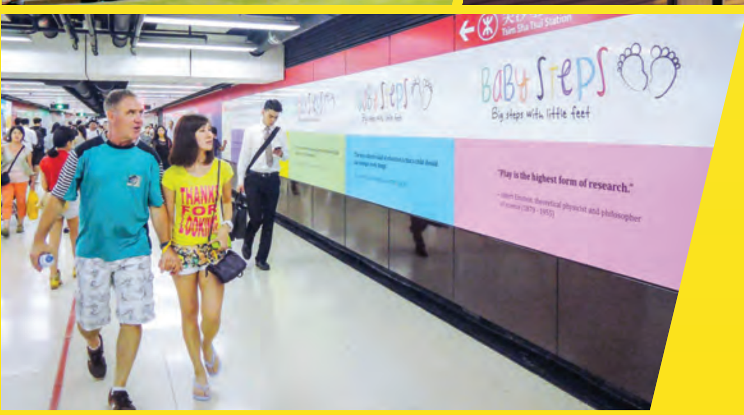
FOCUS MEDIA NETWORK Limited

(Incorporated in the Cayman Islands with limited liability 於開曼群島註冊成立的有限公司)

STOCK CODE
股票代號：8112



2014

ANNUAL REPORT 年度報告

Characteristics of the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This report, for which the directors (the "Directors") of Focus Media Network Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

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Corporate Information

Board of Directors

Executive Directors

Wong Hong Gay Patrick Jonathan
(Chairman and CEO)
Ngan Toi Yuk
Lee Sze Leong
Chee Huiling Audrey

Non-Executive Director

Chan Tsze Wah

Independent Non-Executive Directors

Rosenkranz Eric Jon
Chan Chi Keung Alan
Lien Jown Jing Vincent

Audit Committee

Lien Jown Jing Vincent *(Chairman)*
Rosenkranz Eric Jon
Chan Chi Keung Alan

Nomination Committee

Wong Hong Gay Patrick Jonathan
(Chairman)
Chan Chi Keung Alan
Lien Jown Jing Vincent

Remuneration Committee

Rosenkranz Eric Jon *(Chairman)*
Chan Chi Keung Alan
Wong Hong Gay Patrick Jonathan

Corporate Governance Committee

Wong Hong Gay Patrick Jonathan
(Chairman)
Ngan Toi Yuk
Lee Sze Leong

Compliance Officer

Ngan Toi Yuk

Company Secretary

Lee Yuen Han Hope

Authorized Representatives

Wong Hong Gay Patrick Jonathan
Ngan Toi Yuk

Auditor

PricewaterhouseCoopers
22nd Floor, Prince's Building
Central, Hong Kong

Legal Advisor

Robertsons
57th Floor, The Center
99 Queen's Road
Central
Hong Kong

Registered Office

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head Office and Principal Place of Business in Hong Kong

2801, 28th Floor
Citicorp Centre
18 Whitfield Road
North Point
Hong Kong

Principal Place of Business in Singapore

79 Anson Road
#05-02/03
Singapore 079906

Principal Bankers

HSBC
1 Queen's Road
Central
Hong Kong

HSBC
21 Collyer Quay
#06-01 HSBC Building
Singapore 049320

DBS Bank Limited
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982

Industrial and Commercial Bank of China Limited
99 Nanjing East Road
Shanghai
People's Republic of China

Principal Share Registrar and Transfer Office

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KYI-1111
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Company's Website

www.focusmedia.com

Place of Listing

The Stock Exchange of Hong Kong Limited

Stock Code

8112

Dear Shareholders,

On behalf of the Board of Directors (the "Board") of Focus Media Network Limited (the "Company"), I am pleased to present the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2014 ("YUR").

Business & Financial Overview

During the YUR, turnover and gross profit were approximately HK$76.3 million and approximately HK$38.8 million, respectively. Turnover for the YUR was the highest since the founding of the Group in 2004 and was generated from adspend by 338 customers with 936 campaign orders. Turnover for the fourth quarter was approximately HK$29.8 million, representing approximately 39% of the entire turnover for the YUR, and an increase of approximately 24% over the corresponding period of the previous year. Gross profit for the fourth quarter was approximately HK$17.1 million (with a gross profit margin of approximately 57%) as compared to approximately HK$15.4 million (with a profit margin of approximately 64%) over the corresponding period of the previous year. In addition to our financial performances, I would like to highlight a number of significant developments during the YUR.

The number of venues in which the Group deployed its branded flat-panel displays continued to experience double-digit growth which allowed the Group to increase the advertising rates offered to its advertisers. As of 31 December 2014, the Group has deployed its branded flat-panel displays at 1,117 office and commercial buildings in Hong Kong and Singapore under its Office & Commercial Building digital OOH media network, at 123 residential apartments in Hong Kong under its Residential Complex digital OOH media network, and at 242 Mannings retail chain-stores in Hong Kong and 84 Watsons retail chain-stores in Singapore under its In-store digital OOH media network.

Under its Static OOH Billboard media network, the Group continues to hold the exclusive advertising sales rights to both the Tsim Sha Tsui ("TST") Interchange Subways and the Middle Road Subway (total three subways); this underground transport hub beneath one of the busiest tourists and business districts in Hong Kong connects the TST MTR station and the East TST MTR station.

In addition, the Group was awarded the exclusive advertising sales rights to the billboard along the super-long pedestrian walkway leading to Knutsford Terrace at TST. Knutsford Terrace has been dubbed the "Lan Kwai Fong" of Kowloon, a popular dining/nightlife place and an entertainment hub in the heart of TST, with a strip of international/local restaurants and bars catering to both locals and tourists.

As for the large format LED OOH media network, the Group continues to hold the exclusive operating and advertising sales rights to the mega-size LED screen at One Raffles Place ("ORP"), fronting Raffles Green; ORP is one of the three tallest buildings in Singapore and is a beacon in the heart of Singapore's financial district.

As well, the Group has won the tender for the exclusive advertising sales rights (for static and digital) to the new walkway at Orchard Gateway. It forms part of the underpass that links directly to the Somerset MRT station and also to both sides of Orchard Road. Orchard Gateway is the one-and-only shopping mall that straddles both sides of Orchard Road and is linked by a glass tubular bridge and an underpass — forming a "gateway" to the bustling shopping belt in Singapore.

The Group will continue to pursue the expansion of its digital OOH media networks, adding progressively one venue at a time as well as pursue new static OOH sites under its Static OOH billboard media network.

On the Group's digital media partnership with Youku Tudou Inc. ("YOKU"), China's largest online television company, the Group renewed partnerships with leading gaming, integrated resorts, and tourism brands such as Marina Bay Sands Singapore, Resort World Sentosa, City of Dream Macau, MGM Macau, Macau Government Tourist Office, etc, and signed new partnerships with Resort World Genting Malaysia, Mount Faber Leisure Group and AirBnB; including the production of micro-movies for Resort World Sentosa, Resort World Genting Malaysia and Mount Faber Leisure Group.

Turnover was generated from a diverse pool of 338 customers (through 936 campaign orders); comprising 210 new customers and 128 repeat customers, demonstrating the medium is still very much attracting new advertisers onboard while retaining loyalty from repeat customers. The total adspend from these repeat customers increased by approximately 15% over the previous year and contributed to approximately 56% (2013: 52%) of the Group's total turnover. These are testaments to the success and sustainability of the Group's business model.

The Year Ahead

Our Group celebrated its 10th Anniversary in April 2014, our Board is very confident of the Company's future prospects. We will continue to seek out new business opportunities for our Company and explore options to deliver returns to our shareholders.

Appreciation

On behalf of the directors, I would like to extend our sincere gratitude to our management and staff for their diligence and contributions to our Group's development and success. I would also like to express our sincere appreciation to our partners for offering our Group the opportunities to collaborate with them, our advertisers and their advertising agencies for their continuous support for our Group's products and services, and most especially we thank you, our shareholders, for your trust, patience and support over last decade.

Focus Media Network Limited
Wong Hong Gay Patrick Jonathan
Chairman, CEO and Executive Director

Hong Kong, 23 March 2015

Financial Summary

in HK$	2014	2013	2012	2011	2010	2009
			Year ended 31 December			
RESULTS						
Revenue	**76,304,823**	72,253,333	53,661,805	60,032,678	48,545,921	33,591,898
EBITDA	**(6,405,116)**	8,562,397	(21,323,630)	8,342,882	13,746,000	7,514,000
(Loss)/profit for the year	**(13,192,850)**	4,016,035	(27,327,804)	2,036,599	11,747,177	5,383,109
Attributable to:						
Equity owners of the Company	**(13,003,482)**	4,016,035	(27,049,208)	2,036,599	11,747,177	5,383,109
Non-controlling interest	**(189,368)**	—	(278,596)	—	—	—

in HK$	2014	2013	2012	2011	2010	2009
			Year ended 31 December			
ASSETS AND LIABILITIES						
Total assets	**79,056,327**	90,502,180	86,837,688	107,788,298	56,316,683	19,046,631
Total liabilities	**19,095,021**	16,646,693	16,439,654	13,910,142	12,578,130	8,025,651
Net assets	**59,961,306**	73,855,487	70,398,034	93,878,156	43,738,553	11,020,980

Management Discussion and Analysis

Business Review

The Group is a well-established digital OOH media company in Hong Kong and Singapore, with an operating history since April 2004. It had pioneered the concept of creating a sizeable network of flat-panel displays in elevator lobbies of office and commercial buildings to sell advertisement. In terms of the number of venues in which the Group deploys its branded flat-panel displays, the Group is the largest digital OOH media company in Hong Kong and Singapore.

Business Review (Continued)

Number of venues

The number of venues in which the Group deployed its branded flat-panel displays continued to experience double-digit growth which allowed the Group to increase the advertising rates offered to its advertisers. The table below shows the growth of the Group's network size:

Region	Network	2014	2013	% Change
Hong Kong	Office and Commercial Network	**617**	622	(1%)
Hong Kong	In-store Network (Mannings)	**242**	200	21%
Hong Kong	Residential Network	**123**	91	35%
Singapore	Office and Commercial Network	**500**	443	13%
Singapore	HDB Shopping Centres	**20**	21	(5%)
Singapore	In-store Network (Watsons)	**84**	50	68%
Total number of venues		**1,586**	1,427	11%

Business model and strategy

As of 31 December 2014, the Group has deployed its branded flat-panel displays at 1,117 office and commercial buildings in Hong Kong and Singapore under its Office & Commercial Building digital OOH media network, at 123 residential apartments in Hong Kong under its Residential Complex digital OOH media network, and at 242 Mannings retail chain-stores in Hong Kong and 84 Watsons retail chain-stores in Singapore under its In-store digital OOH media network.

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Business Review (Continued)

Business model and strategy (Continued)

As well, the Group has won the tender for the exclusive advertising sales rights (for static and digital) to the new walkway at Orchard Gateway. It forms part of the underpass that links directly to the Somerset MRT station and also to both sides of Orchard Road. Orchard Gateway is the one-and-only shopping mall that straddles both sides of Orchard Road and is linked by a glass tubular bridge and an underpass — forming a "gateway" to the bustling shopping belt in Singapore.

The Group will continue to pursue the expansion of its digital OOH media networks, adding progressively one venue at a time as well as pursue new static OOH sites under its Static OOH billboard media network.

On the Group's digital media partnership with YOKU, China's largest online television company, the Group renewed partnerships with leading gaming, integrated resorts, and tourism brands such as Marina Bay Sands Singapore, Resort World Sentosa, City of Dream Macau, MGM Macau, Macau Government Tourist Office, etc, and signed new partnerships with Resort World Genting Malaysia, Mount Faber Leisure Group and AirBnB; including the the production of micro-movies for Resort World Sentosa, Resort World Genting Malaysia and Mount Faber Leisure Group.

Turnover was generated from a diverse pool of 338 customers (through 936 campaign orders); comprising 210 new customers and 128 repeat customers, demonstrating the medium is still very much attracting new advertisers onboard while retaining loyalty from repeat customers. The total adspend from these repeat customers increased by approximately 15% over the previous year and contributed to approximately 56% (2013: 52%) of the Group's total turnover. These are testaments to the success and sustainability of the Group's business model.

The table below shows the breakdown of the Group's turnover by customer sector, demonstrates our medium's effective and consistent reach to a broad spectrum of sectors in the industry:

In HK$	2014		2013		2012		2011		2010		2009	
Travel/Leisure	**19,398,158**	**25%**	12,986,726	18%	6,196,120	11%	1,206,182	2%	1,317,150	3%	1,156,801	3%
Health/Personal care/ Cosmetic	**13,464,064**	**17%**	15,037,326	21%	11,811,400	22%	14,220,471	24%	13,055,467	27%	8,030,559	24%
Food & Beverages	**8,942,246**	**12%**	15,484,528	21%	6,382,914	12%	7,696,632	13%	2,788,726	6%	2,092,322	6%
Entertainment/Media	**8,381,714**	**11%**	10,481,242	15%	12,164,918	23%	12,067,438	20%	9,504,454	20%	4,684,139	14%
Banking/Finance/Insurance	**8,705,392**	**11%**	6,138,248	8%	4,395,542	8%	4,465,599	7%	3,540,672	7%	3,420,720	10%
Electronics	**1,355,753**	**2%**	2,328,167	3%	2,462,305	5%	510,001	1%	2,608,915	5%	2,974,553	9%
Government	**1,390,606**	**2%**	1,149,996	2%	2,292,994	4%	4,075,764	7%	1,987,877	4%	2,246,514	7%
Mobile Phone	**534,744**	**1%**	1,434,362	2%	1,507,531	3%	1,522,484	2%	1,549,110	3%	1,615,618	5%
Others	**14,132,146**	**19%**	7,212,738	10%	6,448,081	12%	14,268,107	24%	12,193,550	25%	7,370,672	22%
Total	**76,304,823**	**100%**	72,253,333	100%	53,661,805	100%	60,032,678	100%	48,545,921	100%	33,591,898	100%

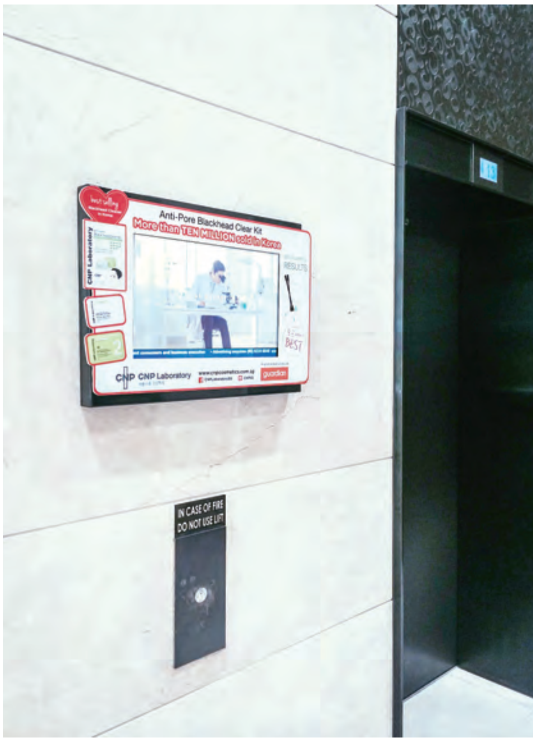
Business Review (Continued)

Annual General Meeting May 2014

Business Review (Continued)

Office and commercial building digital OOH media network in Hong Kong and Singapore

Hong Kong



Singapore

Business Review (Continued)

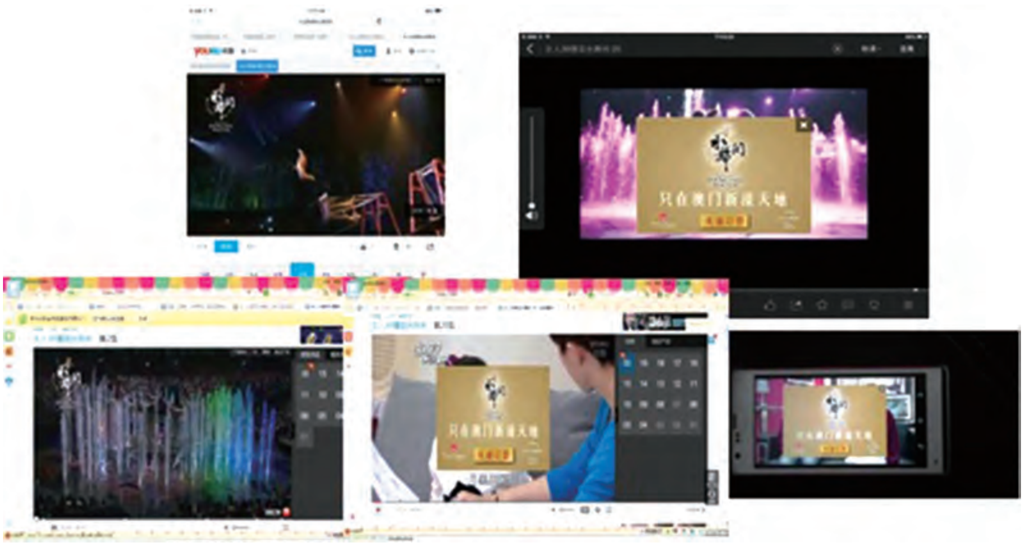
In-store digital OOH media network in Hong Kong and Singapore

Mannings in-store network in Hong Kong

Watsons in-store network in Singapore

Business Review (Continued)

Advertising Campaign on YOKU



City of Dream Macau

Resort World Sentosa

Business Review (Continued)

Digital OOH billboard media solutions in Singapore

LED at One Raffles Place — one of Singapore's three tallest buildings

Business Review (Continued)

Digital and Static OOH billboard media solutions in Singapore

LED and Wall Stickers at Orchard Gateway

Business Review (Continued)

