six months ended 30 June 2010 (unaudited)		Media	Trading	Others	Total
截至二零一零年六月三十日止六個月(未經審核)		媒體	貿易	其他	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Segment revenue:	分部收入：				
Sales to external customers	向外界客戶銷售	934,128	670,673	2,266	1,607,067
Intersegment sales	分部業務間之銷售	1,042	-	76,460	77,502
		935,170	670,673	78,726	1,684,569
Reconciliation:	對賬：				
Elimination of intersegment sales	分部業務間之銷售的對銷				(77,502)
Revenue	收入				1,607,067
Segment results	分部業績	106,208	8,205	(7,884)	106,529
Reconciliation:	對賬：				
Finance costs	融資成本				(1,405)
Profit before tax	除稅前溢利				105,124
For the six months ended 30 June 2009 (unaudited)					
截至二零零九年六月三十日止六個月(未經審核)		Media	Trading	Others	Total
		媒體	貿易	其他	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Segment revenue:	分部收入：				
Sales to external customers	向外界客戶銷售	729,471	470,449	1,810	1,201,730
Intersegment sales	分部業務間之銷售	-	-	80,838	80,838
		729,471	470,449	82,648	1,282,568
Reconciliation:	對賬：				
Elimination of intersegment sales	分部業務間之銷售的對銷				(80,838)
Revenue	收入				1,201,730
Segment results	分部業績	(27,505)	6,285	(1,568)	(22,788)
Reconciliation:	對賬：				
Finance costs	融資成本				(1,359)
Loss before tax	除稅前虧損				(24,147)

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

3. OTHER INCOME AND GAINS/(LOSSES), NET

3. 其他收入及收益／(虧損)淨額

		For the six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 (Unaudited) (未經審核)	2009 二零零九年 (Unaudited) (未經審核)
		HK\$'000 千港元	HK\$'000 千港元
Bank interest income	銀行利息收入	1,100	3,536
Investment income	投資收入	-	390
Dividend income from listed equity investments	來自上市股本投資之股息收入	583	5,197
Gain/(loss) on disposal of items of property, plant and equipment	出售物業、廠房及設備項目之收益／(虧損)	456	(303)
Fair value gains/(losses), net on:	公平值收益／(虧損)之淨額：		
Financial assets at fair value through profit or loss	按公平值記入損益賬之財務資產	(3,989)	(7,010)
Derivative financial instruments – transactions not qualifying as hedges	衍生金融工具－不符合對沖資格之交易	(7,280)	3,692
Exchange gains/(losses), net	匯兌收益／(虧損)淨額	3,109	(570)
Others	其他	3,924	6,244
		(2,097)	11,176

4. GAIN ON DE-CONSOLIDATION OF A SUBSIDIARY

The Group obtained control over the board of directors of a then 19.95%-held investment in 2008. Since then, the investment had been accounted for as a subsidiary of the Group. The Group acquired a further 9% interest of that subsidiary in 2009. In June 2010, the Group lost control of the board of directors of that subsidiary but has retained one directorship out of a total of three. Accordingly, that subsidiary has been de-consolidated from the Group's consolidated statement of financial position and accounted for as the Group's interests in an associate. The fair value of the net assets of the associate at the date of de-consolidation became the new carrying value of the Group's interests, resulting in a gain of HK\$11,474,000.

4. 取消綜合一間附屬公司而獲得之收益

本集團於二零零八年取得一項當時佔19.95%權益的投資的董事局控制權，該項投資自此被入帳列作本集團的附屬公司。於二零零九年，本集團收購該附屬公司額外9%權益。於二零一零年六月，本集團失去了於該附屬公司董事局的控制權，惟保有董事局三名董事之其中一名的任命權。故此，該附屬公司的資產及負債不再被綜合於本集團的綜合財務狀況表內。該公司於剔除日的資產淨值之公平值被重新入帳列為本集團於一間聯營公司之權益，並產生了11,474,000港元之收益。

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

5. FINANCE COSTS

5. 融資成本

		For the six months ended 30 June	
		截至六月三十日止六個月	
		2010	2009
		二零一零年	二零零九年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Interest on bank loans and overdrafts wholly repayable within five years	須於五年內悉數償還之 銀行貸款及透支利息	1,276	1,341
Interest on finance leases	融資租賃利息	129	18
		1,405	1,359

6. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging:

6. 除稅前溢利/(虧損)

除稅前溢利/(虧損)已扣除下列各項：

		For the six months ended 30 June	
		截至六月三十日止六個月	
		2010	2009
		二零一零年	二零零九年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Amortisation of intangible assets	無形資產攤銷	563	558
Depreciation	折舊	36,859	40,829

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2009: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

7. 所得稅

香港利得稅乃按期內於香港產生之估計應課稅溢利以16.5% (二零零九年: 16.5%) 稅率撥備。於其他地區之應課稅溢利之稅項乃按本集團有業務經營之國家之現行稅率計算。

		For the six months ended 30 June	
		截至六月三十日止六個月	
		2010	2009
		二零一零年	二零零九年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Current:	即期:		
Charge for the period:	期內支出:		
The People's Republic of China:	中華人民共和國:		
Hong Kong	香港	1,633	651
Elsewhere	其他地區	389	1,185
Elsewhere	其他地區	1,261	910
Underprovision in prior periods	過往期間撥備不足	56	-
Deferred	遞延	52	(2,675)
Total tax expense for the period	期內稅務開支總額	3,391	71

8. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings/(loss) per share is based on the profit/(loss) for the period attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the period.

The calculation of diluted earnings per share for the period ended 30 June 2010 is based on the profit for the period attributable to ordinary equity holders of the Company, as used in the basic earnings per share calculation. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all the dilutive potential ordinary shares into ordinary shares.