Static OOH billboard media solutions in Hong Kong

Tsim Sha Tsui Interchange Subways and the Middle Road Subway (total three subways)

Business Review (Continued)

Static OOH billboard media solutions in Hong Kong

Tsim Sha Tsui Knutsford Terrace Billboard

Business Review (Continued)

Residential digital OOH media network at major private residential complexes




Business Review (Continued)

Corporate social responsibility

As a good corporate citizen, the Group strives to improve society through community commitment. We continue to find ways to align citizenship initiatives on our platform and we take an active role in participating in various communities, charitable and national building events in Singapore and Hong Kong to help and support the local communities. Remarkable events in 2014 included:

1. Sponsorship of Singapore's National Day Parade 2014 (Singapore)
2. Sponsorship of Chingay 2014 (Singapore)
3. Partnership with Mercy Relief to support Segway Water Challenge (Singapore)
4. Sponsorship of IPG Mediabrands Charity Campaign — Free the Children (Singapore)
5. Sponsorship of Clean Up Hong Kong (Hong Kong)
6. Sponsorship of Rehab Power Day (Hong Kong)
7. Sponsorship of Ronald McDonald House Charities (Hong Kong)
8. Sponsorship of Bless Hong Kong (Hong Kong)
9. Sponsorship of Wofoo Social Enterprises (Hong Kong)
10. Sponsorship of Panda 1600 (Hong Kong)
11. Sponsorship of Red Cross (Hong Kong)
12. Sponsorship of Hong Chi Association (Hong Kong)

1. Sponsorship of Singapore's National Day Parade 2014 (Singapore)

Business Review (Continued)

Corporate social responsibility (Continued)

2. Sponsorship of Chingay 2014 (Singapore)

3. Partnership with Mercy Relief to support Segway Water Challenge (Singapore)

Business Review (Continued)

Corporate social responsibility (Continued)

4. Sponsorship of IPG Mediabrands Charity Campaign — Free the Children (Singapore)

5. Sponsorship of Clean Up Hong Kong (Hong Kong)

6. Sponsorship of Rehab Power Day (Hong Kong)

7. Sponsorship of Ronald McDonald House Charities (Hong Kong)

8. Sponsorship of Bless Hong Kong (Hong Kong)

9. Sponsorship of Wofoo Social Enterprises (Hong Kong)

10. Sponsorship of Panda 1600 (Hong Kong)

11. Sponsorship of Red Cross (Hong Kong)

12. Sponsorship of Hong Chi Association (Hong Kong)

Financial Review

in HK$	2014	2013	2012	2011	2010	2009
Turnover	**76,304,823**	72,253,333	53,661,805	60,032,678	48,545,921	33,591,898
Gross profit	**38,763,986**	48,545,536	36,511,072	48,596,827	38,783,624	26,410,163
EBITDA (Note 1)	**(6,405,116)**	8,562,397	(21,323,630)	8,342,882	13,746,000	7,514,000
Net (loss)/profit	**(13,192,850)**	4,016,035	(27,327,804)	2,036,599	11,747,177	5,383,109

Note 1: EBITDA represents earnings before finance costs, income tax, depreciation of property, plant and equipment, amortisation of equity-based compensation, share of profit/(loss) of joint ventures, impairment of property, plant and equipment, gain on partial disposal of a joint venture, amortization of intangible assets and net of the total comprehensive loss for the year attributable to non-controlling interest. While EBITDA is commonly used in the advertising and media industry worldwide as an indicator of operating performance, leverage and liquidity, it is not presented as a measure of operating performance in accordance with Hong Kong Financial Reporting Standards and should not be considered as representing net cash flows from operating activities. The computation of the Group's EBITDA may not be comparable to similarly titled measures of other companies.

The Group's turnover for the year of 2014 was approximately HK$76.3 million, representing an increase of approximately 6% over the previous year, and the highest since the founding of the Group in 2004; mainly due to the growth in adspend in the Group's Static OOH billboard media network in Hong Kong and Singapore as well as the Group's partnership with YOKU.

Turnover for the fourth quarter was approximately HK$29.8 million, representing approximately 39% of the entire turnover for the YUR, and an increase of approximately 24% over the corresponding period of the previous year. Gross profit for the fourth quarter was approximately HK$17.1 million (with a gross profit margin of approximately 57%) as compared to approximately HK$15.4 million (with a profit margin of approximately 64%) over the corresponding period of the previous year.

Gross profit for the year of 2014 was approximately HK$38.8 million, representing a decrease of approximately 20% over the previous year. Gross profit margin declined from approximately 67% to 51% due to higher cost-of-sales associated with the Group's Static OOH billboard media network and partnership with YOKU.

The Group's total operating expenses (including non-cash equity-based compensation and depreciation) for year of 2014 were approximately HK$53 million, representing an increase of approximately 19% over the previous year. The increase in total operating expenses for the year of 2014 over the previous year was mainly due to increase in office rental as well as cost related to increased headcount.

The Group's negative EBITDA amounted to approximately HK$6.4 million for the year of 2014 as compared to positive EBITDA amounted to approximately HK$8.6 million for the previous year.

Due to the decrease in gross profit, the Group recorded a loss attributable to shareholders of approximately HK$13 million for the year of 2014 as compared to a profit attributable to shareholders of approximately HK$4 million for the previous year.

Liquidity and financial resources

The Group has adopted a prudent financial management strategy and maintained a healthy liquidity position as at 31 December 2014. The Group had cash and cash equivalents of HK$37,890,563 as at 31 December 2014 (2013: HK$50,692,047). 2014 had been a year of investments and the development of new revenue streams. Apart from providing working capital to support the media sales and business development of its existing business, the Group maintains a strong cash position to meet the needs for potential new business expansion and development.

Financial Review (Continued)

Gearing ratio

The gearing ratio of the Group, calculated as total borrowings over shareholders' fund, was zero as at 31 December 2014 (2013: approximately 0.3%).

Foreign exchange

For the year ended 31 December 2014, the Group was exposed to foreign currency risk with respect to its operations in Singapore where most of the business transactions, assets and liabilities were denominated in Singapore dollars. The Group will monitor its foreign currency exposure closely. During the year ended 31 December 2014, the Group did not engage in any derivatives activities and did not commit to any financial instruments to hedge its exposure to foreign currency risk.

Capital structure

The shares of the Company were listed on GEM of the Stock Exchange on 28 July 2011. There has been no change in the capital structure of the Company since that date. The capital of the Company comprises ordinary shares and capital reserves.

Dividend

The Board does not recommend the payment of any dividend for the year ended 31 December 2014 (2013: Nil).

Information on employees

As at 31 December 2014, the Group had 75 employees (2013: 68), including the Executive Directors. Total staff costs (including Directors' emoluments) were approximately HK$26.1 million for the year ended 31 December 2014 as compared to approximately HK$22.9 million for the year ended 31 December 2013. Remuneration is determined with reference to market norms and individual employees' performance, qualification and experience.

On top of basic salaries, bonuses may be paid by reference to the Group's performance as well as individual's performance. During the YUR, no bonuses were paid to any employees or directors. Other staff benefits include contributions to Mandatory Provident Fund scheme in Hong Kong and Central Provident Fund in Singapore as well as share options.

Significant investments held

Except for investment in subsidiaries and joint ventures, during the year ended 31 December 2014, the Group did not hold any significant investment in equity interest in any company.

Financial Review (Continued)

Future plans for material investments and capital assets

Save as disclosed in the interim report 2014, the Group does not have other plans for material investments and capital assets.

Material acquisitions and disposals of subsidiaries and affiliated companies

During the year ended 31 December 2014, the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies.

Charges of assets

As at 31 December 2014, the Group did not have any charges on its assets (2013: Nil).

Contingent liabilities

The Group had no material contingent liabilities as at 31 December 2014 (2013: Nil).

Directors and Senior Management Profile

Directors

Our Board of Directors is responsible and has general powers for the management and conduct of the business. The following table sets forth information regarding members of the Board as at the date of this report:

Name	Appointment Date	Age	Positions within the Company
Executive Directors			
WONG Hong Gay Patrick Jonathan	24 March 2011	50	Co-founder, Chairman and CEO of the Company, chairman of the Nomination Committee and Corporate Governance Committee and member of the Remuneration Committee
NGAN Toi Yuk	9 June 2011	44	Co-founder and Executive Director of the Company, Member of the Corporate Governance Committee and Compliance Officer of the Company
LEE Sze Leong	9 June 2011	44	Executive Director of the Company, and member of the Corporate Governance Committee, Managing Director of Focus Media Hong Kong Limited ("FMHK") & Focus Media Singapore Pte. Ltd. ("FMSG")
CHEE Huiling Audrey	19 March 2013 and took effect on 8 May 2013	35	Executive Director of the Company, and Director and General Manager of FMSG
Non-executive Director			
CHAN Tsze Wah	9 June 2011	66	
Independent Non-executive Directors			
ROSENKRANZ Eric Jon	9 June 2011	62	chairman of the Remuneration Committee and member of the Audit Committee
CHAN Chi Keung Alan	9 June 2011	51	member of the Audit Committee, Remuneration Committee and Nomination Committee
LIEN Jown Jing Vincent	9 June 2011	54	chairman of the Audit Committee and member of the Nomination Committee

Chairman and CEO

WONG Hong Gay Patrick Jonathan, aged 50, co-founded the Group in April 2004, and was appointed a director of the Company on 24 March 2011 and re-appointed as chairman and an Executive Director of the Company and a member of the Remuneration Committee on 9 June 2011. He was appointed chairman of the Nomination Committee on 26 March 2012 and chairman of the Corporate Governance Committee on 8 August 2012. Mr. Wong is the founder, chairman and a director of iMediaHouse Asia Limited ("iMHA") and iMediaHouse.com Limited ("iMH"), the controlling shareholder of the Company and the ultimate controlling shareholder of the Company, respectively. Mr. Wong currently serves as the CEO of the Company and has been CEO of the Group since its founding. Apart from charting the Group's vision and mission and meeting the Group's overall business objectives, Mr. Wong is also responsible for key client/partnership development and new business initiatives and overall management of advertising sales and business development functions.

Mr. Wong is an entrepreneur with over 25 years of start-up and operational experience with a wide range of global and regional media and entertainment, broadcasting, mobile and satellite telecommunications, Internet and digital Out-of-Home ventures. After completing six years of military service in Singapore, Mr. Wong started his career in publishing and in 1991 joined the founding team that launched Star TV. He went on to establish the regional satellite broadcaster's regional office in Singapore and served as its regional director, advertising sales for the Southeast Asia region. A year after the network was acquired by News Corporation (NASDAQ: NWS), Mr. Wong was invited to rejoin the founders of Star TV to work on the launch of Pacific Century Group's Corporate Access where he served as the satellite-based corporate communications services provider's vice president for sales and advertising & promotions. When Corporate Access was acquired by Hutchison Whampoa (HKSE: 0013), Mr. Wong was transferred to Hutchison Telecommunications where he served as its vice president, business development for the Asia region. While at Hutchison Telecommunications, Mr. Wong developed the desire to join the race to provide the world's first global mobile personal communications service or GMPCS. That led to his joining of Silicon Valley-based Loral Space & Communications' Globalstar (NASDAQ: LORL) where he subsequently established the constellation's regional office in Hong Kong and served as its regional director for the Southeast Asia region.

In 1999, Mr. Wong embraced the Asian Internet boom and became the founding managing director for 24/7 Media Asia, one of the three founding business units of Chinadotcom (NASDAQ: CHINA). At 24/7 Media Asia, Mr. Wong built a pan-Asian interactive advertising sales network that stretches across nine Asian countries within its first year of operations. Shortly afterwards, Mr. Wong founded iMH's first venture, the AdSociety Group, a venture that eventually became a part of the PCCW Group (HKSE: 0008). As founder and group CEO, Mr. Wong established offices across nine major cities and formed joint ventures with Tokyu Agency Inc. (a member of Tokyu Corporation [TYO: 9005]), LG Advertising Inc. (a member of LG Group [KRX: 003550]) and the People's Daily Group, in Japan, South Korea and China, respectively, and worked with numerous sales and technology partners in the United States and Europe to establish a global advertising sales network and provided integrated online, broadband and mobile advertising, marketing and sales services to a diverse spectrum of premium online media properties. Following the burst of the technology bubble and the events of September 11, the Internet and mobile advertising venture was divested by PCCW on 3 October 2001. Soon afterwards, Mr. Wong was invited to rejoin the founders of PCCW to serve as the CEO of NOW Satellite TV.

Mr. Wong has been a senior advisor on overseas investment and business development for the People's Daily Group since 2002; is serving his eleventh consecutive year as a Council of Governor of CASBAA, the region's leading industry based advocacy group that represents over 125 Asia-based corporations to promote multi-channel TV via cable, satellite, broadband, mobile and wireless video networks across the Asia-Pacific; and an advisor to The Media Evangelism, a charitable Christian organisation committed to building a Christian media presence using every modern means of communications.

Executive Directors

NGAN Toi Yuk, aged 44, co-founded the Group in April 2004 and was appointed an Executive Director of the Company on 9 June 2011. She was appointed a member of the Corporate Governance Committee on 8 August 2012. Ms. Ngan currently serves as the compliance officer of the Company. Since co-founding the Group, Ms. Ngan had served as the managing director of both FMHK and FMSG until 8 May 2013 and continues to have overall responsibilities for the Group's operations including strategic partnership development, new business development and advertising sales. She is a director of both iMHA and iMH, the controlling shareholder of the Company and the ultimate controlling shareholder of the Company, respectively. Ms. Ngan has over two decades of operational experience with a wide range of global and regional media and entertainment, broadcasting, Internet and digital OOH ventures and a proven track record in marketing new media and advertising concepts to a diverse group of advertisers and business partners in a number of media markets, including the U.S., Japan, Korea, the PRC, Hong Kong and Singapore.

Ms. Ngan started her advertising career in 1993 with News Corporation's Star TV and worked at both the network's headquarter in Hong Kong and its US office in New York City. In 1999, Ms. Ngan joined 24/7 Media Asia, one of the three founding business units of Chinadotcom, as regional advertising sales manager. In 2000, Ms. Ngan became one of the founding members of iMH's first venture, the AdSociety Group, a venture that eventually became a PCCW company. At AdSociety, Ms. Ngan was the executive assistant to the founder and group CEO as well as assistant vice president of global network sales. When the Internet and mobile advertising venture was divested by PCCW in 2001, Ms. Ngan moved on to PCCW's NOW Satellite TV and served as the executive assistant to CEO and assistant vice president of global network sales. Ms. Ngan obtained double Bachelor's degrees in Marketing and International Business from New York University, New York, USA, in January 1993.

LEE, Sze Leong, aged 44, joined the Group in August 2007 and was appointed an Executive Director of the Company on 9 June 2011. He was appointed a member of the Corporate Governance Committee on 8 August 2012. Mr. Lee currently serves as the managing director of both FMHK and FMSG, an appointment that took effect on 8 May 2013, and is responsible for the Company's advertising sales on all business units, networks and platforms. Mr. Lee has over two decades of start-up and operational experience in launching new media and advertising initiatives covering the radio, Internet, mobile and Out-of-Home media sectors. A Hong Kong native, Mr. Lee originally joined the Group as the director of advertising sales for FMHK and in June 2010 was seconded to Singapore to head the Company's Singapore operations. He was appointed management mentor of FMSG on 1 January 2012 when he completed his succession plan and handed over the baton to the local management to run the operations. Prior to joining the Group, Mr. Lee was the deputy sales director at Metro Broadcast, a Hutchison Whampoa company and the director of business development at mobile advertising platform, MyClick Media. Mr. Lee started his advertising sales career at Metro Broadcast in 1994. He was previously the sales and marketing manager for Kirin Brewery in Hong Kong and Macau and an assistant vice president for business development at PCC Skyhorse, a PCCW company. Mr. Lee obtained a Bachelor degree in Information Systems from the City University of Hong Kong in December 1994.

CHEE Huiling Audrey, aged 35, joined the Group in May 2005 and was appointed an Executive Director of the Company on 19 March 2013 which took effect on 8 May 2013. Ms. Chee currently serves as a director and the general manager of FMSG where she oversees all day-to-day aspects of the operations including advertising sales, marketing, business development, partnership, strategic planning and new business initiatives. She was appointed as a director of FMSG on 22 March 2011. Ms. Chee originally joined the Group as a manager in the business development division for FMSG and was transferred to the advertising division in 2006 and subsequently rose through the ranks as senior manager advertising sales in 2007, associate director advertising sales in 2008 and associate general manager in 2010. Ms. Chee was appointed as the general manager of FMSG on 1 January 2012. Ms. Chee has over a decade of media sales and management experience, thirteen of which in the Out-of-Home industry. Prior to joining the Group, Ms. Chee worked for MooveMedia, a ComfortDelgro company, between 2002 and 2005. Ms. Chee obtained a Bachelor of Arts degree in Business Administration majoring in Public Relations from the Nottingham Trent University in November 2001.

Non-executive Directors

CHAN Tsze Wah, aged 66, was appointed a Non-executive Director of the Company on 9 June 2011. In 1985, Mr. Chan became an executive director of Wong's Industrial (Holdings) Limited ("WNH"), a company listed on the Main Board of the Stock Exchange, and in June 1990, following a reorganization of WNH, became an executive director of Wong's International (Holdings) Limited ("WIH"), a company listed on the Main Board of the Hong Kong Stock Exchange (SEHK: 0099). He is currently a member of the remuneration committee of WIH. Previously, Mr. Chan was WIH's financial controller and in July 2007 became a financial adviser of WIH. Mr. Chan is a fellow member of the Association of Chartered Certified Accountants. He obtained a Bachelor degree in Social Sciences in October 1971 and a Master of Arts in China Development Studies from the University of Hong Kong in December 2009. Before joining WIH, Mr. Chan had approximately 10 years' experience with a major international firm of accountants.

Independent Non-executive Directors

ROSENKRANZ Eric Jon, aged 62, was appointed an Independent Non-executive Director of the Company on 9 June 2011. He is the chairman of the Remuneration Committee and a member of the Audit Committee of the Company. Mr. Rosenkranz is currently the founder and chairman of e.three, a strategic advisory company helping organisations in Asia determine and execute their long term plans. Mr. Rosenkranz was formerly the vice-chairman of Focus Media Holding Limited (NASDAQ: FMCN) and was involved in its listing on the NASDAQ on 13 July 2005. Mr. Rosenkranz was formerly the chairman of Outdoor Solutions Group in Australia and assisted the OOH media company in raising funds and eventually engineered a trade sale to News Corporation to create News Outdoor Southeast Asia, where he served as chairman of the board. In 1983, Mr. Rosenkranz joined Grey Global Group, formerly the world's largest independent marketing communications company with over US$1 billion in revenue before being acquired by WPP for US$1.2 billion in 2004. He held positions as president Asia Pacific, president Latin America, executive vice president Europe, Africa, Middle East and Eastern Europe, and board member to the agency's joint venture in Japan, Grey Daiko. Mr. Rosenkranz currently serves on the board of Caelan Wright & Associates and is a senior advisor of WestIndoChina. Mr. Rosenkranz obtained a Bachelor degree in Economics from the George Washington University and a MBA in Marketing and Economics at the University of Chicago in May 1973 and June 1975 respectively.

CHAN Chi Keung Alan, aged 51, was appointed an Independent Non-executive Director of the Company on 9 June 2011. He is a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company. Mr. Chan is a qualified solicitor admitted in England & Wales in October 1991 and in Hong Kong SAR in February 1992 and has practiced corporate and commercial law for more than two decades. Mr. Chan is an Independent Non-executive Director of L&A International Holdings Limited since 25 September 2014, a company listed on the GEM Board of the Hong Kong Stock Exchange (SEHK: 8195). Previously, Mr. Chan was the Vice President, Legal of NagaCorp Limited; a company listed on the Main Board of the Hong Kong Stock Exchange (SEHK: 3918) which owns, manages and operates the largest integrated gaming, leisure and entertainment hotel complex in the Kingdom of Cambodia, as well as the Head of Legal Services for the Hong Kong Jockey Club. Mr. Chan started his career in 1992 in Hong Kong as a corporate finance lawyer with Stephenson Harwood & Lo. He later acted as the senior assistant director, legal department, of the Land Development Corporation (now known as Urban Renewal Authority). Mr. Chan was the legal counsel for one of the leading US information technology companies, Sun Microsystems for Greater China, the Asia Pacific legal director for St. Jude Medical, and the vice president of Legal Affairs, at Celestial Pictures Limited, a subsidiary of Astro All Asia Networks plc., a Malaysian company that carries out business relating to crossmedia, in particular, direct-to-home television services, commercial radio and television programming. Celestial Pictures Limited is a commercial media company that owns and distributes the largest film library in Asia, including the Shaw Brothers film library, with worldwide entertainment assets in the motion picture, television, and new media industries. Mr. Chan obtained a Bachelor of Science degree in Civil Engineering from the Aston University of Birmingham, England in July 1986 and a LLB in China Law from the China University of Political Science and Law, Beijing, PRC in June 1999. He is a registered civil celebrant in Hong Kong and served as a board director (and former chairman) of Theatre Space Foundation Limited, a theatrical drama performance charitable institution. In July 2012, Mr. Chan was appointed a Committee Member by Special Appointment of the Eighth Zhuhai Committee of the Chinese People's Political Consultative Conference. In September 2012, he was appointed a director of the Hong Kong Chiu Chow Chamber of Commerce Limited, and in 4th Quarter 2013, he was appointed a director of the China Overseas Friendship Association.

LIEN Jown Jing Vincent, aged 54, was appointed an Independent Non-executive Director of the Company on 9 June 2011. He is the chairman of the Audit Committee and a member of the Nomination Committee of the Company. Mr. Lien is currently a director of Wah Hin & Company and Lien Ying Chow Private Limited; both Singapore incorporated private investment holding companies, a director of the Maritime & Port Authority of Singapore, Treasurer of Garden City Fund; a registered charity and IPC in the Republic of Singapore, Independent chairman of Isola Capital Group; a private investment and asset management company, an independent non-executive director and a member of the audit committee and remuneration committee of Up Energy Development Group Limited since 1 April, 2011; a company listed on the Main Board of the Hong Kong Stock Exchange (SEHK: 0307), and a non-executive director of Primeline Energy Holdings Inc. since 16 April 2013; a company listed on Canada's TSX Venture Exchange (TSXV: PEH), an independent non-executive director and a member of the audit committee and remuneration committee of Viva China Holdings Limited since 6 June 2013; a company listed on the GEM Board of the Hong Kong Stock Exchange (SEHK: 8032), an Independent Non-executive director, chairman of the audit committee and member of the nomination committee of CT Environmental Group Limited since 15 April 2014; a company listed on the Main Board of the Hong Kong Stock Exchange (SEHK:1363), and a director of China Ticketing Co. Limited, Shanghai Baiqiang Culture Communications Co. Limited, ILFS Wind Power Private Limited, Robustos Private Limited and Vitrone Properties (Pte) Limited. Mr. Lien has over 25 years of experience in the banking industry, specializing in corporate finance and capital management in Hong Kong, the PRC, Singapore and South-east Asia. Mr. Lien held various senior positions at several major multinational banking institutions including Swiss Bank Corporation and Bankers Trust & Company. He was the managing director in the financial institutions & public sector division of ABN AMRO Bank. Mr. Lien obtained a Bachelor degree in Business Administration from the University of New Brunswick in 1986.

Senior Management

Our executive Directors and senior management are responsible for the day-to-day management of our business. The following table sets out certain information concerning our senior management as at the date of this report:

Name	Age	Positions within the Company
TAN Shing	42	assistant general manager of FMSG
HUANG Adeline	33	associate director, advertising sales of FMSG
CHEUNG Nga Yee Agnes	39	general manager, advertising sales of FMHK
LIU Chun Hung Clement	39	financial controller of the Company
LO Chiu Evie	42	director, operations of the Company
CHAN Hong Yee Belinda	37	associate director, business development of FMHK

TAN Shing, aged 42, is the assistant general manager of FMSG responsible for the entire advertising salesforce and meeting the revenue targets of the Singapore operations. Mr. Tan originally joined the Group in August 2007 as a manager in the advertising sales division for FMSG and subsequently rose through the ranks as senior manager advertising sales and associate director advertising sales in 2010 and director advertising sales in 2011 and assistant general manager in January 2014. He has 17 years of entertainment, media sales and management experience. Prior to joining the Group, Mr. Tan spent ten years with Sony BMG Music Entertainment. Mr. Tan obtained a Diploma in Mass Communications from the Management Development Institute of Singapore in December 1997.

HUANG Adeline, aged 33, is the associate director, advertising sales of FMSG supporting the assistant general manager in advertising sales in meeting the revenue targets of the Singapore operations. Ms. Huang originally joined the Group in December 2005 as an assistant manager in the business development division for FMSG and was transferred to the advertising division in 2007 as manager advertising sales. She was promoted to senior manager advertising sales in 2011 and to associate director advertising sales in 2013. Ms Huang obtained a Bachelor of Science degree in Business and Management Studies (Marketing) from the University of Bradford (United Kingdom) in November 2004.

CHEUNG Nga Yee Agnes, aged 39, is the general manager, advertising sales of FMHK responsible for the entire advertising salesforce and meeting the revenue targets of the Hong Kong operations. She also participates in launching new businesses that can leverage on the Group's resources. Ms. Cheung originally joined the Group in February 2006 as a Manager in the Advertising Sales Division for FMHK and subsequently rose through the ranks as Senior Manager Advertising Sales in 2006, Associate Director Advertising Sales in 2007 and Director Advertising Sales in 2010. Ms. Cheung left the Group in September 2012 and rejoined the Group in September 2014. Ms. Cheung has over 15 years of media sales and management experience, eight of which in the Out-of-Home industry. Prior to joining the Group, Ms. Cheung worked at Metro Broadcast as well as RoadShow Media, a leading digital Out-of-Home media company. Ms. Cheung started her advertising career in 1999 with Metro Broadcast and subsequently worked with a number of leading periodicals. Ms. Cheung obtained a Diploma in Hotel and Catering studies from Lougborough Colleage in June 1993.

LIU Chun Hung Clement, aged 39, is the financial controller of the Company. He joined the Group in March 2007 and is responsible for all finance, audit and company secretarial matters in the finance division of the Company. Prior to joining the Group, Mr. Liu worked with PCCW and the Music Nation Group. Mr. Liu obtained a Diploma in Supervisory Management from Haking Wong Technical Institutes in August 1996, a Diploma in Management from the Institute for Supervision and Management in August the same year, a Higher Diploma in Accountancy from City University of Hong Kong in November 2001 and a Bachelor of Arts (Hons) degree in Accountancy from Bolton Institute of Higher Education in the United Kingdom in June 2003. Mr. Liu has been a fellow member of the Institute of Financial Accountants since March 2007.

LO Chiu Evie, aged 42, is the director, operations of the Company. She joined the Group in July 2004 and has overall responsibility for the back-end support and operations for both FMHK and FMSG. Prior to joining the Group, Ms. Lo was worked with Modern Warehouse Company, a Cheung Kong (Holdings) company. Ms. Lo obtained a Bachelor of Arts degree in Economics from the University of Calgary, Canada in November 1996.

CHAN Hong Yee Belinda, aged 37, is the associate director, business development of FMHK. She joined the Group in March 2008 and is responsible for the business development team's continued efforts to expand the Company's digital network as well as launch new digital platforms. Prior to joining the Group, Ms. Chan worked with a number of leading periodicals and advertising agencies. Ms. Chan obtained a Certificate in Hotel & Catering Service at Kwun Tong Vocational Training Centre in July 1995.

Company Secretary

Ms. Lee Yuen Han Hope, aged 49, has been appointed as the company secretary of the Company since September 2011. Ms. Lee is currently an associate of The Institute of Chartered Secretaries and Administrators, an associate of The Hong Kong Institute of Chartered Secretaries and a professional member of The Hong Kong Institute of Human Resource Management. She has extensive experience in management and corporate administration.

Corporate Governance Report

Corporate Governance Practices

Adapting and adhering to recognised standards of corporate governance principles and practices has always been one of the top priorities of the Company. The board of directors of the Company (the "Board") believes that good corporate governance is one of the areas that leads to the success of the Company and in balancing the interests of shareholders, customers and employees, and the Board is devoted to ongoing enhancements of the efficiency and effectiveness of such principles and practices.

For the year ended 31 December 2014, the Company had complied with the code provisions ("Code Provisions") set out in the Corporate Governance Code as contained in Appendix 15 to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules"), except for Code Provision A.2.1.

Code Provision A.2.1 provides that the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. The positions of Chairman of the Board and Chief Executive Officer ("CEO") of the Company are both currently carried on by Mr. WONG Hong Gay Patrick Jonathan. The Board considers that the structure currently operated by the Company does not undermine the balance of power and authority between the Board and the management. The Board members have considerable experience and qualities which they bring to the Company and the Board believes that it is able to ensure that the balance of power between the Board and the management is not impaired. The Board believes that having the same person performing the roles of both Chairman and CEO does provide the Group with strong and consistent leadership and that, operating in this manner allows for more effective and efficient overall strategic planning of the Group.

The Board of Directors

Composition and Responsibilities

The Board currently comprises eight directors ("Directors"), of which four are Executive Directors, one is a Non-executive Director, and three are Independent Non-executive Directors. The composition of the Board is as follows:

Executive Directors:
Mr. WONG Hong Gay Patrick Jonathan *(Chairman & CEO)*
Ms. NGAN Toi Yuk
Mr. LEE Sze Leong
Ms. CHEE Huiling Audrey

Non-executive Director:
Mr. CHAN Tsze Wah

Independent Non-executive Directors:
Mr. ROSENKRANZ Eric Jon
Mr. CHAN Chi Keung Alan
Mr. LIEN Jown Jing Vincent

The biographical details of each Director are set out in the section "Directors and Senior Management Profile" on pages 26 to 35.

The Board is accountable to shareholders for the Company's performance and activities. While the Board is primarily overseeing and managing the Company's affairs, the Chairman of the Board provides leadership to the Board in carrying out its duties. The Executive Directors constituting the senior management of the Company are delegated with responsibilities in the day-to-day management of the Company and make operational and business decisions within the control of and delegation framework of the Company. The Non-executive Directors (including Independent Non-executive Directors) contribute valuable views and proposals for the Board's deliberation and decisions.

Board Meetings

The Board is scheduled to meet regularly at least four times a year at approximately quarterly intervals, to discuss the overall strategy as well as the operational and financial performance of the Company. Other Board meetings will be held when necessary. Such Board meetings involve the active participation, either in person or through other electronic means of communication, of a majority of Directors. The Directors make every effort to contribute to the formulation of policy, decision-making and the development of the Group's business. For the year ended 31 December 2014, a total of four Board meetings were held.

Directors' Attendance at Board/Board Committee/General Meetings

Here below are details of all Directors' attendance at the board meeting, board committee meetings and general meeting held during the year:

	Board Meeting	**Audit Committee Meeting**	**Remuneration Committee Meeting**	**Nomination Committee Meeting**	**Corporate Governance Committee Meeting**	**2014 Annual General Meeting**
	Number of Meetings Attended/Held					
Executive Directors:						
WONG Hong Gay Patrick Jonathan	4/4	N/A	1/1	1/1	1/1	1/1
NGAN Toi Yuk	4/4	N/A	N/A	N/A	1/1	1/1
LEE Sze Leong	4/4	N/A	N/A	N/A	1/1	1/1
CHEE Huiling Audrey	4/4	N/A	N/A	N/A	N/A	1/1
Non-executive Director:						
CHAN Tsze Wah	3/4	N/A	N/A	N/A	N/A	1/1
Independent Non-executive Directors:						
ROSENKRANZ Eric Jon	4/4	4/4	1/1	N/A	N/A	1/1
LIEN Jown Jing Vincent	4/4	4/4	N/A	1/1	N/A	0/1
CHAN Chi Keung Alan	4/4	4/4	1/1	1/1	N/A	0/1

Appropriate notices are given to all Directors in advance for attending regular and other board or board committee meetings. Meeting agendas and other relevant information are provided to the Directors in advance of board or board committee meetings. All Directors are consulted to include additional matters in the agenda for such meetings.

Directors have access to the advice and services of the Company Secretary with a view to ensuring that board procedures, and all applicable rules and regulations, are followed.

Both draft and final versions of the minutes are sent to all Directors for their comment and records. Minutes of board and board committee meetings are kept by the Company Secretary and such minutes are open for inspection at any reasonable time on reasonable prior notice by any Director.

Appointment, Re-election and Removal

All Non-executive Directors have entered into service contracts with the Company for a specific term of one year, subject to re-election.

In accordance with the articles of association of the Company, one-third of the Directors for the time being shall retire from office by rotation at each annual general meeting provided that every Director shall be subject to retirement by rotation at least once every three years. Such retiring Directors may, being eligible, offer themselves for re-election at the annual general meeting. All Directors appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of shareholders after their appointment and be subject to re-election at such meeting and all Directors appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting and shall then be eligible for re-election.

Confirmation of Independence

Each of the Independent Non-executive Directors has made an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company is of the view that all Independent Non-executive Directors meet the independence guidelines set out in Rule 5.09 of the GEM Listing Rules and are independent in accordance with the terms of the guidelines.

Code of Conduct for Securities Transactions by Directors

The Company has adopted the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in securities of the Company by the Directors. Specific enquiry had been made to all Directors who confirmed that they had complied with the required standard set out in Rules 5.48 to 5.67 of the GEM Listing Rules for the year ended 31 December 2014.

Directors' Participation in Continuous Professional Trainings

During the year, the Directors received from the Company from time to time the updates on laws, rules and regulations which might be relevant to their roles, duties and functions as director of a listed company. Certain Directors also attended professional trainings delivered by law firm or certified public accountants.

Board Committees

Audit Committee

The Audit Committee of the Company was established with written terms of reference in compliance with the relevant Code Provisions from time to time. The written terms of reference of the Audit Committee are available on the websites of the Company and the Stock Exchange.

The responsibility of the Audit Committee is to assist the Board in fulfilling its audit duties through the review and supervision of the Company's financial reporting system and internal control procedures. It reports to the Board and has held regular meetings to review and make recommendations to improve the Group's financial reporting process and internal controls.

The composition of the Audit Committee is as follows:

Independent Non-executive Directors:
Mr. LIEN Jown Jing Vincent *(Chairman)*
Mr. ROSENKRANZ Eric Jon
Mr. CHAN Chi Keung Alan

During the year, the Audit Committee held four meetings. Details of the attendance of the members of the Audit Committee in the said meetings are set out under the sub-heading "Directors' Attendance at Board/Board Committee/General Meetings" above.

The summary of work of the Audit Committee during the year is as follows:

— met with the external auditors and reviewed the annual, interim and quarterly reports of the Company;

— reviewed the effectiveness of the Company's internal control and risk management systems;

— reviewed and approved audit fee; and

— recommended the re-appointment of auditors.

Remuneration Committee

The Board established the Remuneration Committee with written terms of reference in compliance with the relevant Code Provisions from time to time. The written terms of reference of the Remuneration Committee are available on the websites of the Company and the Stock Exchange.

The Remuneration Committee is responsible for, inter alia, making recommendations to the Board on the Company's emolument policy and on the establishment of a formal and transparent procedure for developing such policy.