8. 本公司普通股權持有人應佔每股溢利/(虧損)

每股基本溢利/(虧損)乃按期內本公司普通股權持有人應佔溢利/(虧損)及期內已發行普通股之加權平均數計算。

截至二零一零年六月三十日止期內之每股攤薄溢利乃按用於計算每股基本溢利之期內本公司普通股權持有人應佔溢利計算。計算時所用之普通股加權平均數為計算每股基本溢利所用之期內已發行之普通股數目，以及假設普通股加權平均數於所有具攤薄潛力之普通股被視作獲行使或兌換成普通股時已以無償形式發行。

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

8. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (continued)

The diluted loss per share for the period ended 30 June 2009 has not been presented as the conversion of the outstanding share options would have an anti-dilutive effect on the basic loss per share for that period.

The calculations of basic and diluted earnings/(loss) per share are based on:

8. 本公司普通股權持有人應佔每股溢利／(虧損)(續)

由於兌換尚未行使之購股權對截至二零零九年六月三十日止期內之每股基本虧損具有反攤薄影響，故並無呈列該期內之每股攤薄虧損。

每股基本及攤薄溢利／(虧損)乃按下列基準計算：

		For the six months ended 30 June	
		截至六月三十日止六個月	
		2010	2009
		二零一零年	二零零九年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Earnings/(loss)	溢利／(虧損)		
Profit/(loss) attributable to ordinary equity holders of the Company	本公司普通權益持有人應佔溢利／(虧損)	104,900	(22,218)
		Number of shares	
		股份數目	
Shares	股份		
Weighted average number of ordinary shares in issue during the period used in the basic earnings/(loss) per share calculation	期內已發行普通股加權平均數用作計算每股基本溢利／(虧損)	847,740,885	845,837,537
Effect of dilution – weighted average number of ordinary shares: Share options	攤薄影響 – 普通股加權平均數：購股權	7,773,788	–
		855,514,673	845,837,537

9. DIVIDEND

At a meeting of the Board held on 25 August 2010, an interim dividend of HK3.5 cents per share was declared for the year ending 31 December 2010. This proposed dividend is not reflected as a dividend payable in these condensed financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2010.

9. 股息

本公司於二零一零年八月二十五日舉行之董事會會議上宣佈截至二零一零年十二月三十一日止年度派發中期股息每股3.5港仙。此擬派發之股息並未於本簡明財務報表中以應付股息反映，惟將於截至二零一零年十二月三十一日止年度之保留溢利撥款中反映。

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

10. AVAILABLE-FOR-SALE INVESTMENTS

10. 可供出售投資

		30 June 2010 二零一零年 六月三十日 (Unaudited) (未經審核)	31 December 2009 二零零九年 十二月三十一日
		HK\$'000 千港元	HK\$'000 千港元
Investment securities:	投資證券：		
Overseas listed equity securities, at fair value	於海外之上市股本證券， 按公平值	94	94
Unlisted equity securities, at cost	非上市股本證券，按成本值	50,723	50,723
Unlisted debt securities, at fair value	非上市債務證券，按公平值	4,418	4,418
		55,235	55,235

The above investments consist of investments in equity securities which are designated as available-for-sale financial assets and have no fixed maturity date or coupon rate.

The fair values of listed equity investments are based on quoted market prices, and the fair values of unlisted debt securities are based on recent transaction prices.

Pursuant to the disclosure requirement of Section 129(1) of the Hong Kong Companies Ordinance, the Group holds 90.1% interest in the Class A issued share capital of Wang Strategic Capital Partners (I) Limited ("Wang"), exceeding 20% of the nominal value of Wang's issued shares of that class at 30 June 2010. Wang is incorporated in the Cayman Islands.

The Group's unlisted equity securities with an aggregate carrying amount of HK\$50,723,000 as at 30 June 2010 (31 December 2009: HK\$50,723,000) are stated at cost less impairment because the range of reasonable fair value estimates is so significant that the directors are of the opinion that their fair values cannot be measured reliably. The Group does not intend to dispose of them in the near future.

上述投資包括界定為可供出售財務資產且無固定到期日或票息率之股本證券投資。

上市股本投資之公平值按所報市價釐定，而非上市債務證券之公平值則按近日交易價釐定。

根據香港公司條例第129(1)條，本集團於二零一零年六月三十日持有Wang Strategic Capital Partners (I) Limited ("Wang") 90.1%類別A已發行股本，超過Wang該類已發行股份面值之20%。Wang於開曼群島註冊成立。

本集團於二零一零年六月三十日賬面值合共為50,723,000港元(二零零九年十二月三十一日：50,723,000港元)之非上市股本證券以成本減去減值列值，原因為該等投資合理公平值估計範圍太大，所以董事認為公平值不能可靠地計量。本集團無意於不久將來將其出售。

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

11. TRADE RECEIVABLES

11. 應收賬款

		30 June 2010 二零一零年 六月三十日 (Unaudited) (未經審核)	31 December 2009 二零零九年 十二月三十一日
		HK\$'000 千港元	HK\$'000 千港元
Trade receivables	應收賬款	533,048	475,183
Impairment	減值	(18,354)	(15,216)
		514,694	459,967

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally for a period of one month, extending up to three months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior 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.

An aged analysis of trade receivables as at the end of the reporting period, based on the payment due date, is as follows:

除了新客户一般須提前付款外，本集團與其客戶之貿易主要採取記賬形式進行，信貸期一般為一個月，主要客戶可延長至三個月。各客戶均設有最高信貸額。本集團對其尚未清償應收賬款維持嚴格控制，並設有信貸監控部門以儘量減低信貸風險。高級管理層經常檢討逾期未付之結餘。考慮到上述各項及本集團之應收賬款乃與大量多元化客戶有關，故並無信貸風險集中之情況。應收賬款為免息。

於報告期末，應收賬款根據款項到期日之賬齡分析載列如下：

		30 June 2010 二零一零年 六月三十日 (Unaudited) (未經審核)	31 December 2009 二零零九年 十二月三十一日
		HK\$'000 千港元	HK\$'000 千港元
Current to 30 days	即期至30天	350,597	322,788
31 – 60 days	31至60天	53,602	65,718
61 – 90 days	61至90天	37,450	38,717
91 – 120 days	91至120天	25,935	16,059
Over 120 days	超過120天	65,464	31,901
		533,048	475,183

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

12. 按公平值記入損益賬之財務資產

		30 June	31 December
		2010	2009
		二零一零年	二零零九年
		六月三十日	十二月三十一日
		(Unaudited)	
		(未經審核)	
		HK\$'000	HK\$'000
		千港元	千港元
Listed equity securities, at market value:	上市股本證券，按市值：		
Hong Kong	香港	41,774	39,644
Elsewhere	其他地方	6,069	1,652
		47,843	41,296

The above investments at 30 June 2010 and 31 December 2009 were classified as held for trading.

於二零一零年六月三十日及二零零九年十二月三十一日，上述投資分類為持作買賣用途。

13. TRADE AND BILLS PAYABLES

An aged analysis of trade and bills payables as at the end of the reporting period, based on the payment due date, is as follows:

13. 應付賬款及票據

於報告期末，應付賬款及票據根據款項到期日之賬齡分析載列如下：

		30 June	31 December
		2010	2009
		二零一零年	二零零九年
		六月三十日	十二月三十一日
		(Unaudited)	
		(未經審核)	
		HK\$'000	HK\$'000
		千港元	千港元
Current to 30 days	即期至30天	102,849	96,962
31 – 60 days	31至60天	23,118	14,228
61 – 90 days	61至90天	2,375	283
91 – 120 days	91至120天	308	566
Over 120 days	超過120天	6,525	7,171
		135,175	119,210

The trade payables are non-interest-bearing and are normally settled on 60-day terms.

應付款項並不計息且一般須於60日償還。

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

14. SHARE CAPITAL

14. 股本

		30 June 2010 二零一零年 六月三十日 (Unaudited) (未經審核)	31 December 2009 二零零九年 十二月三十一日
		HK\$'000 千港元	HK\$'000 千港元
Authorised:	法定股本：		
2,354,256,546 ordinary shares of HK\$0.2 each	2,354,256,546股普通股 每股面值0.2港元	470,851	470,851
1,291,486,908 5% redeemable cumulative convertible preference shares of HK\$0.1 each	1,291,486,908股每股面值0.1港元 之5%累積可贖回可轉換優先股	129,149	129,149
		600,000	600,000
Issued and fully paid:	已發行及繳足股本：		
850,269,537 (31 December 2009: 845,837,537) ordinary shares of HK\$0.2 each	850,269,537 股(二零零九年 十二月三十一日：845,837,537股) 普通股每股面值0.2港元	170,054	169,168

15. SHARE OPTION SCHEME

15. 購股權計劃

Share options are granted to certain directors and employees. The exercise price of the granted options shall be at least the higher of: (i) the closing price of the shares on the date of grant; and (ii) the average closing price of the shares for the five business days immediate preceding the date of grant. The contractual life of the options is ten years and the Group has no legal or constructive obligation to repurchase or settle the options in cash.

購股權可授予若干董事及僱員。授出之購股權行使價須至少為下列兩者中的較高者：(i) 有關股份在購股權授出日期的收市價；及 (ii) 該等股份在購股權授出日期前5個營業日的平均收市價。購股權之合約年期為十年，而本集團並無以現金購回或清償購股權之法律或推定責任。

16. COMMITMENTS

16. 承擔

The Group had the following capital commitments at the end of the reporting period:

本集團於報告期末有以下資本承擔：

		30 June 2010 二零一零年 六月三十日 (Unaudited) (未經審核)	31 December 2009 二零零九年 十二月三十一日
		HK\$'000 千港元	HK\$'000 千港元
Contracted, but not provided for	已訂約但未撥備	5,448	294,326

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

17. RELATED PARTY TRANSACTIONS

(a) Material transactions with related parties

		For the six months ended 30 June	
		截至六月三十日止六個月	
		2010	2009
		二零一零年	二零零九年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
News service fee income received from jointly-controlled entities	來自共同控制公司之已收新聞服務費用收入	9,037	7,099

(b) Compensation of key management personnel of the Group

		For the six months ended 30 June	
		截至六月三十日止六個月	
		2010	2009
		二零一零年	二零零九年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Short term employee benefits	短期僱員福利	15,616	13,855
Post-employment benefits	退休後福利	36	36
Share-based payments	以股份為基礎之付款	-	43
Total compensation paid to key management personnel	向主要管理人員支付之酬金總額	15,652	13,934

17. 關連人士交易

(a) 與關連人士之重大交易

(b) 本集團主要管理人員之薪酬

18. APPROVAL OF THE INTERIM FINANCIAL REPORT

These condensed consolidated interim financial statements were approved and authorised for issue by the Board on 25 August 2010.

18. 批核本中期財務報告

董事會於二零一零年八月二十五日批核並授權刊發本簡明綜合中期財務報表。

Management Discussion and Analysis

管理層討論及分析

REVIEW OF OPERATIONS

The principal activities of the Group comprise Media and Media-related operations including Newspapers, Magazines, Recruitment Media and other media-related businesses. In addition, the Group is also engaged in Trading.