The composition of the Remuneration Committee is as follows:

Independent Non-executive Directors:
Mr. ROSENKRANZ Eric Jon *(Chairman)*
Mr. CHAN Chi Keung Alan

Executive Director:
Mr. WONG Hong Gay Patrick Jonathan

During the year, the Remuneration Committee held one meeting. Details of the attendance of the members of the Remuneration Committee in the said meeting are set out under the sub-heading "Directors' Attendance at Board/Board Committee/General Meetings" above.

The summary of work of the Remuneration Committee during the year is as follows:

— recommended to the Board the proposal of discretionary bonus to the Executive Directors for the year 2014;

— reviewed the remuneration packages of the Executive Directors and recommended to the Board the proposal of their fixed salaries for the year 2015; and

— reviewed and recommended to the Board the directors' fees of the Non-executive Director and the Independent Non-executive Directors for the year 2015.

Nomination Committee

The Board established the Nomination Committee with written terms of reference in compliance with the relevant Code Provisions from time to time. The written terms of reference of the Nomination Committee are available on the websites of the Company and the Stock Exchange.

The primary duties of the Nomination Committee include reviewing the structure, size and composition of the Board, identifying individuals suitably qualified to become Directors, assessing the independence of Independent Non-executive Directors and making recommendations to the Board on appointment and re-appointment of Directors.

The composition of the Nomination Committee is as follows:

Executive Director:
Mr. WONG Hong Gay Patrick Jonathan *(Chairman)*

Independent Non-executive Directors:
Mr. LIEN Jown Jing Vincent
Mr. CHAN Chi Keung Alan

During the year, the Nomination Committee held one meeting. Details of the attendance of the members of the Nomination Committee in the said meeting are set out under the sub-heading "Directors' Attendance at Board/Board Committee/General Meetings" above.

The summary of work of the Nomination Committee during the year is as follows:

— reviewed the Board's structure, size and composition based on the Board Diversity Policy adopted by the Board of Directors in August 2013;

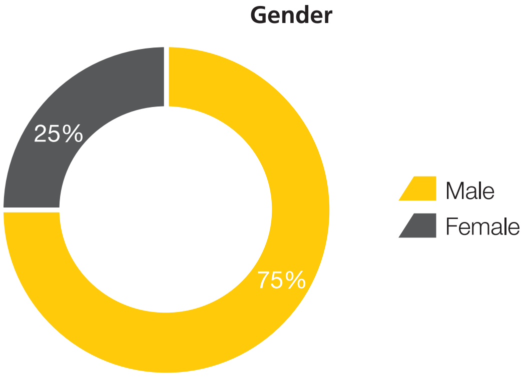
— reviewed the independence of the Independent Non-executive Directors; and

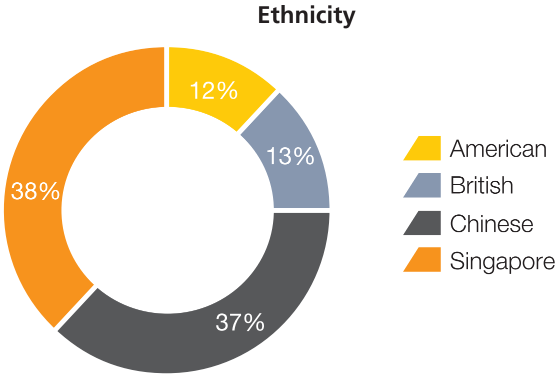
— made recommendation on the retiring Directors at the 2015 Annual General Meeting of the Company.

According to the Board Diversity Policy, in designing the Board's composition and selecting candidates to the Board, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

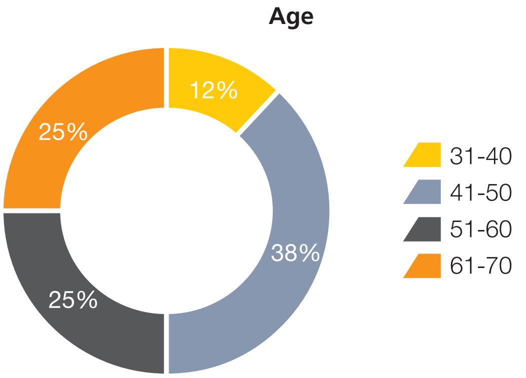
Diversified Board

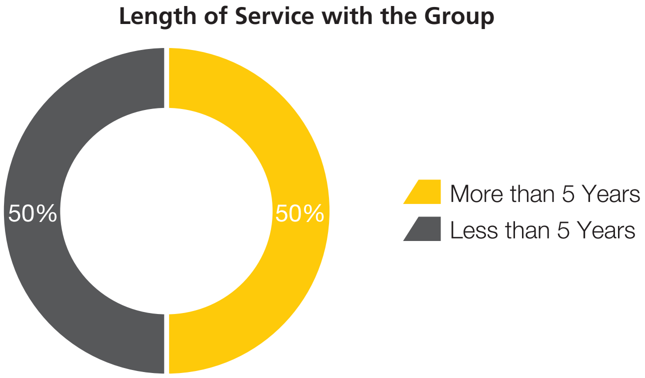
The current composition of the Board in terms of gender, ethnicity, age and length of service is shown in the following illustration:





Note: Ethnicity is based on passport, does not necessarily reflect ethnic origin.





The Nomination Committee has monitored the implementation of the Board Diversity Policy since its adoption, and also reviewed it to ensure its effectiveness and concluded that no revision to the Policy is required.

Corporate Governance Committee

The Board established the Corporate Governance Committee with written terms of reference in compliance with the relevant Code Provisions. The written terms of reference of the Corporate Governance Committee are available on the websites of the Company and the Stock Exchange.

The composition of the Corporate Governance Committee is as follows:

Executive Directors:
Mr. WONG Hong Gay Patrick Jonathan *(Chairman)*
Ms. NGAN Toi Yuk
Mr. LEE Sze Leong

The primary duties of the Corporate Governance Committee include, among others, to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board; to review and monitor the training and continuous professional development of directors and senior management; and to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements.

During the year, the Corporate Governance Committee held one meeting. Details of the attendance of the members of the Corporate Governance Committee in the said meeting are set out under the sub-heading "Directors' Attendance at Board/Board Committee/General Meetings" above.

The summary of work of the Corporate Governance Committee during the year is as follows:

— reviewed the corporate governance practices of the Group;

— reviewed the training programmes for Directors and senior management of the Company;

— reviewed the Company's policies such as human resources policy, code of conduct and grievance policy;

— reviewed the current practices on compliance with legal and regulatory requirements;

— provided latest updates on laws, rules and regulations to Directors; and

— reviewed the compliance with the Code Provisions and disclosures in the Corporate Governance Report.

Remuneration of Directors and Senior Management

Emolument Policy

The remuneration policy of the Group is to ensure the fairness and competitiveness of total remuneration. The emoluments of Executive Directors are determined based on the skills, knowledge, individual performance as well as contributions, the scope of responsibility and accountability of such Directors, taking into consideration of the Company's performance and prevailing market conditions. The remuneration policy of Non-executive Directors (including Independent Non-executive Directors) is to ensure that the Non-executive Directors are adequately compensated for their efforts and time dedicated to the Company's affairs including their participation in respective Board committees. The emoluments of Non-executive Directors are determined with reference to their skills, experience, knowledge, duties and market trends.

Accountability and Audit

Financial Reporting

The Board acknowledges its responsibility for the preparation of the financial statements which give a true and fair view of the state of affairs of the Group. The financial statements set out on pages 61 to 112 were prepared on the basis set out in note 2.1 to the Consolidated Financial Statements. Financial results of the Group are announced in a timely manner in accordance with statutory and/or regulatory requirements.

During the year, the Company engaged Messrs. PricewaterhouseCoopers ("PwC") as the external auditors. The fee in respect of audit services provided by PwC for the year ended 31 December 2014 approximately amounted to HK$1,291,500 (2013: HK$1,230,000). No non-audit services were provided by PwC for the year (2013: Nil).

The reporting responsibilities of PwC are set out in the Independent Auditors' Report on pages 59 and 60.

Internal Control

The Board has overall responsibility for the Group's system of internal control and for reviewing its effectiveness.

For the year, the Company conducted reviews on the effectiveness of the internal control system as required by the Code Provisions, including review on the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function. The Audit Committee also reviewed with members of the management the work done and the results of such reviews.

Delegation by the Board

While at all times the Board retains full responsibility for guiding and monitoring the Company in discharging its duties, certain responsibilities are delegated to various board committees which have been established by the Board to deal with different aspects of the Company's affairs. Unless otherwise specified in their respective written terms of reference as approved by the Board, these board committees are governed by the Company's articles of association as well as the Board's policies and practices (in so far as the same are not in conflict with the provisions contained in the articles of association).

With the establishment of the Audit Committee, Remuneration Committee and Nomination Committee, the Independent Non-executive Directors will be able to effectively devote their time to perform the duties required by the respective board committees.

The Board has also delegated the responsibility of implementing its strategies and the day-to-day operation to the management of the Company under the leadership of the Executive Directors. Clear guidance has been made as to the matters that should be reserved to the Board for its decision which include matters on, inter alia, capital, finance and financial reporting, internal controls, communication with shareholders, Board membership, delegation of authority and corporate governance.

Non-Competition Undertaking from Controlling Shareholders

At the time of the listing of the securities of the Company on the Stock Exchange, each of the controlling shareholders (as defined in the GEM Listing Rules) of the Company gave a non-competition undertaking in favour of the Company. Each of them has confirmed compliance with such non-competition undertaking. The Board comprising all the Independent Non-executive Directors is of the view that such controlling shareholders have been in compliance with the non-competition undertaking in favour of the Company.

Company Secretary

The Company engages Ms. Hope Lee Yuen Han ("Ms. Hope Lee"), an external service provider, as its Company Secretary. Ms. NGAN Toi Yuk, an Executive Director, is the primary contact person to Ms. Hope Lee at the Company in respect of any compliance and company secretarial matters of the Company.

During the year, Ms. Hope Lee undertook over 15 hours' professional training to update her skill and knowledge in compliance with the Corporate Governance Code.

Changes in Constitutional Documents

During the year, there are no changes in the constitutional documents of the Company.

Shareholders' Rights

The Way by Which Shareholders Can Convene Extraordinary General Meeting ("EGM")/Put Forward Proposal

According to the Articles of Association of the Company, any one or more shareholders of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

And, if a shareholder wishes to propose a person other than a Director retiring for election as a Director at an annual general meeting ("AGM"), the shareholder should deposit a written notice of nomination at the head office of the Company or at the office of the Company's Branch Share Registrar within a period of at least seven (7) days commencing from the day after the dispatch of the AGM notice and ending no later than seven (7) days prior to the date of the AGM. The relevant procedures are set out in the circular regarding, among others, the 2015 Annual General Meeting of the Company, which will be delivered together with this annual report to the shareholders of the Company.

The Procedures for Sending Enquiries to the Board

Specific enquiries from shareholders to the Board can be sent in writing to the Company at our head office in Hong Kong or by email through InvestorRelations@focusmedia.com stated on the Company's website.

Communication with Shareholders

Save as mentioned under the sub-heading "The Procedures for Sending Enquiries to the Board" above, in order to provide more relevant information to our shareholders, the Company has published all corporate information, news and events about the Group on its website for easy access by the shareholders.

Hong Kong, 23 March 2015

The directors of the Company (the "Directors") have pleasure in presenting their annual report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2014 (the "Consolidated Financial Statements").

Principal Activities

The principal activity of the Company is investment holding and those of the principal subsidiaries of the Company are set out in note 28 to the Consolidated Financial Statements.

Results and Appropriations

The results of the Group for the year ended 31 December 2014 and the state of affairs of the Group as at 31 December 2014 are set out in the Consolidated Financial Statements on pages 61 to 112.

The Directors do not recommend the payment of final dividend for the year ended 31 December 2014 (2013: Nil).

Six Years Financial Summary

A summary of the results and assets and liabilities of the Group for the last six financial years is set out on page 5. This summary does not form part of the Consolidated Financial Statements.

Share Capital

Details of movements in share capital of the Company during the year are set out in note 19 to the Consolidated Financial Statements.

Reserves

Details of movements in reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity and in note 19 to the Consolidated Financial Statements respectively.

Distributable Reserves

As at 31 December 2014, the Company's reserves available for distribution, calculated in accordance with the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to approximately HK$225,963,000.

Major Customers and Suppliers

Sales to the Group's five largest customers accounted for approximately 29.16% of the total sales for the year and sales to the largest customer included therein amounted to approximately 7.79%. Purchases from the Group's five largest suppliers accounted for approximately 51.17% of the total purchases for the year and purchases from the largest supplier included therein amounted to approximately 23.11%.

To the best knowledge of the Directors, neither the Directors, their associates, nor any shareholders who owned more than 5% of the Company's issued share capital, had any beneficial interest in any of the Group's five largest customers or suppliers during the year.

Property, Plant and Equipment

Details of movements in property, plant and equipment during the year are set out in note 13 to the Consolidated Financial Statements.

Borrowings

Particulars of borrowings of the Group as at the balance sheet date are set out in note 22 to the Consolidated Financial Statements. As at 31 December 2014, the Group did not have any charges on its assets (2013: Nil).

Interests of the Compliance Adviser

As notified by Cinda International Capital Limited ("CICL"), the compliance adviser of the Company (up to 28 March 2014), neither CICL nor its directors or employees or associates had any interests in any class of securities of the Company or any other company in the Group (including options or rights to subscribe for such securities) as at 28 March 2014. Pursuant to the agreement dated 25 October 2012 entered into between CICL and the Company, CICL received fees for acting as the compliance adviser of the Company up to 28 March 2014.

The Company ceased to engage CICL as compliance adviser effective on 29 March 2014 as the Company had complied with Rule 6A.19 of the GEM Listing Rules for appointing the compliance adviser for the required period.

Directors and Directors' Service Contracts

The directors of the Company who hold office during the year and up to the date of this report are:

Executive Directors:
Wong Hong Gay Patrick Jonathan
Ngan Toi Yuk
Lee Sze Leong
Chee Huiling Audrey

Non-Executive Director:
Chan Tsze Wah

Independent Non-Executive Directors:
Rosenkranz Eric Jon
Chan Chi Keung Alan
Lien Jown Jing Vincent

Each of the executive Directors has entered into a service contract with the Company for an initial fixed term of one year and shall continue thereafter until terminated by, not less than six months' notice in writing served by either party on the other.

Each of the independent non-executive Directors has entered into a service contract with the Company for a term of one year renewable automatically for successive terms of one year, subject to retirement by rotation and re-election at annual general meeting and until terminated by not less than one months' notice in writing served by either party on the other.

No Director has a service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

The Company has received annual confirmation of independence from each of the independent non-executive Directors pursuant to Rule 5.09 of the GEM Listing Rules and all of them are considered to be independent.

To comply with the Corporate Governance Code under Appendix 15 to the GEM listing Rules and in accordance with the Articles of Association of the Company, Ms Ngan Toi Yuk, Mr Lee Sze Leong and Mr Rosenkranz Eric Jon shall retire from office at the 2015 AGM and, being eligible, offer themselves for re-election, at the 2015 AGM.

Directors' Interests in Contracts

Save as aforesaid, there was no contract of significance to which the Company or its holding company or any of its subsidiaries was a party and in which a director of the Company had a material interest subsisted at the end of the year or at any time during the year.

Non-Competition Undertaking

Each of Mr. Wong Hong Gay Patrick Jonathan, iMediaHouse.com Limited and iMediaHouse Asia Limited (the "Controlling Shareholders") has given a non-competition undertaking dated 24 June 2011 in favour of the Company, pursuant to which each of them undertakes and covenants with the Company that, for so long as he/it and/or his/its associates, directly or indirectly, whether individually or taken together, remain to be the controlling shareholders of the Company, he/it will not and will procure his/its associates (excluding any members of the Group) not to directly or indirectly carry on, participate, engage or otherwise be interested in any business related to digital OOH advertisement in Hong Kong and/or Singapore which is or may be in competition with the business of any members of the Group from time to time.

Details of the non-competition undertaking are set out in the section headed "Substantial, Controlling and Significant Shareholders" of the Prospectus.

The non-competition undertaking has become effective from the date of the listing of the Company on the Growth Enterprise Market of the Stock Exchange (the "Listing") on 28 July 2011.

The Company has received the confirmation from each of the Controlling Shareholders in respect of their compliance with the terms of non-competition undertaking.

The independent non-executive Directors had reviewed and confirmed that the Controlling Shareholders have complied with the non-competition undertaking and the non-competition undertaking has been enforced by the Company in accordance with its terms.

Update of Directors' Information

Mr. Lien Jown Jing Vincent, an independent non-executive Director, ceased to be the chairman and independent non-executive director of Loyz Energy Limited, a company listed on the Catalist Exchange of the Singapore Stock Exchange (LOYZ.SI), on 6 November 2014. The rest of Mr. Lien's profile remains unchanged.

Mr. Chan Chi Keung Alan, an independent non-executive Director, was appointed as independent non-executive director of L & A International Holdings Limited listed on the GEM Board of the Hong Kong Stock Exchange (SEHK:8195) effective on 10 October 2014. Mr. Chan's profile remains unchanged.

Biographies of Directors and Senior Management

The biographical details of the Directors and senior management of the Group are disclosed in the section headed "Directors and Senior Management Profile" on pages 26 to 35 of this annual report.

Connected Transactions

During the year, the Company had not entered into any connected transaction which is subject to the disclosure requirements under the GEM Listing Rules.

Pre-IPO Share Option Scheme and Share Option Scheme

Pursuant to the written resolutions passed by all the shareholders of the Company on 26 March 2011, the Company has adopted the Pre-IPO Share Option Scheme and has conditionally adopted the Share Option Scheme.