The Group achieved an outstanding set of results for the first half of 2010, with a significant surge in both top line and bottom line. The consolidated revenue of the Group for the six months ended 30 June 2010 ("Period") increased by 34% to approximately HK\$1,607.1 million, as compared with approximately HK\$1,201.7 million for the six months ended 30 June 2009 ("Previous Period"). This is attributable to the ongoing improvement in the global economy in general and the advertising markets in particular. The performance of the Group's Headline Daily and Sing Tao Daily exceeded the industry's average, especially with Headline Daily going from strength to strength and continuing to be the Group's key growth engine. Accordingly, the Group's consolidated profit attributable to owners of the Company for the Period made a major turnaround to reach approximately HK\$104.9 million, as compared with a loss of approximately HK\$22.2 million for the Previous Period.

Media and Media-related Operations

The Group's Media operations performed very well, with an admirable growth in revenue of 28% from approximately HK\$729.5 million in the Previous Period to approximately HK\$934.1 million in the Period. This leap in business volume, coupled with lower unit prices for newsprint, contributed to a remarkable upturn in segment results of the Media operations, which went from a loss of approximately HK\$27.5 million in the Previous Period to a profit of approximately HK\$106.2 million in the Period.

營運回顧

本集團之主要業務為媒體與媒體相關業務，包括報章、雜誌、招聘媒體及其他媒體相關業務。此外，本集團亦從事貿易業務。

本集團於二零一零年上半年錄得超卓的業績，營業額及盈利均顯著向好。截至二零一零年六月三十日止六個月（「本期內」），本集團的綜合收入為約1,607,100,000港元，相對截至二零零九年六月三十日止六個月（「去年同期」）約1,201,700,000港元增加34%。本期內本集團業績乃受益於全球經濟持續好轉及廣告市場的回勇，而本集團的媒體產品《頭條日報》及《星島日報》的表現遠優於市場平均，特別是《頭條日報》更愈戰愈勇，繼續作為本集團的火車頭，為增長帶來動力。因此，於本期內的本公司擁有人應佔綜合溢利大幅增加至約104,900,000港元，而去年同期則錄得虧損約22,200,000港元。

媒體與媒體相關業務

本集團的媒體業務表現非常理想，收入由去年同期約729,500,000港元躍升28%至本期內約934,100,000港元。隨著業務量顯著擴張，加上白報紙單位價格下調，帶動媒體業務盈利大幅反彈，分類業績由去年同期虧損約27,500,000港元改善至本期內約106,200,000港元的溢利。

Management Discussion and Analysis

管理層討論及分析

Newspapers

During the first half of 2010, the Hong Kong economy persisted with a broadly based recovery as business and consumer sentiment continued to strengthen. Gross domestic product expanded by 7.2% in the first half over a year earlier. The advertising market fared robustly, having regained its momentum to record a 23% year-on-year increase in the first half, with the newspaper sector growing by 30% in this period.

Sing Tao Daily, with an entrenched market position as a high-quality newspaper for middle-class readers, was well placed to profit from the positive market conditions. Its advertising revenue rose by 47% year-on-year in the Period. While the rebound in the property sector brought along substantial advertising growth, its non-property advertising also registered significant gains, notably in the education, luxury and retail categories, thanks to the continuous content improvements in these sections. In March, Sing Tao Daily launched Smart Parents, a free weekly publication on parenting; and in June, it expanded its luxury and lifestyle features including the new “Brand Hit” section on Sunday. Both the circulation and readership of Sing Tao Daily recorded healthy increases for the Period.

As the Group's leading profit contributor, Headline Daily kept on with its strong momentum during the Period and delivered excellent results. Not only has its average circulation continued to climb to over 790,000 copies, its readership has also topped all newspapers in Hong Kong, according to surveys by both Synovate and AC Nielsen up to the first quarter of 2010. As Hong Kong's number 1 free newspaper, Headline Daily enjoyed a buoyant advertising environment and saw a 48% rise in its advertising revenue on a year-on-year basis for the Period. All of its key advertising categories performed well, with increments in banking, pharmaceuticals and toiletries being the most marked. In order to cater for its business expansion, Headline Daily has further enhanced its printing capacity which has given it additional competitive edge in the free newspaper market.

報章

在二零一零年上半年，香港的營商及消費信心不斷加強，使經濟持續廣泛復甦。上半年的本地生產總值按年增長7.2%。廣告市場表現暢旺，重拾升軌後於上半年錄得按年增長達23%，而報章類別於本期內的廣告升幅更達30%。

《星島日報》已確立其作為一份專為中產讀者而設的優質報章之市場地位，因而於此利好的業界環境中盡展所能。《星島日報》在本期內的廣告收入上升達47%，當中地產市場在上半年發展蓬勃為《星島日報》的地產廣告帶來有力的增長，而非地產類別的廣告亦取得可觀的升幅，尤其是在教育、品牌產品及零售界別。《星島日報》不斷在提升此類別的內容質素作出努力，於三月份推出免費親子育兒周刊《Smart Parents親子王》，又於六月開始加強其副刊的高檔品牌及生活時尚內容，包括新增的周日《Brand Hit》跨頁。於本期內，《星島日報》的發行人數及讀者人數均穩健上升。

《頭條日報》作為本集團溢利貢獻最大的業務，於本期內保持強勁勢頭，錄得驕人成績。《頭條日報》平均發行人數持續攀升至超過790,000份，而且根據Synovate及尼爾森截至二零一零年首季度之調查顯示，其讀者人數亦為香港報章之冠。作為全港第一的免費報章，《頭條日報》受惠於暢旺的廣告市場環境，在本期內的廣告收入錄得48%的按年增長，於其所有主要廣告類別均表現理想，當中以銀行、醫藥及家庭用品方面的廣告最為出色。為配合其業務擴展，《頭條日報》已進一步提升印刷產能，藉此加強於免費報章市場之競爭優勢，全面拋離對手。

Management Discussion and Analysis

管理層討論及分析

The Standard made good progress over the Previous Period. Average circulation has grown to over 230,000 copies, while readership also increased consistently, especially among the more sophisticated and those with higher spending power. As new advertising categories were developed, advertising volume rose considerably year-on-year and average advertising page rates also moved up steadily. Thanks to the improvement in revenue during the Period, the deficit at The Standard was significantly narrowed notwithstanding the larger costs associated with the circulation expansion.