Pre-IPO Share Option Scheme

The purpose of the Pre-IPO Share Option Scheme is to recognise the contribution made by certain executive Directors and employees of the Group and to aid the Company in retaining key and senior employees who have assisted in the development and growth of the Group and for their contribution in connection with the Listing.

Eligible participants of the Pre-IPO Share Option Scheme are any employee (including any director) of the Group or any invested entity, any supplier of goods or services, any customer, any person or entity that provide research, development or other technological support, any shareholders or any participants who contribute to the development and growth of the Group or any invested entity.

The Pre-IPO Share Option Scheme was adopted for a period of 10 years commencing from 26 March 2011 and remains in force until 25 March 2021. The Company may, by resolution in general meeting or, such date as the Board determined, terminate the Pre-IPO Share Option Scheme at any time without prejudice to the exercise of options granted prior to such termination.

The total number of new shares of the Company that may be issued upon exercise of all options to be granted under the Pre-IPO Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 32,800,000 shares of the Company, which represents 10% of the shares in issue of the Company as at the date of this report.

During the year, no options were granted, exercised or lapsed under the Pre-IPO Share Option Scheme. As at 31 December 2014, the number of shares comprised in the outstanding options remained as 8,626,400.

Share Option Scheme

The purpose of the Share Option Scheme is to provide incentive or reward to eligible persons for their contribution or potential contribution to the Group.

Eligible participants under the Share Option Scheme include any employee of the Group or any invested entity, any supplier of goods or services, any customer, any person or entity that provide research, development or other technological support, any shareholders or any participants who contribute to the development and growth of the Group or any invested entity.

Details of the principal terms of the Share Option Scheme are set out in paragraph headed "Share Option Scheme" in section headed "Statutory and General Information" in Appendix V to the Prospectus. The principal terms of the Share Option Scheme are summarised as follows:

The Share Option Scheme was adopted for a period of 10 years commencing from 26 March 2011 and remains in force until 25 March 2021. The Company may, by resolution in general meeting or, such date as the Board determined, terminate the Share Option Scheme at any time without prejudice to the exercise of options granted prior to such termination.

The exercise price per share of the Company for each option granted shall be determined by the Board in its absolute discretion but in any event shall be at least the higher of:

(1) the closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of offer for the grant of option ("Date of Grant") which must be a trading day;

(2) the average closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five trading days immediately preceding the Date of Grant; and

(3) the nominal value of the shares on the Date of Grant.

Upon acceptance of the options, the grantee shall pay HK$1.00 to the Company as consideration for the grant. The acceptance of an offer of the grant of the option must be made within the date as specified in the offer letter issued by the Company, being a date not later than 10 business days from the date upon which it is made. The exercise period of any option granted under the Share Option Scheme shall not be longer than 10 years commencing on the date of grant and expiring on the last day of such 10-year period subject to the provisions for early termination as contained in the Share Option Scheme.

The total number of new shares of the Company that may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share options schemes of the Company shall not exceed 32,800,000 shares, which represents 10% of the shares in issue of the Company as at the date of this report.

The maximum number of shares issued and to be issued upon exercise of the options granted and to be granted to each grantee under the Share Option Scheme (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the total number of Shares in issue. Any further grant of options in excess of this 1% limit shall be subject to issuance of a circular by the Company and approved by its shareholders in accordance with the GEM Listing Rules.

During the year under review, no options were granted or exercised under the Share Option Scheme, a total of 50,000 options were forfeited. As at 31 December 2014, the number of shares comprised in the outstanding options was 5,302,000.

A summary of the movements of the share options granted under the Pre-IPO Share Option Scheme and Share Option Scheme during the year under review is as follows:

Grantees	Date of grant	Vesting period	Exercise period	Exercise price	Number of share options: Outstanding at 1 January 2014	Granted during the year	Exercised during the year	Cancelled/ Lapsed during the year	Outstanding at 31 December 2014	Market value per share immediately before the date of grant of option	Approximate % of the Company's total issued share capital as at 31 Dec 2014
Wong Hong Gay Patrick Jonathan	20 Dec 2011	Note 1	20 Dec 2011 to 19 Dec 2021	HK$0.724	328,000	—	—	—	328,000	0.72	0.10%
Ngan Toi Yuk	20 Dec 2011	Note 1	20 Dec 2011 to 19 Dec 2021	HK$0.724	328,000	—	—	—	328,000	0.72	0.10%
	30 Jun 2011	Note 2	28 Jul 2011 to 27 Jul 2021	HK$0.72	3,280,000	—	—	—	3,280,000	N/A	1.00%
Lee Sze Leong	20 Dec 2011	Note 1	20 Dec 2011 to 19 Dec 2021	HK$0.724	328,000	—	—	—	328,000	0.72	0.10%
	30 Jun 2011	Note 2	28 Jul 2011 to 27 Jul 2021	HK$0.72	1,640,000	—	—	—	1,640,000	N/A	0.50%
Chee Huiling Audrey	20 Dec 2011	Note 1	20 Dec 2011 to 19 Dec 2021	HK$0.724	250,000	—	—	—	250,000	0.72	0.08%
	30 Jun 2011	Note 2	28 Jul 2011 to 27 Jul 2021	HK$0.72	426,400	—	—	—	426,400	N/A	0.13%
Chan Tsze Wah	20 Dec 2011	Note 1	20 Dec 2011 to 19 Dec 2021	HK$0.724	328,000	—	—	—	328,000	0.72	0.10%
Lien Jown Jing Vincent	20 Dec 2011	Note 1	20 Dec 2011 to 19 Dec 2021	HK$0.724	328,000	—	—	—	328,000	0.72	0.10%
Rosenkranz Eric Jon	20 Dec 2011	Note 1	20 Dec 2011 to 19 Dec 2021	HK$0.724	328,000	—	—	—	328,000	0.72	0.10%
Chan Chi Keung Alan	20 Dec 2011	Note 1	20 Dec 2011 to 19 Dec 2021	HK$0.724	328,000	—	—	—	328,000	0.72	0.10%
Employees	20 Dec 2011	Note 1	20 Dec 2011 to 19 Dec 2021	HK$0.724	2,806,000	—	—	50,000	2,756,000	0.72	0.84%
	30 Jun 2011	Note 2	28 Jul 2011 to 27 Jul 2021	HK$0.72	3,280,000	—	—	—	3,280,000	N/A	1.00%
Total					**13,978,400**	**—**	**—**	**50,000**	**13,928,400**		

Additional particulars of the Company's Pre-IPO Share Option Scheme and Share Option Scheme are set out in note 20 to the Consolidated Financial Statements.

Notes:

1. The options granted under Share Option Scheme shall vest in the relevant option holders in tranches in the following manner:

   (i) 33% of the option shall vest after first twelve months after date of acceptance

   (ii) 33% of the option shall vest after twenty four months after date of acceptance

   (iii) 34% of the option shall vest after thirty six months after date of acceptance

2. The options granted under the Pre-IPO Share Option Scheme shall vest in the relevant option holders in tranches in the following manner:

   (i) 50% of the option shall vest on 28 January 2012

   (ii) 8% of the option shall vest on 28 February 2012

   (iii) 8% of the option shall vest on 28 March 2012

   (iv) 8% of the option shall vest on 28 April 2012

   (v) 8% of the option shall vest on 28 May 2012

   (vi) 8% of the option shall vest on 28 June 2012

   (vii) 10% of the option shall vest on 28 July 2012

Apart from the aforesaid share option schemes, at no time during the year ended 31 December 2014 was any of the Company and its holding companies, subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors, or their spouses or children under the age 18, had any right to subscribe for the shares in, or debentures of, the Company, or had exercise any such rights.

Directors' and Chief Executives' Interests or Short Positions in Shares, Underlying Shares and Debentures

As at 31 December 2014, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meanings of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such director or chief executive is taken or deemed to have under such provision of the SFO) or which were required pursuant to Section 352 of the SFO, to be entered in the register of members of the Company, or which were required, pursuant to standard of dealings by Directors as referred to in Rule 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Long positions in the shares of the Company

	Interests in ordinary shares						
Name of directors	Personal interests	Family interests	Corporate interests	Total interests in ordinary shares	Total interests in underlying shares	Aggregate interests	Approximate % of the Company's issued share capital
Wong Hong Gay Patrick Jonathan	—	—	169,026,600 (Note)	169,026,600	328,000*	169,354,600	51.63%
Ngan Toi Yuk	—	—	—	—	3,608,000*	3,608,000	1.10%
Lee Sze Leong	—	—	—	—	1,968,000*	1,968,000	0.60%
Chee Huiling Audrey	—	—	—	—	676,400*	676,400	0.20%
Chan Tsze Wah	—	—	—	—	328,000*	328,000	0.10%
Lien Jown Jing Vincent	—	—	—	—	328,000*	328,000	0.10%
Rosenkranz Eric Jon	—	—	—	—	328,000*	328,000	0.10%
Chan Chi Keung Alan	—	—	—	—	328,000*	328,000	0.10%

* Being personal interests

Note: These shares are directly held by iMediaHouse Asia Limited which is owned as to approximately 65.08% by iMediaHouse.com which is in turn owned as to approximately 75.30% by Mr. Wong Hong Gay Patrick Jonathan ("Mr. Wong"). Mr. Wong is therefore deemed to be interested in in these shares by virtue of the SFO.

Save as disclosed above, as at 31 December 2014, none of the Directors and chief executives of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to the required standard of dealings by the directors to be notified to the Company and the Stock Exchange.

Substantial Shareholders' Interests and/or Short Position in Shares and Underlying Shares of the Company

As at 31 December 2014, other than the interests and short positions of the Directors disclosed above, the following persons (not being a Director or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under provision of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or who is directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Long positions in the shares of the Company

Name of shareholders	Capacity	Number of shares held	Approximate % of shareholding in the Company
iMediaHouse Asia Limited (Note 1 & 2)	Beneficial owner	169,026,600	51.53%
iMediaHouse.com Limited (Notes 1 & 2)	Interest of controlled corporation	169,026,600	51.53%
Trade Grand International Limited (Notes 3 & 4)	Beneficial owner	61,500,000	18.75%
Wong's Industrial (Holdings) Limited (Notes 3 & 4)	Interest of controlled corporation	61,500,000	18.75%
Catel (B.V.I.) Limited (Notes 3 & 4)	Interest of controlled corporation	61,500,000	18.75%
Wong's International Holdings Limited (Notes 3 & 4)	Interest of controlled corporation	61,500,000	18.75%
Flyer Wonder Limited (Notes 5 & 6)	Investment Manager	31,668,000	9.65%
Asia Private Credit Fund Limited (Notes 5 & 6)	Investment Manager	31,668,000	9.65%
Citigroup Inc.	Person having a security interest in shares	19,488,000	5.94%
Teall Nathaniel EDDS (Notes 7 & 8)	Investment Manager	16,600,000	5.06%
OCP Asia Limited (Notes 7 & 8)	Investment Manager	16,600,000	5.06%
Stuart Michael WILSON (Notes 7 & 8)	Investment Manager	16,600,000	5.06%
Orchard Makira Multi Strategy Master Fund Limited	Beneficial Owner	16,600,000	5.06%
Adamas Asset Management (HK) Limited	Investment Manager	22,584,000	6.89%

Notes:

1. These shares are directly held by iMediaHouse Asia Limited ("iMHA") which is owned as to approximately 65.08% by iMediaHouse.com ("iMH"). iMH is therefore deemed to be interested in these shares by virtue of the SFO.

2. The interests of iMH and iMHA are duplicated.

3. These shares are directly held by Trade Grand International Limited ("TGIL") which is wholly owned by Wong's Industrial (Holdings) Limited ("WIHL"), which is in turn wholly owned by Catel (B.V.I.) Limited ("Catel"). Catel is wholly owned by Wong's International Holdings Limited ("Wong's International"). WIHL, Catel and Wong's International are therefore deemed to be interested in these shares by virtue of the SFO.

4. The interests of TGIL, WIHL, Catel and Wong's International are duplicated.

5. These shares are directly held by Flyer Wonder Limited ("FWL") which is wholly owned by Asia Private Credit Fund Limited ("APCFL"). APCFL is therefore deemed to be interested in these shares by virtue of the SFO.

6. The interests of FWL and APCFL are duplicated.

7. These shares are directly held by OCP Asia Limited ("OCP Asia") which is owned as to approximately 33% by Teall Nathaniel EDDS and Stuart Michael WILSON respectively. Teall Nathaniel EDDS and Stuart Michael WILSON are therefore deemed to be interested in these shares by virtue of the SFO.

8. The interest of OCP Asia, Teall Nathaniel EDDS and Stuart Michael WILSON are duplicated.

Save as disclosed under the section headed "Directors' and Chief Executives' Interests or Short Positions in Shares, Underlying Shares and Debentures" and the above section, at 31 December 2014, no other person was individually and/or collectively entitled to exercise or control the exercise of 5% or more of the voting power at general meeting of the Company and was able, as a practical matter, to direct or influence the management of the Company.

Competition and Conflict of Interests

During the year, none of the Directors, the management shareholders or substantial shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group.

Purchase, Sale or Redemption of the Company's Listed Securities

During the year, the Company did not redeem any of its listed securities, and neither did the Company nor any of its subsidiaries purchase or sell any of the Company's listed securities.

Pre-Emptive Rights

There is no provision for the pre-emptive rights under the Company's Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

Sufficiency of Public Float

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the GEM Listing Rules during the year up to the date of this report.

Corporate Governance Report

Details of the Group's corporate governance practices can be found in the Corporate Governance Report contained on pages 36 to 46 in this annual report.

Closure of the Register of Members

The Register of Members will be closed from 6 May 2015 (Wednesday) to 8 May 2015 (Friday), both days inclusive, during which period no transfer of shares of the Company shall be registered. In order to qualify for attending the forthcoming annual general meeting of the Company, all transfers of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 5 May 2015 (Tuesday).

Auditors

A resolution to re-appoint the retiring auditors, Messrs. PricewaterhouseCoopers, is to be proposed at the forthcoming annual general meeting of the Company.

By order of the Board
Focus Media Network Limited

Wong Hong Gay Patrick Jonathan
Chairman, CEO and Executive Director

Hong Kong, 23 March 2015

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羅兵咸永道

TO THE SHAREHOLDERS OF FOCUS MEDIA NETWORK LIMITED
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Focus Media Network Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 61 to 112, which comprise the consolidated and company statements of financial position as at 31 December 2014, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2014, and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 23 March 2015

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2014

	Notes	2014 HK$	2013 HK$
Revenue	5	**76,304,823**	72,253,333
Cost of sales	7	**(37,540,837)**	(23,707,797)
Gross profit		**38,763,986**	48,545,536
Other income	6	**1,219,420**	304,345
Administrative expenses	7	**(52,990,895)**	(44,439,530)
Operating (loss)/profit		**(13,007,489)**	4,410,351
Finance costs	9	**(26,584)**	(35,681)
Share of losses of joint ventures	16	**(158,777)**	(258,836)
(Loss)/profit before income tax		**(13,192,850)**	4,115,834
Income tax expenses	10	**—**	(99,799)
(Loss)/profit for the year attributable to equity holders of the Company		**(13,192,850)**	4,016,035
Other comprehensive loss			
Currency translation differences		**(846,918)**	(386,027)
Total comprehensive (loss)/income for the year attributable to equity holders of the Company		**(14,039,768)**	3,630,008
(Loss)/profit for the year attributable to:			
Owners of the Company		**(13,003,482)**	4,016,035
Non-controlling interests		**(189,368)**	—
		(13,192,850)	4,016,035
Total comprehensive (loss)/income for the year attributable to:			
Owners of the Company		**(13,850,400)**	3,630,008
Non-controlling interests		**(189,368)**	—
		(14,039,768)	3,630,008
(Loss)/earnings per share attributable to owners of the Company	12		
— Basic and diluted		**HK cents (3.96)**	HK cents 1.22

The notes on pages 68 to 112 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2014

	Notes	2014 HK$	2013 HK$
ASSETS			
Non-current assets			
Property, plant and equipment	13	**10,941,954**	7,021,878
Intangible assets	14	**1,978,020**	2,817,516
Deposits and prepayments	15	**2,620,275**	5,082,215
Pledged bank deposits	17	**586,000**	—
Interests in joint ventures	16	**1,612,422**	674,371
		17,738,671	15,595,980
Current assets			
Trade and other receivables	15	**21,236,970**	23,909,339
Financial asset at fair value through profit or loss	18	**1,898,734**	—
Pledged bank deposits	17	**291,389**	304,814
Cash and bank balances	17	**37,890,563**	50,692,047
		61,317,656	74,906,200
Total assets		**79,056,327**	90,502,180
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital	19(a)	**3,280,000**	3,280,000
Share premium	19(a)	**274,344,873**	274,344,873
Other reserves		**(173,084,938)**	(172,373,428)
Accumulated losses		**(44,389,291)**	(31,395,958)
Equity attributable to owners of the Company		**60,150,644**	73,855,487
Non-controlling interests		**(189,338)**	—
Total equity		**59,961,306**	73,855,487

The notes on pages 68 to 112 are an integral part of these consolidated financial statements.

	Notes	2014 HK$	2013 HK$
LIABILITIES			
Non-current liabilities			
Finance lease liabilities	22	—	142,611
Licence fee payables		—	217,062
		—	359,673
Current liabilities			
Trade and other payables	21	**17,823,812**	14,422,417
Finance lease liabilities	22	—	106,307
Deferred revenue		**1,271,209**	1,758,296
		19,095,021	16,287,020
Total liabilities		**19,095,021**	16,646,693
Total equity and liabilities		**79,056,327**	90,502,180
Net current assets		**42,222,635**	58,619,180
Total assets less current liabilities		**59,961,306**	74,215,160

Wong Hong Gay Patrick Jonathan
Director

Ngan Toi Yuk
Director

The notes on pages 68 to 112 are an integral part of these consolidated financial statements.

Statement of Financial Position

As at 31 December 2014

	Notes	2014 HK$	2013 HK$
ASSETS			
Non-current assets			
Investment in a subsidiary	27	**236,160,000**	234,943,540
Current assets			
Amounts due from subsidiaries	27	**—**	36,114,604
Deposits, prepayments and other receivables		**264,578**	264,538
		264,578	36,379,142
Total assets		**236,424,578**	271,322,682
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital	19(a)	**3,280,000**	3,280,000
Share premium	19(a)	**274,344,873**	274,344,873
Warrant reserve		**67,900**	67,900
Share option reserve		**4,455,455**	4,320,047
Accumulated losses	19(b)	**(48,381,593)**	(11,516,738)
Total equity		**233,766,635**	270,496,082
Current liabilities			
Accrued charges		**661,301**	826,600
Amount due to a subsidiary	27	**1,996,642**	—
		2,657,943	826,600
Total equity and liabilities		**236,424,578**	271,322,682
Net current (liabilities)/assets		**(2,393,365)**	35,552,542
Total assets less current liabilities		**233,766,635**	270,496,082

Consolidated Statement of Changes in Equity

For the year ended 31 December 2014

	Attributable to equity holders of the Company								Non-controlling interests	Total equity
	Share capital HK$	Share premium HK$	Capital reserve HK$	Exchange reserve HK$	Warrant reserve HK$	Share option reserve HK$	Accumulated losses HK$	Total HK$	HK$	HK$
Balance as at 1 January 2013	3,280,000	274,344,873	(176,467,450)	92,102	153,496	4,697,494	(36,225,527)	69,874,988	523,046	70,398,034
Comprehensive income										
Profit for the year	—	—	—	—	—	—	4,016,035	4,016,035	—	4,016,035
Other comprehensive loss										
Currency translation differences	—	—	—	(386,027)	—	—	—	(386,027)	—	(386,027)
Total comprehensive income	—	—	—	(386,027)	—	—	4,016,035	3,630,008	—	3,630,008
Transactions with owners										
Share option scheme	—	—	—	—	—	(377,447)	727,938	350,491	—	350,491
Warrants Lapsed (Note a)	—	—	—	—	(85,596)	—	85,596	—	—	—
Disposal of a subsidiary	—	—	—	—	—	—	—	—	(523,046)	(523,046)
Total transactions with owners	—	—	—	—	(85,596)	(377,447)	813,534	350,491	(523,046)	(172,555)
Balance as at 31 December 2013	3,280,000	274,344,873	(176,467,450)	(293,925)	67,900	4,320,047	(31,395,958)	73,855,487	—	73,855,487
Balance at 1 January 2014	**3,280,000**	**274,344,873**	**(176,467,450)**	**(293,925)**	**67,900**	**4,320,047**	**(31,395,958)**	**73,855,487**	**—**	**73,855,487**
Comprehensive loss										
Loss for the year	**—**	**—**	**—**	**—**	**—**	**—**	**(13,003,482)**	**(13,003,482)**	**(189,368)**	**(13,192,850)**
Other comprehensive loss										
Currency translation differences	**—**	**—**	**—**	**(846,918)**	**—**	**—**	**—**	**(846,918)**	**—**	**(846,918)**
Total comprehensive loss	**—**	**—**	**—**	**(846,918)**	**—**	**—**	**(13,003,482)**	**(13,850,400)**	**(189,368)**	**(14,039,768)**
Transactions with owners										
Share option scheme	**—**	**—**	**—**	**—**	**—**	**135,408**	**10,149**	**145,557**	**—**	**145,557**
Capital injection into a subsidiary from the non-controlling interest	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**30**	**30**
Total transactions with owners	**—**	**—**	**—**	**—**	**—**	**135,408**	**10,149**	**145,557**	**30**	**145,587**
Balance at 31 December 2014	**3,280,000**	**274,344,873**	**(176,467,450)**	**(1,140,843)**	**67,900**	**4,455,455**	**(44,389,291)**	**60,150,644**	**(189,338)**	**59,961,306**

Note:

(a) On 27 March 2012, the Company and MCL Brokerage Limited ("MCL") entered into a placing agreement pursuant to which the Company had appointed MCL as its agent to place 32,800,000 warrants conferring the right to subscribe for up to HK$26,240,000 in aggregate for the shares of the Company at an issue price of HK$0.01 per warrant. Each warrant carries the right to subscribe for one ordinary share of the Company at the subscription price of HK$0.80 per share. The 32,800,000 warrants were issued to independent third parties on 2 April 2012. The warrants were lapsed on 1 October 2013 and no subscription right was exercised.

On 30 November 2012, the Company entered into the Warrant Subscription Agreement with Credit Suisse (Hong Kong) Limited and Orchard Makira Multi Strategy Master Fund Limited (the "Subscribers"), pursuant to which the Company agreed to issue and the Subscribers agreed to subscribe for 32,800,000 warrants conferring the right to subscribe for up to HK$42,312,000 in aggregate for the shares of the Company at an issue price of HK$0.0125 per warrant. Each warrant carries the right to subscribe for one ordinary share of the Company at the subscription price of HK$1.29 per share. The subscription right will be exercisable during a period of 36 months from the date of issue of the warrants. As of 31 December 2014, no subscription right was exercised.

Consolidated Statement of Cash Flows

For the year ended 31 December 2014

	Notes	2014 HK$	2013 HK$
Cash flows from operating activities			
Cash (used in)/generated from operations	24	**(1,027,683)**	3,749,784
Income tax paid		**—**	(99,799)
Net cash (used in)/generated from operating activities		**(1,027,683)**	3,649,985
Cash flows from investing activities			
Purchase of property, plant and equipment		**(7,308,242)**	(1,747,628)
Prepayment for plant and equipment		**(337,352)**	(2,303,460)
Proceeds from sale of property, plant and equipment		**200,000**	—
Purchase of financial asset at fair value through profit and loss		**(1,898,734)**	—
Acquisition of a joint venture		**(928,500)**	—
Purchase of intangible assets		**—**	(925,000)
Disposal of a subsidiary		**—**	(566,140)
Pledged deposit		**(612,084)**	(80,156)
Repayment of licence fee		**—**	(251,489)
Interest received		**545**	695
Amounts contributed by non-controlling interest		**30**	—
Net cash used in investing activities		**(10,884,337)**	(5,873,178)
Cash flows from financing activities			
Repayment of finance lease liabilities		**(248,918)**	(496,385)
Interest paid		**(12,754)**	(21,857)
Net cash used in financing activities		**(261,672)**	(518,242)
Decrease in cash & cash equivalents		**(12,173,692)**	(2,741,435)
Cash and cash equivalents at beginning of year	17	**50,692,047**	53,614,392
Exchange loss on cash and cash equivalents		**(627,792)**	(180,910)
Cash and cash equivalents at end of year	17	**37,890,563**	50,692,047

The notes on pages 68 to 112 are an integral part of these consolidated financial statements.

1 General Information

Focus Media Network Limited (the "Company") is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is 2801, 28th Floor, Citicorp Centre, 18 Whitfield Road, North Point, Hong Kong.

The Company is an investment holding company. The principal activities of the subsidiaries are set out in Note 28.

The Company's shares are listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange").

These consolidated financial statements are presented in Hong Kong dollars ("HK$"), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 23 March 2015.

2 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). The consolidated financial statements have been prepared under the historical cost convention, as modified by financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

2 Summary of Significant Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

(a) The following new HKFRS are mandatory for the first time for the financial year beginning 1 January 2014. The adoption of the standards have no material effect on the Group's results and financial position:

HKFRS 10, HKFRS 12 and HKAS 27 (2011) (Amendment)	Investment Entities
HKAS 32 (Amendment)	Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendment)	Recoverable Amount Disclosures for Non-Financial Assets
HKAS 39 (Amendment)	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC)-Int 21	Levies

(b) The following new or revised standards, amendments and interpretations to existing standards have been published but are not yet effective for the year ended 31 December 2014 and which the Group has not early adopted:

		Effective for annual periods beginning on or after
HKAS 19 (2011) (Amendment)	Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements Project	Annual Improvements 2010–2012 Cycle	1 July 2014
Annual Improvements Project	Annual Improvements 2011–2013 Cycle	1 July 2014
Annual Improvements Project	Annual Improvements 2012–2014 Cycle	1 January 2016
HKFRS 14	Regulatory Deferral Accounts	1 January 2016
HKFRS 11 (Amendment)	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
HKAS 16 and HKAS 38 (Amendment)	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
HKAS 16 and HKAS 41 (Amendment)	Agriculture: Bearer Plants	1 January 2016
HKFRS 10 and HKAS 28 (Amendment)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
HKAS 27 (Amendment)	Equity Method in Separate Financial Statement	1 January 2016
HKFRS15	Revenue from Contracts with Customers	1 January 2017
HKFRS 9	Financial Instruments	1 January 2018

Apart from the above, a number of improvements and minor amendments to HKFRS have also been issued by the HKICPA but they are not yet effective for the accounting period ended 31 December 2014 and have not been adopted in these financial statements.

2 Summary of Significant Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations would be in the period of initial application, but not yet in a position to state whether they would have a significant impact to the Group's results and financial position.

2.2 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Business combination

The Group applies the acquisition method to account for business combination. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of comprehensive income.

2 Summary of Significant Accounting Policies (Continued)

2.2 Subsidiaries (Continued)

Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.3 Joint ventures

Interests in joint ventures are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in joint ventures equals or exceeds its interests in the joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (the "CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group's executive directors that make strategic decisions.

2.5 Foreign currency transaction

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial information is presented in Hong Kong dollars ("HK$"), which is also the Company's functional currency and the Group's presentation currency.

2 Summary of Significant Accounting Policies (Continued)

2.5 Foreign currency transaction (Continued)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

Foreign exchange gains and losses that relate to cash and cash equivalents, trade and other receivables and trade and other payables are presented in the consolidated statement of comprehensive income within "other income".

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(ii) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(iii) all resulting exchange differences are recognised in other comprehensive income.

2.6 Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

2 Summary of Significant Accounting Policies (Continued)

2.6 Property, plant and equipment (Continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight line method to allocate their cost to their residual values, over their estimated useful lives as below:

LCD monitors	5 years
Furniture and office equipment	5 years
Computer equipment	4–5 years
Leasehold improvements	3–5 years or over the term of lease, whichever is shorter
Motor vehicles	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see Note 2.8).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other income" in the consolidated statement of comprehensive income.

2.7 Intangible assets

(a) Intellectual properties and licences

Separately acquired rights to use intellectual properties and licences are shown at historical cost. Rights to use intellectual properties and licences have finite useful lives and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of licences and the rights to use intellectual properties over their estimated useful lives of 5 and 10 years respectively.

(b) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred over the fair value of the identified net assets acquired.

2 Summary of Significant Accounting Policies (Continued)

2.7 Intangible assets (Continued)

(b) Goodwill (Continued)

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2.8 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.9 Financial assets

(a) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss and as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "trade and other receivables", "pledged bank deposits" and "cash and bank balances" in the consolidated statement of financial positions (see Notes 2.11 and 2.12).

2 Summary of Significant Accounting Policies (Continued)

2.9 Financial assets (Continued)

(b) Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date — the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the consolidated statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the consolidated statement of comprehensive income within 'Other income' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the consolidated statement of comprehensive income as part of other income when the Group's right to receive payments is established.

2.10 Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of comprehensive income. If a loan or held- to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of comprehensive income.

2 Summary of Significant Accounting Policies (Continued)

2.11 Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.12 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

2.13 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.14 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.15 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the income tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2 Summary of Significant Accounting Policies (Continued)

2.15 Current and deferred income tax (Continued)

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.16 Employee benefits

(a) Pension obligations

Hong Kong

The Group operates a defined contribution plan, the mandatory provident fund scheme (“MPF”) in Hong Kong, the assets of which are generally held in separate trustee-administered funds.

Singapore

Pursuant to the relevant local regulations in Singapore, the Singapore subsidiaries of the Group are required to contribute to the Central Provident Fund based on the statutory funding requirement.

The Group’s contributions to the defined contribution plan are charged to the consolidated statement of comprehensive income in the year incurred and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. The Group has no further payment obligations once the contributions have been paid.

2 Summary of Significant Accounting Policies (Continued)

2.16 Employee benefits (Continued)

(b) Other employee benefits

Salaries, paid annual leave and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. The amount recognised as a liability and an expense should he measured at the cost of providing the benefits.

2.17 Share-based payments

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specific period of time).

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of comprehensive income, with a corresponding adjustment to equity.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (and share premium).

2.18 Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2 Summary of Significant Accounting Policies (Continued)

2.19 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customers, the type of transactions and the specifics of each arrangement.

(a) Revenue from advertising services is recognised when the related advertisements are telecasted. Barter revenue on advertising is recognised only when the goods or services being exchanged are of a dissimilar nature. Barter revenue is measured at the fair value of the goods or services rendered, adjusted by the amount of any cash or cash equivalents received or paid. If the fair value of the goods or services rendered cannot be reliably measured, the revenue is measured at the fair value of the goods or services received, again adjusted by the amount of cash or cash equivalents received.

(b) Interest income is recognised using the effective interest method.

(c) Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

2.20 Leases

(a) Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated statement of comprehensive income on a straight-line basis over the period of the lease.

(b) Finance lease

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group have substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the consolidated statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

2 Summary of Significant Accounting Policies (Continued)

2.21 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

3 Financial Risk Management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (foreign exchange risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

Foreign exchange risk

The Group operates in Hong Kong and Singapore and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States dollars ("US$") and Renminbi ("RMB"). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investment in foreign operation.

To manage the foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, the Group mitigates this risk by maintaining HK$ and US$ bank accounts to pay for the transactions denominated in these currencies. The exchange rate of RMB to HK$ is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. The Group manages its foreign currency risk by closely monitoring the movement of the foreign currency rates.

As at 31 December 2014, if HK$ had weakened/strengthened by 7% (2013: 7%) against US$, with all other variables held constant, the Group's results for the year would have decreased/increased by approximately HK$43,501 (2013: results increased/decreased by HK$43,170), mainly as a result of foreign exchange gains/losses on translation of US$ denominated monetary assets and liabilities.

As at 31 December 2014, if HK$ had weakened/strengthened by 7% (2013: 7%) against RMB, with all other variables held constant, the Group's results for the year would have decreased/increased by approximately HK$318,943 (2013: results increased/decreased by HK$219,399), mainly as a result of foreign exchange gains/losses on translation of RMB denominated monetary assets and liabilities.

3 Financial Risk Management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk

The Group's credit risk is primarily attributable to deposits with banks and trade and other receivables. Management has policies in place and exposures to these credit risks are monitored on an ongoing basis.

Trade receivables have an average credit period of 60 to 90 days from the date of invoice unless there is a separate mutual agreement on extension of the credit period. Individual credit evaluations are performed by the Group on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Debtors who have overdue balances are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade receivables are set out in Note 15.

The Group also places its deposits with reputable banks to mitigate the risk arising from banks.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial positions.

3 Financial Risk Management (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with debt covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from banks and other financial institutions to meet its liquidity requirements in the short and longer term. Management believes there is no liquidity risk as the Group has sufficient committed facilities to fund its operations.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Within 1 year or on demand HK$	1 to 2 years HK$	2 to 5 years HK$	Total contractual undiscounted cash flows HK$	Carrying amount HK$
At 31 December 2014					
Trade and other payables	**17,823,812**	**—**	**—**	**17,823,812**	**17,823,812**
Total	**17,823,812**	**—**	**—**	**17,823,812**	**17,823,812**
At 31 December 2013					
Trade and other payables	14,422,417	—	—	14,422,417	14,422,417
Licence fee payables					
— non-current portion	—	217,062	—	217,062	217,062
Finance leases liabilities	118,728	118,728	29,682	267,138	248,918
Total	14,541,145	335,790	29,682	14,906,617	14,888,397

3 Financial Risk Management (Continued)

3.2 Capital risk management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group manages its fund conservatively by maintaining a comfortable level of cash and cash equivalents to meet continuous operational needs.

3.3 Fair value estimation

The carrying value less impairment provision of current receivables and payables are a reasonable approximation of their fair values.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The table below analyses the Group's financial instruments carried at fair value as at 31 December 2014 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

	Level 1	**Level 2**	**Level 3**	**Total**
	HK$	HK$	HK$	HK$
Assets				
Financial asset at fair value through profit or loss	—	—	1,898,734	1,898,734

There were no transfers between levels 1, 2 and 3 during the year.

3 Financial Risk Management (Continued)

3.3 Fair value estimation (Continued)

Financial instrument in level 3

The following table presents the changes in level 3 instrument for the year ended 31 December 2014.

	Total HK$
Opening balance	—
Additions	1,898,734
Closing balance	1,898,734
Total gains or losses for the year included in the consolidated statement of comprehensive income for assets held at the end of the year, under "Other income"	—
Changes in unrealised gains or losses for the year included in the consolidated statement of comprehensive income at the end of the year	—

Specific valuation techniques used to value level 3 financial instruments include techniques such as discounted cash flow analysis.

In applying the discounted cash flow technique, management has taken into account the estimated amount that the Group would receive to sell the instrument at the balance sheet date, taking into account current interest rates and the current credit worthiness of the counterparties. Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate for a similar instrument at the balance sheet date.

4 Critical Accounting Estimates and Judgements

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Useful lives of property, plant and equipment

The Group is required to estimate the useful lives of property, plant and equipment in order to ascertain the amount of depreciation charges for each reporting period.