In line with the revival of the world economy, the overseas business of Sing Tao Daily picked up quite strongly during the Period, led by the North American operations. Advertising revenue achieved a double-digit increase, generating a substantial growth in profit. Our well established business base in these markets together with our vigilant and responsive management efforts have helped us to remain resilient and competitive during the protracted slowdown, and to take full advantage of the markets' long-awaited recovery.

Magazines

During the Period, the Group's Magazine unit outperformed the Hong Kong magazine advertising market, which went up by 17% year-on-year. East Week, the unit's flagship magazine, resumed its positive trend on both the advertising and readership fronts which had been interrupted by the market downturn due to the financial crisis. With its commitment to quality content, East Week is recognized as an important marketing platform for high-end and branded products, which contributed to its impressive results for the Period. East Touch also recorded spectacular growth in advertising revenue, especially from special projects which reflected the market's recognition for the magazine's creativity and its status as a trend-setter. PC Market continued to tap into revenue sources from event management, while JET and Spiral benefited from the recovery in the luxury sector.

Recruitment Media

Recruitment advertising in Hong Kong rebounded during the first half of 2010, especially in the online advertising market. The Group's recruitment media business recovered accordingly, with double-digit revenue growth in the Period. The number of jobs advertised on headlinejobs.com saw a large and rapid increase, making it the number 2 jobs site in Hong Kong.

《英文虎報》自去年同期至今進展理想，平均發行量增至超過230,000份，讀者人數亦持續上升，當中包括新吸納的高質素及高消費力的讀者。由於成功開拓新廣告類別，廣告量錄得強勁的按年增長，而平均廣告頁收費亦穩定上升。《英文虎報》即使擴大發行量導致成本增加，但由於收入改善，虧損仍然大幅收窄。

隨著全球經濟復甦，《星島日報》的海外業務於本期內在北美業務的帶動下顯著回升，其廣告收入錄得雙位數字的增長，溢利亦錄得顯著的升幅。有賴本集團於海外市場所建立的堅實業務基礎，與及審慎而靈活的管理策略，使我們於先前經濟低迷的期間能持盈保泰，並能受惠於海外市場最終步入復甦時所帶來的機遇。

雜誌

在本期內香港的雜誌廣告市場錄得17%增幅，而本集團的雜誌業務表現更優於市場。旗艦雜誌《東周刊》已從金融危機導致市場放緩的影響中恢復增長勢頭，廣告量及讀者人數均回復上升。《東周刊》對內容質素的堅持有目共睹，因而廣受認可為高檔及品牌產品的重要市場推廣平台，有助其於本期內錄得理想業績。《東TOUCH》的廣告收入亦有可觀增長，特別是為客戶度身訂造的廣告策劃項目方面尤為可喜，顯示其創意和作為潮流先驅的地位深受市場認同。《電腦廣場》繼續透過舉辦活動開發更多收入來源，而《JET》和《Spiral》則在高檔消費市場的復甦中受惠。

招聘媒體

香港的招聘廣告市場於二零一零年上半年反彈，尤以網上廣告最為顯著。本集團的招聘媒體業績相應改善，收入在本期內錄得雙位數字的增長。headlinejobs.com的廣告數量大幅上升，使其快速躍升為全港第二大招聘網站。

Management Discussion and Analysis

管理層討論及分析

Non-Media Operations

Trading

Revenue of the Group's Trading unit increased by 43% to approximately HK\$670.7 million for the Period, as compared with approximately HK\$470.4 million for the Previous Period. At the same time, segment profit rose by 31%, from approximately HK\$6.3 million for the Previous Period to approximately HK\$8.2 million for the Period. Although the Group's trading unit has been under intense pressure from market competition and declining profit margins, it managed to sustain steady financial performance.

PROSPECTS

The Group's results in the first half of 2010 represented one of its best in recent years, and the strong advertising growth trend experienced by our core Media products in recent months augurs well for the rest of the year. On the other hand, there is still a need to stay cautious to the risks and challenges posed by the constant changes in the global economic environment, including the possibility of a "double dip" recession.

The Group's Media operations enjoyed the best of both worlds in the first half, given the resurgence in the advertising markets and the return of newsprint prices to more reasonable levels. However, both newsprint and salary costs have drifted up recently, and we need to remain very alert and astute in controlling costs to ensure that our performance stays strong for the rest of the year.

As Headline Daily forges ahead, it is providing the impetus for Group's advancement. Headline Daily has progressed to a phase of rapid growth and can be expected to further expand its business and extend its share of the advertising market. The Group is committed to develop its free newspaper business and is confident that this will continue to be a powerful driver of the Group's income and profit.