The useful lives are estimated at the time of purchases of these assets after considering future technology changes, business developments and the Group's strategies. The Group performs annual reviews to assess the appropriateness of the estimated useful lives. Such review takes into account any unexpected adverse changes in circumstances or events, including declines in projected operating results, negative industry or economic trends and rapid advancement in technology. The Group extends or shortens the useful lives and/or makes impairment provisions according to the results of the review.

(b) Current and deferred income taxes

The Group is subject to current income tax in Hong Kong and Singapore. Significant judgement is required in determining the relevant provision for income taxes. There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax provisions in the period in which such determination is made.

Deferred income tax assets are relating to tax losses recognised when management considers to be probable that future taxable profit will be available against which the tax losses can be utilised. When the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and taxation changes in the period in which such estimate is changed.

4 Critical accounting estimates and judgements (Continued)

(c) Revenue recognition

The Group recognises revenue when the significant risks and rewards of ownership of any goods and services have been transferred, in accordance with the accounting policies for revenue recognition as set out in Note 2.19. The assessment of when the Group has transferred the significant risks and rewards of ownership to customers and whether the Group acts as a principal requires the examination of the circumstance of the transaction. The Group's advertising clients include advertisers that directly purchase advertisements from the Group and third-party advertising agencies that are retained by some advertisers to place advertisements on the advertisers' behalf. In arrangements where the Group pays variable fees or share revenue with landlords, and insofar as the Group bears the risks and rewards incidental to the activity, the Group recognises all gross advertising income as revenue and records the fees paid or revenue shared as cost of sales. As part of the industry practice, the Group offers agency commissions to these third-party advertising agencies. The agency commissions in which the advertising agencies are entitled to are based on certain percentage of revenue generated by the Group. The Group records revenues on a net basis and the associated agency commissions are recorded as a deduction from the revenue because the advertising agencies are acting on behalf of the advertisers and are also considered as the Group's customers.

(d) Provision for impairment of trade and other receivables

Significant judgement is exercised in the assessment of the collectability of trade and other receivables from customers. In making its judgement, management considers a wide range of factors such as results of follow-up procedures performed by sales personnel, customers' payment pattern including subsequent payments and customers' financial position. If the financial conditions of the customers are to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

5 Segment Information

The chief operating decision-maker ("CODM") has been identified collectively as the executive directors of the Company. The executive directors review the Group's internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

Management regularly reviews the operating results from geographical perspective. The reportable operating segments derive their revenue primarily from the advertising. Management assesses the performance of the following segments:

— Hong Kong
— Singapore

Management assesses the performance of the operating segments based on a measure of gross profits.

5 Segment Information (Continued)

The segment information provided to the CODM for the reportable segments for the years ended 31 December 2014 and 2013 is as follows:

	Hong Kong HK$	Singapore HK$	Total HK$
For the year ended 31 December 2014			
Segment revenue	**47,520,022**	**31,500,313**	**79,020,335**
Inter-segment revenue	**(2,715,512)**	**—**	**(2,715,512)**
Revenue (from external customers)	**44,804,510**	**31,500,313**	**76,304,823**
Segment results	**19,997,154**	**18,766,832**	**38,763,986**
For the year ended 31 December 2013			
Segment revenue	49,689,056	24,924,702	74,613,758
Inter-segment revenue	(2,360,425)	—	(2,360,425)
Revenue (from external customers)	47,328,631	24,924,702	72,253,333
Segment results	30,347,998	18,197,538	48,545,536

5 Segment Information (Continued)

The revenue from external parties reported to the Group's senior management is measured in a manner consistent with that in the consolidated statement of comprehensive income.

A reconciliation of gross profit to (loss)/profit before income tax is provided as follows:

	2014 HK$	2013 HK$
Segment results	**38,763,986**	48,545,536
Other income	**1,219,420**	304,345
Administrative expenses	**(52,990,895)**	(44,439,530)
Operating (loss)/profit	**(13,007,489)**	4,410,351
Finance costs	**(26,584)**	(35,681)
Share of losses of joint ventures	**(158,777)**	(258,836)
(Loss)/profit before income tax	**(13,192,850)**	4,115,834

The Group is headquartered in Hong Kong. Revenue derived from external customers in Hong Kong and Singapore are HK$44,804,510 (2013: HK$47,328,631) and HK$31,500,313 (2013: HK$24,924,702) respectively.

The total non-current assets located in Hong Kong and Singapore are HK$10,936,482 (2013: HK$11,278,085) and HK$6,802,189 (2013: HK$4,317,895) respectively.

None of the customers accounted for 10% or more of the Group's total revenue for the year ended 31 December 2014 (2013: Nil).

Breakdown of revenue from all activities is as follows:

	2014 HK$	2013 HK$
Advertising fees	**76,300,223**	72,253,333
Others	**4,600**	—
	76,304,823	72,253,333

6 Other Income

	2014 HK$	2013 HK$
Net exchange losses	**(305,928)**	(128,430)
Government grants	**167,956**	—
Interest income	**545**	695
Sundry income	**363,436**	432,080
Gains on disposal of property, plant and equipment	**200,000**	—
Gain on partial disposal of a joint venture	**229,760**	—
Production income	**563,651**	—
	1,219,420	304,345

7 Expenses by Nature

	2014 HK$	2013 HK$
Revenue sharing with landlords of Office and Commercial Networks (Note)	**6,635,566**	4,789,649
Revenue sharing with landlords of In-store Networks (Note)	**1,745,966**	3,906,636
Revenue sharing with owners of Online Video Streaming Platforms (Note)	**9,174,690**	4,864,764
Revenue sharing with owners of Residential Networks (Note)	**69,033**	25,181
Sales commission	**3,944,012**	4,058,846
Production and installation	**5,793,214**	1,290,007
Auditor's remuneration	**1,313,000**	1,267,430
Depreciation (Note 13)	**3,591,045**	2,992,893
Amortisation (Note 14)	**839,496**	808,662
Operating lease payments		
— Outdoor billboards	**9,574,239**	4,104,572
— In-store Networks	**183,625**	247,650
— Land and building	**4,513,300**	2,947,184
Employee benefit expenses excluding equity-based compensation (Note 8)	**26,077,823**	22,856,582
Equity-based compensation	**145,557**	350,491
Marketing and promotion expenses	**3,138,441**	2,994,589
Travelling expenses	**2,068,630**	1,787,792
Provision for impairment of trade receivables (Note 15)	**781,397**	6,581
Professional fees	**1,145,121**	2,949,930
Impairment of property, plant and equipment (Note 13)	**2,066,667**	—
Other expenses	**7,730,910**	5,897,888
Total cost of sales and administrative expenses	**90,531,732**	68,147,327

Note: There are no minimum lease payments to landlords of Office and Commercial Networks and In-store Networks, owners of Residential Network and owners of Online Video Streaming Platforms. Revenue sharing with landlords of Office and Commercial Networks, In-store Networks and owners of Residential Networks and owners of Online Video Streaming Platforms was calculated based on the rates agreed between the Group and landlords and owners of Online Video Streaming Platforms and is recognised as cost of sales when the related advertisements are telecasted.

8 Employee Benefit Expenses (Including Director's Emoluments)

	2014 HK$	2013 HK$
Salaries, wages and allowances	**22,469,052**	20,165,020
Pension costs — defined contribution plans	**1,773,021**	1,676,412
Other post-employment benefits	**1,835,750**	1,015,150
	26,077,823	22,856,582

9 Finance Costs

	2014 HK$	2013 HK$
Interest expense		
— Finance lease liabilities wholly repayable within 5 years	**12,754**	21,857
— Licence fee liabilities wholly repayable within 5 years	**13,830**	13,824
	26,584	35,681

10 Income Tax Expenses

	2014 HK$	2013 HK$
Current income tax		
— Hong Kong profits tax	**—**	—
— Under-provision in prior years	**—**	99,799
— Singapore income tax	**—**	—
Deferred income tax (Note 23)	**—**	—
	—	99,799

No provision for Hong Kong and Singapore profits tax has been made in these consolidated financial statements as the tax losses brought forward from previous years exceed the estimated assessable profits (2013: same). The profits tax rates for Hong Kong, Singapore and the People's Republic of China (the "PRC") are 16.5% (2013: 16.5%), 17% (2013: 17%) and 10% respectively.

10 Income Tax Expenses (Continued)

The income tax on the Group's (loss)/profit before income tax differs from the theoretical amount that would arise using the enacted tax rate of the home country of the companies comprising the Group as follows:

	2014 **HK$**	2013 HK$
(Loss)/profit before income tax	**(13,192,850)**	4,115,834
Tax calculated at domestic tax rates applicable to profits in the respective countries	**(1,603,750)**	1,275,676
Income not subject to tax	**(70,662)**	(493,514)
Expenses not deductible for tax purpose	**299,842**	9,628
Tax losses for which no deferred income tax asset was recognised	**1,889,525**	—
Under-provision in prior years	**—**	99,799
Utilisation of previously unrecognised tax losses	**(514,955)**	(791,790)
Income tax expenses	**—**	99,799

11 Directors' and Senior Executive's Emoluments

(a) Directors' emoluments

The emoluments of the directors of the Company for the year ended 31 December 2014 is set out below:

Name of director	**Fee HK$**	**Salaries and allowances HK$**	**Benefits in kind HK$**	**Sales commission HK$**	**Discretionary bonuses HK$**	**Retirement benefit contributions HK$**	**Share options HK$**	**Total HK$**
Executive Directors								
Wong Hong Gay Patrick Jonathan	—	1,950,000	720,000	—	—	16,750	4,102	2,690,852
Ngan Toi Yuk	—	1,011,717	—	—	—	16,750	4,102	1,032,569
Lee Sze Leong	—	1,007,772	—	—	—	16,750	4,102	1,028,624
Chee Huiling Audrey	—	616,896	—	27,262	—	61,163	3,126	708,447
Non-executive Directors								
Chan Tsze Wah	50,000	—	—	—	—	—	4,102	54,102
Independent Non-executive Directors								
Rosenkranz Eric Jon	240,000	20,000	—	—	—	—	4,102	264,102
Lien Jown Jing Vincent	240,000	20,000	—	—	—	—	4,102	264,102
Chan Chi Keung Alan	240,000	—	—	—	—	—	4,102	244,102
	770,000	4,626,385	720,000	27,262	—	111,413	31,840	6,286,900

11 Directors' and Senior Executive's Emoluments (Continued)

(a) Directors' emoluments (Continued)

The emoluments of the directors of the Company for the year ended 31 December 2013 is set out below:

Name of director	Fee HK$	Salaries and allowances HK$	Benefits in kind HK$	Sales commission HK$	Discretionary bonuses HK$	Retirement benefit contributions HK$	Share options HK$	Total HK$
Executive Directors								
Wong Hong Gay Patrick Jonathan	—	1,950,000	—	168,000	288,000	15,000	21,480	2,442,480
Ngan Toi Yuk	—	924,444	—	21,000	98,000	15,000	21,480	1,079,924
Tam Kai Kwong Eric (resigned on 8 May 2013)	—	602,316	—	—	—	10,000	—	612,316
Lee Sze Leong	—	878,546	—	21,000	98,000	15,000	21,480	1,034,026
Chee Huiling Audrey (appointed on 8 May 2013)	—	382,039	—	—	49,600	48,513	10,675	490,827
Non-executive Directors								
Chan Tsze Wah	50,000	—	—	—	—	—	21,480	71,480
Independent Non-executive Directors								
Rosenkranz Eric Jon	240,000	20,000	—	—	—	—	21,480	281,480
Lien Jown Jing Vincent	240,000	20,000	—	—	—	—	21,480	281,480
Chan Chi Keung Alan	240,000	—	—	—	—	—	21,480	261,480
	770,000	4,777,345	—	210,000	533,600	103,513	161,035	6,555,493

During the year, no director received any emolument from the Group as an inducement to join or leave the Group or compensation for loss of office, no director waived or has agreed to waive any emoluments.

11 Directors' and Senior Executive's Emoluments (Continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include three (2013: four) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two (2013: one) individuals during the year are as follows:

	2014 **HK$**	2013 HK$
Basic salaries and allowances	**1,186,918**	630,912
Sales commission	**503,388**	199,743
Pension costs — defined contribution plans	**100,133**	114,303
Share options	**3,076**	16,110
	1,793,515	961,068

The emoluments fell within the following bands:

	Number of individuals	
	2014	2013
HK$ Nil to HK$1,000,000	**2**	1

12 (Loss)/earnings Per Share

(a) Basic

Basic (loss)/earnings per share is calculated by dividing the results attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2014	2013
(Loss)/earnings attributable to equity holders of the Company (HK$)	**(13,003,482)**	4,016,035
Weighted average number of ordinary share in issue	**328,000,000**	328,000,000
Basic (loss)/earnings per share	**HK cents (3.96)**	HK cents 1.22

(b) Diluted

Diluted (loss)/earnings per share is the same as basic (loss)/earnings per share as potential dilutive ordinary shares outstanding during the year ended 31 December 2014 have no dilutive effect (2013: same).

13 Property, Plant and Equipment

	LCD monitors HK$	Furniture and office equipment HK$	Computer equipment HK$	Leasehold improvements HK$	Motor vehicles HK$	Total HK$
At 1 January 2013						
Cost	18,564,642	1,150,971	2,932,218	1,316,300	515,200	24,479,331
Accumulated depreciation	(11,880,034)	(889,056)	(2,141,927)	(964,001)	(243,289)	(16,118,307)
Net book amount	6,684,608	261,915	790,291	352,299	271,911	8,361,024
Year ended 31 December 2013						
Opening net book amount	6,684,608	261,915	790,291	352,299	271,911	8,361,024
Additions	1,576,145	4,960	166,523	—	—	1,747,628
Disposal of a subsidiary	—	—	(33,471)	—	—	(33,471)
Depreciation (Note 7)	(2,128,235)	(103,375)	(420,038)	(169,512)	(171,733)	(2,992,893)
Exchange difference on translation	(46,439)	(4,675)	(8,388)	(908)	—	(60,410)
Closing net book amount	6,086,079	158,825	494,917	181,879	100,178	7,021,878
At 31 December 2013						
Cost	19,972,206	1,142,265	3,025,934	1,285,241	515,200	25,940,846
Accumulated depreciation	(13,886,127)	(983,440)	(2,531,017)	(1,103,362)	(415,022)	(18,918,968)
Net book amount	6,086,079	158,825	494,917	181,879	100,178	7,021,878
Year ended 31 December 2014						
Opening net book amount	**6,086,079**	**158,825**	**494,917**	**181,879**	**100,178**	**7,021,878**
Additions	**5,275,572**	**67,584**	**485,183**	**1,992,592**	**1,785,497**	**9,606,428**
Impairment of property, plant and equipment (Note 7)	**(2,066,667)**	**—**	**—**	**—**	**—**	**(2,066,667)**
Depreciation (Note 7)	**(2,309,392)**	**(99,607)**	**(364,921)**	**(275,553)**	**(541,572)**	**(3,591,045)**
Exchange difference on translation	**(25,140)**	**(1,855)**	**(1,645)**	**—**	**—**	**(28,640)**
Closing net book amount	**6,960,452**	**124,947**	**613,534**	**1,898,918**	**1,344,103**	**10,941,954**
At 31 December 2014						
Cost	**20,947,986**	**1,192,284**	**3,465,439**	**3,275,071**	**1,785,497**	**30,666,277**
Accumulated depreciation	**(13,987,534)**	**(1,067,337)**	**(2,851,905)**	**(1,376,153)**	**(441,394)**	**(19,724,323)**
Net book amount	**6,960,452**	**124,947**	**613,534**	**1,898,918**	**1,344,103**	**10,941,954**

13 Property, Plant and Equipment (Continued)

All depreciation expenses have been charged in "administrative expenses" in the consolidated statement of comprehensive income.

Motor vehicle include the following amounts where the Group is a lessee under a finance lease:

	2014	2013
	HK$	HK$
Cost — capitalised finance leases	**515,200**	515,200
Accumulated depreciation	**(515,200)**	(415,022)
Net book amount	**—**	100,178

14 Intangible Assets

	Rights to use intellectual properties HK$	Licence HK$	Goodwill HK$	Total HK$
At 1 January 2013				
Cost	2,340,000	2,102,411	800,841	5,243,252
Accumulated amortisation	(900,250)	(840,983)	—	(1,741,233)
Net book amount	1,439,750	1,261,428	800,841	3,502,019
Year ended 31 December 2013				
Opening net book amount	1,439,750	1,261,428	800,841	3,502,019
Additions	925,000	—	—	925,000
Disposal of a subsidiary	—	—	(800,841)	(800,841)
Amortisation (Note 7)	(388,170)	(420,492)	—	(808,662)
Closing net book amount	1,976,580	840,936	—	2,817,516
At 31 December 2013				
Cost	3,265,000	2,102,411	—	5,367,411
Accumulated amortisation	(1,288,420)	(1,261,475)	—	(2,549,895)
Net book amount	1,976,580	840,936	—	2,817,516
Year ended 31 December 2014				
Opening net book amount	**1,976,580**	**840,936**	**—**	**2,817,516**
Amortisation (Note 7)	**(419,004)**	**(420,492)**	**—**	**(839,496)**
Closing net book amount	**1,557,576**	**420,444**	**—**	**1,978,020**
At 31 December 2014				
Cost	**3,265,000**	**2,102,411**	**—**	**5,367,411**
Accumulated amortisation	**(1,707,424)**	**(1,681,967)**	**—**	**(3,389,391)**
Net book amount	**1,557,576**	**420,444**	**—**	**1,978,020**

The amortisation expenses for rights to use intellectual properties and licences have been charged in "administrative expenses" and "cost of sales" in the consolidated statement of comprehensive income respectively.