非媒體業務

貿易

本集團的貿易業務於本期內錄得收入約670,700,000港元，較去年同期約470,400,000港元增長43%。與此同時，其經營溢利由去年同期約6,300,000港元增加31%至本期內約8,200,000港元。本集團的貿易業務在面對激烈的市場競爭及溢利率下跌的壓力下，仍然維持穩定的財務表現。

展望

本集團於二零一零年上半年的表現創下近年佳績，近月核心媒體產品的廣告收入增長強勁，預視全年應可取得優秀業績。另一方面，本集團仍需謹慎留意全球經濟環境不斷變化所產生的挑戰，包括可能出現雙底衰退的風險。

上半年由於廣告市場重拾升軌及白報紙價格回復至合理水平，本集團的媒體業務可謂雙重受惠。然而，近期的白報紙及薪酬成本上調，因此我們需要保持警覺，合理控制開支，以確保本集團於下半年保持理想表現。

《頭條日報》進展迅速，成為本集團發展的主要動力，並已進入高增長階段，預期可以再進一步擴展業務，獲取更大的廣告市場份額。本集團將致力發展免費報章業務，並有信心該業務將繼續推動本集團的收入及盈利快速增長。

Management Discussion and Analysis

管理層討論及分析

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

The Group maintained a strong financial position with a net cash position throughout the Period under review. As at 30 June 2010, the Group had a net cash balance (calculated with reference to the Group's cash balances and total borrowings) of approximately HK\$402 million (31 December 2009: approximately HK\$372 million).

The gearing ratio, defined as long-term borrowings to equity, was zero as at 30 June 2010 (31 December 2009: zero).

CAPITAL STRUCTURE, EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group adopts a prudent approach in managing its treasury function and uses different hedging methods to minimize the impact of foreign exchange fluctuations on its financial performance.

EMPLOYEES

As at 30 June 2010, the Group had approximately 2,320 employees.

The Group remunerates its employees based on individual and business performance. Competitive salaries and benefits are paid to attract and retain quality staff. Other employee benefits include medical insurance, discretionary bonus, share options and provident fund schemes.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK3.5 cents (Previous Period: HK1 cent) per share for the Period payable on Thursday, 16 September 2010 to shareholders whose names appear on the register of members of the Company on Friday, 10 September 2010.

流動資金、財務資源及資本負債比率

本集團於本期內維持穩健之財政狀況並保持淨現金狀況。於二零一零年六月三十日，本集團現金結餘淨額（根據本集團現金結餘及借貸總額計算）約為402,000,000港元（二零零九年十二月三十一日：約為372,000,000港元）。

於二零一零年六月三十日，本集團之資本負債比率（即長期借貸與資本之比率）為零（二零零九年十二月三十一日：零）。

資本結構、匯率波動風險

本集團採取審慎方式管理其司庫運作及使用各種對沖方法以減低因外匯波動而對其財務表現造成之影響。

僱員

於二零一零年六月三十日，本集團共有約2,320名員工。

本集團根據其僱員之個人表現及其業務之業績，給予僱員具吸引力之薪酬及福利，以吸引及挽留優質員工。其他僱員福利包括醫療保險、酌情花紅、認股權及公積金計劃。

中期股息

董事會議決宣佈就本期內派發中期股息每股3.5港仙（去年同期：1港仙），並於二零一零年九月十六日（星期四）派予於二零一零年九月十日（星期五）名列於本公司股東名冊內之股東。

Other Information

其他資料

DIRECTORS' INTERESTS

As at 30 June 2010, the interests of the directors of the Company (“Directors”) in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 352 of the Securities and Futures Ordinance (“SFO”) were as follows:

Name of director	Notes	Number of ordinary shares held, capacity and nature of interest 所持普通股數目、身份及權益性質			Percentage of the Company's issued share capital 佔本公司已發行股本之百分比
		Personal interests 個人權益	Corporate interests 公司權益	Total 總數	
Mr. Ho Tsu Kwok, Charles	何柱國先生 (1)	-	426,197,500	426,197,500	50.124%
Ms. Judy Inn	邢珠迪女士	50,000	-	50,000	0.005%
Mrs. Sy Wong Chor Fong	施黃楚芳女士 (2)	625,000	81,959,500	82,584,500	9.712%
Mr. Yang Yiu Chong, Ronald Jeffrey	楊耀宗先生	1,350,000	-	1,350,000	0.158%

Notes:

- (1) Of these shares, 424,948,000 and 1,249,500 shares were held by Luckman Trading Limited (“Luckman”) and Yosham Limited, respectively, which were beneficially owned by Mr. Ho Tsu Kwok, Charles.
- (2) The corporate interests of 81,959,500 shares were held by Stagelight Group Limited (“Stagelight”), which was beneficially owned by Mrs. Sy Wong Chor Fong.

Save as disclosed herein, none of the Directors had any interest and short positions in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept pursuant to Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) contained in Appendix 10 of the Listing Rules.

The interests of the Directors in the share options of the Company are separately disclosed in the section “Share Options” below.

董事權益

於二零一零年六月三十日，本公司董事（「董事」）於本公司之股份及相關股份中，擁有根據證券及期貨條例（「證券及期貨條例」）第352條存置之登記冊所記錄之權益如下：

Name of director	Notes	Number of ordinary shares held, capacity and nature of interest 所持普通股數目、身份及權益性質			Percentage of the Company's issued share capital 佔本公司已發行股本之百分比
		Personal interests 個人權益	Corporate interests 公司權益	Total 總數	
Mr. Ho Tsu Kwok, Charles	何柱國先生 (1)	-	426,197,500	426,197,500	50.124%
Ms. Judy Inn	邢珠迪女士	50,000	-	50,000	0.005%
Mrs. Sy Wong Chor Fong	施黃楚芳女士 (2)	625,000	81,959,500	82,584,500	9.712%
Mr. Yang Yiu Chong, Ronald Jeffrey	楊耀宗先生	1,350,000	-	1,350,000	0.158%

附註：

- (1) 該等股份當中，424,948,000股及1,249,500股分別由Luckman Trading Limited（「Luckman」）及Yosham Limited持有。該兩間公司均由何柱國先生實益擁有。
- (2) 公司權益之股份81,959,500股由Stagelight Group Limited（「Stagelight」）持有，該公司由施黃楚芳女士實益擁有。

除本文所披露者外，概無董事於本公司及其相聯法團（定義見證券及期貨條例第XV部）之股份及相關股份中，擁有根據證券及期貨條例第352條存置之登記冊所記錄或根據上市規則附錄10所載之上市公司董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所之任何權益及淡倉。

董事持有本公司購股權之權益另獨立披露於下文「購股權」一節內。

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS

As at 30 June 2010, those persons, other than the Directors or chief executive of the Company, who had the interests of 5% or more of the issued share capital of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, were as follows:

Name	Notes	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital 佔本公司已發行股本之百分比
名稱	附註	身份及權益性質	所持普通股數目	
Luckman	(1)	Beneficial owner 實益擁有人	424,948,000	49.97%
Hong Kong Tobacco Company Limited ("HK Tobacco")	(2)	Deemed interest 視為擁有之權益	424,948,000	49.97%
Stagelight	(3)	Beneficial owner 實益擁有人	81,959,500	9.63%

Notes:

- (1) The interests of Mr. Ho Tsu Kwok, Charles, held through a controlled corporation, duplicates to those disclosed in the section "Directors' Interests" above.
- (2) Pursuant to an option agreement dated 20 June 2001 and five supplemental agreements entered into between Luckman and HK Tobacco on 19 July 2002, 19 July 2003, 19 July 2006, 19 July 2007 and 19 July 2008, respectively, HK Tobacco was granted an option to purchase from Luckman 33,000,000 ordinary shares of the Company. Under Sections 317 and 318 of the SFO, HK Tobacco is deemed to be interested in all the 424,948,000 ordinary shares of the Company held by Luckman.
- (3) The interests of Mrs. Sy Wong Chor Fong, held through a controlled corporation, duplicates to those disclosed in the section "Directors' Interests" above.

Save as disclosed herein, the Company had not been notified of any other interests or short positions being held by any person in the shares and underlying shares of the Company.

主要股東與其他人士之權益

於二零一零年六月三十日，按本公司根據證券及期貨條例第336條存置之登記冊所記錄，下列人士(本公司之董事或行政總裁除外)擁有本公司已發行股本5%或以上之權益：

Name	Notes	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital 佔本公司已發行股本之百分比
名稱	附註	身份及權益性質	所持普通股數目	
Luckman	(1)	Beneficial owner 實益擁有人	424,948,000	49.97%
Hong Kong Tobacco Company Limited ("HK Tobacco")	(2)	Deemed interest 視為擁有之權益	424,948,000	49.97%
Stagelight	(3)	Beneficial owner 實益擁有人	81,959,500	9.63%

附註：

- (1) 何柱國先生透過一家控制法團持有之權益與上文「董事權益」一節內所披露之權益相同。
- (2) 根據Luckman與香港煙草於二零零一年六月二十日訂立之購股權協議及分別於二零零二年七月十九日、二零零三年七月十九日、二零零六年七月十九日、二零零七年七月十九日及二零零八年七月十九日訂立之五份補充協議，香港煙草獲授購股權，可向Luckman收購本公司普通股33,000,000股。根據證券及期貨條例第317及318條，香港煙草被視為擁有Luckman所持有之全部424,948,000股本公司普通股之權益。
- (3) 施黃楚芳女士透過一家控制法團持有之權益與上文「董事權益」一節內所披露之權益相同。

除本文所披露者外，本公司並不獲悉任何人士持有本公司之股份及相關股份的任何其他權益或淡倉。

Other Information

其他資料

SHARE OPTIONS

購股權

As at 30 June 2010, details of share options granted to the directors or eligible employees under the share option schemes of the Company are as follows:

截至二零一零年六月三十日，各董事及合資格僱員根據本公司購股權計劃獲授予之購股權詳情如下：

Name or category of participant	Date of grant of share options	Number of share options			At 30 June 2010	Exercise period of share options	Exercise price of share options (Note 1) 購股權行使價 (附註1)
		At 1 January 2010	Granted during the period	Exercised during the period			
參與者姓名或類別	購股權授出日期	於二零一零年一月一日	期內授出	期內行使	於二零一零年六月三十日	購股權行使期	HK\$ 港元
Directors							
董事							
Under the share option scheme (adopted on 14 June 1996) (“Old Scheme”):							
根據購股權計劃(於一九九六年六月十四日採納)(「舊計劃」):							
Mrs. Sy Wong Chor Fong 施黃楚芳女士	31-08-01	200,000	-	-	200,000	20-09-02 to 19-09-11	0.7056
Mr. Yang Yiu Chong, Ronald Jeffrey 楊耀宗先生	31-08-01	1,350,000	-	(1,350,000)	-	20-09-02 to 19-09-11	0.7056
		1,550,000	-	(1,350,000)	200,000		(Note 2) (附註2)
Under the share option scheme (adopted on 28 May 2002) (“New Scheme”):							
根據購股權計劃(於二零零二年五月二十八日採納)(「新計劃」):							
Ms. Judy Inn 邢珠迪女士	10-07-06	2,250,000	-	-	2,250,000	27-06-07 to 26-06-16	0.9200
Mr. Jia Hongping 賈紅平先生	28-10-05	2,000,000	-	-	2,000,000	28-10-06 to 27-10-15	0.7300
Mr. Lai Ting Yiu 黎廷瑤先生	28-10-05	2,000,000	-	-	2,000,000	28-10-06 to 27-10-15	0.7300
Mr. Lau Chung Man, Louis 劉仲文先生	23-05-05	3,000,000	-	-	3,000,000	23-05-06 to 22-05-15	0.7760
Mr. Lo Wing Hung 盧永雄先生	04-05-05	18,000,000	-	-	18,000,000	04-05-06 to 03-05-15	0.7700
Mrs. Sy Wong Chor Fong 施黃楚芳女士	28-10-05	377,000	-	-	377,000	28-10-06 to 27-10-15	0.7300
Mr. Yang Yiu Chong, Ronald Jeffrey 楊耀宗先生	28-10-05	1,180,000	-	-	1,180,000	28-10-06 to 27-10-15	0.7300
		28,807,000	-	-	28,807,000		
Total 合計		30,357,000	-	(1,350,000)	29,007,000		

Other Information

其他資料

SHARE OPTIONS (continued)

購股權 (續)

Name or category of participant	Date of grant of share options	Number of share options				Exercise period of share options	Exercise price of share options
		At 1 January 2010	Granted during the period	Exercised during the period	At 30 June 2010		
參與者姓名或類別	購股權授出日期	於二零一零年一月一日	期內授出	期內行使	於二零一零年六月三十日	購股權行使期	(Note 1) 購股權行使價 (附註1)
							HK\$ 港元
Employees							
(In aggregate)							
僱員							
(合共)							
Under the Old Scheme	04-09-00	102,000	-	-	102,000	20-10-00 to 24-09-10	1.8368
根據舊計劃	04-09-00	1,750,000	-	-	1,750,000	31-10-00 to 24-09-10	1.8368
	04-09-00	184,000	-	-	184,000	01-11-00 to 24-09-10	1.8368
	30-08-01	250,000	-	(250,000)	-	20-09-02 to 19-09-11	0.7056
	03-12-01	352,000	-	-	352,000	19-02-02 to 23-12-11	0.8400
	01-03-02	200,000	-	-	200,000	01-06-02 to 21-03-12	0.5640
		2,838,000	-	(250,000)	2,588,000		
				(Note 3) (附註3)			
Under the New Scheme	03-05-05	9,172,500	-	-	9,172,500	03-05-06 to 02-05-15	0.7700
根據新計劃	22-07-05	1,000,000	-	(250,000)	750,000	22-07-06 to 21-07-15	0.7740
	28-10-05	7,455,000	-	(1,082,000)	6,373,000	28-10-06 to 27-10-15	0.7300
	19-01-06	3,700,000	-	(1,500,000)	2,200,000	18-01-07 to 18-01-16	0.8200
	12-04-10	-	3,600,000	-	3,600,000	12-04-11 to 11-04-20	1.1600
			(Note 4) (附註4)				
		21,327,500	3,600,000	(2,832,000)	22,095,500		
				(Note 5) (附註5)			
Total		24,165,500	3,600,000	(3,082,000)	24,683,500		
合計							
Grand Total		54,522,500	3,600,000	(4,432,000)	53,690,500		
總數							

Notes:

附註:

- 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.
 - The weighted average closing price of the shares of the Company immediately before the date on which the options were exercised was HK\$1.61.
 - The weighted average closing price of the shares of the Company immediately before the date on which the options were exercised was HK\$0.92.
 - The closing price of the shares of the Company immediately before the date on which the options were granted was HK\$1.03.
 - The weighted average closing price of the shares of the Company immediately before the dates on which the options were exercised was HK\$1.22.
- 購股權之行使價須就有關供股、發行紅股或本公司股本出現之其他類似變動而作出調整。
 - 本公司股份在緊接購股權獲行使日期之前的加權平均收市價為1.61港元。
 - 本公司股份在緊接購股權獲行使日期之前的加權平均收市價為0.92港元。
 - 本公司股份在緊接購股權授出日期之前的收市價為1.03港元。
 - 本公司股份在緊接購股權獲行使的有關日期之前的加權平均收市價為1.22港元。

Other Information

其他資料

SHARE OPTIONS *(continued)*

Save as disclosed above, there was no arrangement to which the Company or any of its subsidiaries was a party to enable the Directors and their spouses to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the Period, the Company had not redeemed, and neither had the Company nor any of its subsidiaries purchased or sold, any of the Company's listed securities.

CORPORATE GOVERNANCE

The Company has adopted the code provisions set out in the Code on Corporate Governance Practices ("CG Code") contained in Appendix 14 of the Listing Rules and complied with the CG Code throughout the Period with deviation from the code provision E.1.2. The Chairman of the Board did not attend the annual general meeting of the Company held in 2010 due to an unexpected business engagement.

COMPLIANCE OF THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has made specific enquiries to all Directors who have confirmed that they have complied with the required standard set out in the Model Code throughout the Period.

REVIEW OF INTERIM FINANCIAL STATEMENTS

The audit committee of the Company has reviewed the unaudited condensed consolidated financial statements of the Group for the Period, including the accounting principles and accounting standards adopted by the Company, and discussed matters relating to internal controls and financial reporting.

By Order of the Board
HO Tsu Kwok, Charles
Chairman

Hong Kong, 25 August 2010

購股權(續)

除上文所披露者外，本公司或其任何附屬公司概無參與任何安排，使各董事及彼等之配偶可藉購入本公司或任何其他法人團體之股份或債券而獲益。

購買、贖回或出售本公司之上市證券

本公司於本期內並無贖回，以及本公司或其任何附屬公司於本期內概無購買或出售本公司之任何上市證券。

企業管治

本公司於本期內已採納並遵守上市規則附錄14所載之企業管治常規守則之守則條文，當中有偏離守則條文E.1.2。董事會主席因有未能預計之商業事務處理而未能出席本公司於二零一零年舉行之股東週年大會。

遵守董事進行證券交易之標準守則

本公司在進行具體查詢後，全體董事均已確認，彼等於本期內已遵守標準守則所列明之規定標準。

審閱中期財務報表

本公司審核委員會已審閱本集團於本期內之未經審核簡明綜合財務報表，包括本公司採納之會計原則及準則，並已討論有關內部監控及財務報告之事宜。

承董事會命
主席
何柱國

香港，二零一零年八月二十五日

星島 SING TAO
新聞集團