15 Trade and Other Receivables

	2014 HK$	2013 HK$
Trade receivables — third parties	**20,240,370**	22,840,408
Less: provision for impairment of trade receivables	**(2,112,988)**	(1,333,998)
Trade receivables — net	**18,127,382**	21,506,410
Prepayments, deposits and other receivables	**5,729,863**	7,485,144
	23,857,245	28,991,554
Less non-current portion:		
Rental deposit	**(2,277,649)**	(2,778,755)
Prepayment for acquisition of plant and equipment	**(342,626)**	(2,303,460)
Current portion	**21,236,970**	23,909,339

The carrying amounts of trade and other receivables approximate their fair values.

The majority of the Group's sales are mainly on average credit terms of 60 to 90 days. Trade receivables of HK$12,536,766 (2013: HK$12,013,466) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. Provision for impairment of receivables has been provided for the remaining balance of HK$2,112,988 (2013: HK$1,333,998). The ageing analysis of these trade receivables is as follows:

	2014 HK$	2013 HK$
Neither past due nor impaired	**5,590,616**	9,492,944
0–30 days past due	**4,101,933**	4,800,630
31–60 days past due	**3,665,237**	2,513,936
Over 61 days past due	**4,769,596**	4,698,900
Past due but not impaired (Note a)	**12,536,766**	12,013,466
	18,127,382	21,506,410

Note:

(a) Past due but not impaired comprised of receivables from 69 (2013: 66) customers with 146 (2013: 165) campaign orders.

15 Trade and Other Receivables (Continued)

Trade receivables that were past due but not impaired relate to customers that have a good track record with the Group or a sound credit quality. Based on past experience and regular credit risk assessment performed on all significant outstanding trade receivables, management believes that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral over these balances.

Movements on the Group's provision for impairment of trade receivables are as follows:

	2014 **HK$**	2013 HK$
At 1 January	**1,333,998**	1,328,900
Provision for impairment (Note 7)	**781,397**	6,581
Recovery of impaired receivable during the year	**—**	—
Exchange difference	**(2,407)**	(1,483)
At 31 December	**2,112,988**	1,333,998

As of 31 December 2014, trade receivables of HK$2,112,988 (2013: HK$1,333,998) were impaired and provided for. The ageing of these impaired receivables is as follows:

	2014 **HK$**	2013 HK$
Over 61 days past due	**2,112,988**	1,333,998

The carrying amounts of the trade and other receivables are denominated in the following currencies:

	2014 **HK$**	2013 HK$
HK$	**14,433,194**	20,757,233
Singapore dollars ("SG$")	**9,408,058**	8,234,321
Renminbi ("RMB")	**15,993**	—
	23,857,245	28,991,554

16 Interests in Joint Ventures

	2014 HK$	2013 HK$
Investments in joint ventures (Note a)	**1,124,132**	674,371
Amount due from a joint venture (Note b)	**488,290**	—
	1,612,422	674,371

(a) Investments in joint ventures

Movements in the investments in joint ventures are as follows:

	2014 HK$	2013 HK$
At beginning of the year	**674,371**	—
Additions	**928,498**	933,207
Disposal	**(285,691)**	—
Share of losses of joint ventures	**(158,777)**	(258,836)
Exchange difference	**(34,269)**	—
At end of the year	**1,124,132**	674,371

The following are the details of the joint ventures as at 31 December 2014.

Name of company	Place of incorporation and operation	Proportion of ownership interest held by a subsidiary	Principal activities
Five Corners Limited (formerly known as DOupons Limited)	Hong Kong	19.9%	Provision of out-of-home advertising services
OSG Capital Pte. Limited	Singapore	18%	Provision of hospitality activities

16 Interests in Joint Ventures (Continued)

(a) Investments in joint ventures (Continued)

There are no contingent liabilities relating to the Group's investments in joint ventures, and there are no contingent liabilities of the joint ventures themselves as at 31 December 2014. The Group's share of the results of its joint ventures, and its aggregate assets and liabilities are as follows:

	2014 HK$	2013 HK$
Operating results		
Turnover	**839,767**	217,298
Loss before taxation	**(158,777)**	(258,836)
Loss after taxation	**(158,777)**	(258,836)
Financial position		
Non-current assets	**670,008**	551,177
Current assets	**841,873**	221,250
Current liabilities	**(186,162)**	(98,056)
Non-current liabilities	**(201,587)**	—
Net assets	**1,124,132**	674,371

(b) Amount due from a joint venture

During the year ended 31 December 2014, the Group entered into a shareholder loan agreement with its joint venture, OSG Capital Pte Limited, to lend SG$100,000 (HK$621,000). The loan is interest free, unsecured and repayable on the third anniversary of the date of the opening of the first bar. The outstanding balance as at 31 December 2014 is HK$488,290.

17 Cash and Bank Balances and Pledged Bank Deposits

	2014 HK$	2013 HK$
Cash at bank	**37,890,563**	50,692,047
Cash and cash equivalents for the purposes of the consolidated statement of cash flows	**37,890,563**	50,692,047
Pledged bank deposits (Note a)	**877,389**	304,814
Maximum exposure to credit risk	**38,767,952**	50,996,861
Less non-current portion: Pledged bank deposits (Note a)	**(586,000)**	—
Current portion	**38,181,952**	50,996,861

The carrying amounts of the cash and bank balances and pledged bank deposits are denominated in the following currencies:

	2014 HK$	2013 HK$
HK$	**24,793,200**	40,790,272
SG$	**13,406,285**	10,160,907
RMB	**528,453**	—
United States dollars ("US$")	**40,014**	45,682
	38,767,952	50,996,861

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Notes:

(a) As at 31 December 2014, bank deposits of HK$877,389 (2013: HK$304,814) were pledged to a bank for guarantees issued by the bank.

(b) As at 31 December 2014, funds of the Group denominated in RMB amounting to HK$12,658 were kept in bank accounts opened with banks in the PRC where the remittance of funds is subject to foreign exchange controls (2013: nil).

18 Financial asset at fair value through profit or loss

An analysis of the Group's financial asset stated at fair value, based on the degree to which its fair values is observable, is as follows:

Level 1 : quoted prices in active markets
Level 2 : value inputs, other than quoted prices, that are observable either directly or indirectly
Level 3 : value inputs that are not based on observable market data

The financial asset as at 31 December 2014 amounts to HK$1,898,734 (2013: nil) is classified as level 3 measurement.

The movement of financial asset in Level 3 measurement is as follows:

	2014 **HK$**
At beginning of the year	**—**
Additions	**1,898,734**
At end of the year	**1,898,734**

Financial asset at fair value through profit or loss is presented within "investing activities" in the consolidated statement of cash flows.

Fair value is measured based on value inputs that is not based on observable market data. Change of value inputs that are not based on observable market data to reasonably possible alternatives would not have material effect on the Group's results for the period and financial position at the period end date.

19 Share Capital and Reserves

(a) Share capital and share premium

	Number of ordinary shares (of HK$0.01 each)	Equivalent nominal value of ordinary share HK$	Share premium HK$	Total HK$
Authorised:				
At 1 January 2013, 31 December 2013 and 31 December 2014	**10,000,000,000**	**100,000,000**	**—**	**—**
Issued and fully paid:				
At 1 January 2013, 31 December 2013 and 31 December 2014	**328,000,000**	**3,280,000**	**274,344,873**	**277,624,873**

(b) Accumulated losses — Company

	HK$
Balance as at 1 January 2013	(9,490,730)
Total comprehensive loss	(2,839,542)
Transactions with owners	
Share option scheme	727,938
Warrants lapsed	85,596
Balance as at 31 December 2013	(11,516,738)
Balance as at 1 January 2014	**(11,516,738)**
Total comprehensive loss	**(36,875,004)**
Transactions with owners	
Share option scheme	**10,149**
Balance as at 31 December 2014	**(48,381,593)**

20 Share-Based Payments

(a) Pre-IPO share option scheme

Pursuant to the written resolutions of the shareholders dated 26 March 2011, selected executive directors and employees are granted a total share option of 12,300,000 shares (the "Pre-IPO Share Option") under the Pre-IPO Share Option Scheme (the "Pre-IPO Share Option Scheme"). The exercise price per share under the Pre-IPO Share Option Scheme shall be equal to the placing price (i.e. HK$0.72 per share). Each of the Pre-IPO Share Option has a 10-year exercisable period, from 28 July 2011, and ending on the expiration of the tenth anniversary of the date of acceptance of the grant of options, on 27 July 2021 ("Expiry Date").

Commencing from the date on which trading in the shares of the Company first commenced on the Hong Kong Stock Exchange, being the Listing Date, the expiry of the first six months, each month thereafter up to the eleventh month and the twelfth month after the Listing Date, the relevant grantee may exercise options up to 50%, additional 8% each month and 100% respectively.

The fair value of the share options granted on 30 June 2011, determined using the binominal model (the "Model"), ranges from HK$0.31 to HK$0.36 per option. The significant inputs into the Model were share price of HK$0.72 at the grant date, exercise price shown above, expected dividend yield rate of 0%, an expected option life of ten years and expected volatility of 73%. The volatility measured is based on the average annualised standard deviations of the continuously compounded rates of return on the share prices of comparable companies with similar business operation.

See Note 7 for the total expense recognised in the consolidated statement of comprehensive income for share options granted to directors and employees. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Movements in the number of share options outstanding and their related exercise prices are as follows:

	2014		2013	
	Average exercise price in HK$ per share option	**Number of share options**	Average exercise price in HK$ per share option	Number of share options
At 1 January	**0.72**	**8,626,400**	0.72	10,430,400
Granted	**—**	**—**	—	—
Forfeited	**—**	**—**	0.72	(1,804,000)
Exercised	**—**	**—**	—	—
At 31 December	**0.72**	**8,626,400**	0.72	8,626,400

Out of the 8,626,400 outstanding options (2013: 8,626,400), 8,626,400 options (2013: 8,626,400) were exercisable.

20 Share-Based Payments (Continued)

(b) Share option scheme

Pursuant to the written resolutions of the shareholders dated 26 March 2011, the Company conditionally approved and adopted a share option scheme (the "Share Option Scheme"). The Share Option Scheme became effective on 28 July 2011 when the Company's shares are listed on the Hong Kong Stock Exchange.

On 20 December 2011, selected executive directors, employees and financial advisor were granted a total share option of 11,640,000 shares under the Share Option Scheme. The exercise price per share under the Share Option Scheme shall be equal to the quoted market share price of HK$0.724 per share. Each of the share option has a 10-year exercisable period, from 20 December 2011, and ending on the expiration of the tenth anniversary of the date of acceptance of the grant of options, on 19 December 2021 ("Expiry Date").

Commencing from the date of acceptance of the grant (the "Acceptance Date"), the expiry of first, second and third anniversaries of the Acceptance Date, the relevant grantee may exercise options up to 33%, 66% and 100% respectively.

The fair value of the share options granted on 20 December 2011, determined using the binominal model (the "Model"), ranges from HK$0.19 to HK$0.21 per option. The significant inputs into the Model were share price of HK$0.724 at the grant date, exercise price shown above, expected dividend yield rate of 3%, an expected option life of ten years and expected volatility of 47.7%. The volatility measured is based on the average annualised standard deviations of the continuously compounded rates of return on the share prices of comparable companies with similar business operation.

See Note 7 for the total expense recognised in the consolidated statement of comprehensive income for share options granted to directors and employees. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Movements in the number of share options outstanding and their related exercise prices are as follows:

	2014		2013	
	Average exercise price in HK$ per share option	**Number of share options**	Average exercise price in HK$ per share option	Number of share options
At 1 January	**0.724**	**5,352,000**	0.724	6,390,000
Granted	**—**	**—**	—	—
Forfeited	**0.724**	**(50,000)**	0.724	(1,038,000)
Exercised	**—**	**—**	—	—
At 31 December	**0.724**	**5,302,000**	0.724	5,352,000

Out of 5,302,000 outstanding options (2013: 5,352,000), 3,499,320 options (2013: 3,532,320) were exercisable.

21 Trade and Other Payables

	2014 HK$	2013 HK$
Trade payables	**599,065**	151,989
Licence fee payable	**1,048,125**	817,234
Other payables	**2,864,761**	1,510,755
Accruals	**13,311,861**	11,942,439
	17,823,812	14,422,417

The carrying amounts of the trade and other payables approximate their fair values.

Payment terms granted by suppliers ranged from 60 to 90 days after end of the month in which the relevant purchase occurred.

The ageing analysis of the trade payables based on the due date is as follows:

	2014 HK$	2013 HK$
Current	**598,460**	—
0–30 days past due	**—**	151,385
Over 60 days past due	**605**	604
	599,065	151,989

The carrying amounts of the trade and other payables are denominated in the following currencies:

	2014 HK$	2013 HK$
HK$	**6,764,918**	7,861,988
SG$	**3,729,060**	2,022,557
RMB	**6,545,574**	3,753,612
US$	**784,260**	784,260
	17,823,812	14,422,417

22 Finance Lease Liabilities

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

	2014	2013
	HK$	HK$
Gross finance lease liabilities — minimum lease payments		
No later than 1 year	—	118,776
Later than 1 year and no later than 5 years	—	148,410
	—	267,186
Future finance charges on finance leases	—	(18,268)
Present value of finance lease liabilities	—	248,918
The present value of finance lease liabilities is as follows:		
No later than 1 year	—	106,307
Later than 1 year and no later than 5 years	—	142,611
	—	248,918

The finance lease obligations are secured by certain plant and equipment of the Group (Note 13).

The carrying amount of the finance lease liabilities is denominated in HK$.

23 Deferred Income Tax

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

	2014	2013
	HK$	HK$
Deferred tax assets	**167,340**	429,685
Deferred tax liabilities	**(167,340)**	(429,685)
	—	—

23 Deferred Income Tax (Continued)

The gross movement on the deferred income tax account is as follows:

	2014 HK$	2013 HK$
At 1 January	—	—
Credited to the consolidated statement of comprehensive income arising from deferred income tax liabilities	**262,345**	106,134
Charged to the consolidated statement of comprehensive income arising from deferred income tax assets	**(262,345)**	(106,134)
At 31 December	—	—

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred income tax liabilities

	Accelerated tax depreciation	
	2014 HK$	2013 HK$
At 1 January	**429,685**	535,819
Credited to the consolidated statement of comprehensive income	**(262,345)**	(106,134)
At 31 December	**167,340**	429,685

Deferred income tax assets

	Tax loss	
	2014 HK$	2013 HK$
At 1 January	**429,685**	535,819
Charged to the consolidated statement of comprehensive income	**(262,345)**	(106,134)
At 31 December	**167,340**	429,685

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through the future taxable profits is probable. The Group has unrecognised tax losses of HK$30,492,218 (2013: HK$22,404,051) to carry forward against future taxable income. Unrecognised tax losses of HK$57,530 (2013: nil) is to expire within 5 years while unrecognised tax losses of HK$30,434,688 (2013: HK$22,404,051) is of no expiration date.

24 Cash (Used In)/Generated From Operations

	2014 HK$	2013 HK$
(Loss)/profit before income tax	**(13,192,850)**	4,115,834
Adjustments for:		
Depreciation and amortisation charges	**4,430,541**	3,801,555
Share-based compensation	**145,557**	350,491
Share of losses of joint ventures	**158,777**	258,836
Gains on disposal of property, plant and equipment	**(200,000)**	—
Gain on partial disposal of a joint venture	**(229,760)**	—
Impairment of property, plant and equipment	**2,066,667**	—
Interest income	**(545)**	(695)
Finance costs	**26,584**	35,681
Operating (loss)/profit before working capital changes	**(6,795,029)**	8,561,702
Changes in working capital:		
Trade and other receivables	**2,730,007**	(5,927,975)
Trade and other payables	**3,489,637**	1,757,185
Deferred revenue	**(452,298)**	(641,128)
Cash (used in)/generated from operations	**(1,027,683)**	3,749,784

In the consolidated statements of cash flows, proceeds from sale of property, plant and equipment comprise:

	2014 HK$
Net book amount	**—**
Gain on disposal of property, plant and equipment	**200,000**
Proceeds form disposal of property, plant and equipment	**200,000**

Non-cash transactions

The principal non-cash transaction is the proceeds from partial disposal of a joint venture in the amount of HK$621,000, which is loaned to the joint venture.

25 Commitments

(a) Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases in respect of its office buildings and outdoor billboard spaces are as follows:

	2014 **HK$**	2013 HK$
No later than 1 year	**11,950,889**	12,089,652
Later than 1 year and no later than 5 years	**7,336,552**	13,363,785
	19,287,441	25,453,437

(b) Capital commitments

Capital expenditure contracted for at the end of the year but not yet incurred is as follows:

	2014 **HK$**	2013 HK$
Property, plant and equipment	**—**	1,206,190

26 Related Party Transactions

The ultimate holding company of the Company is iMediaHouse.com Limited, a company incorporated in the British Virgins Island. The intermediate holding company of the Company is iMediaHouse Asia Limited, a company incorporated in Hong Kong.

As of 31 December 2014 and 2013, the Group has no other non-trade receivable from or payable to related parties, other than as disclosed in note 16.

The following transactions were carried out with a related party:

	2014 **HK$**	2013 HK$
Purchases of services:		
— A joint venture	**470,000**	—
Total	**470,000**	—

Services are bought from a joint venture on normal commercial terms and conditions.

27 Investment in a Subsidiary and Amounts Due (to)/from Subsidiaries

	Company	
	2014 **HK$**	2013 HK$
Unlisted investment, at cost	**270,384,588**	234,943,540
Less: Provision for impairment	**(34,224,588)**	—
	236,160,000	234,943,540
Due (to)/from subsidiaries	**(1,996,642)**	36,114,604

The amounts due (to)/from subsidiaries are unsecured, interest-free and have no fixed terms of repayments.

On 28 February 2014, the Company subscribed an additional 1,000,000 of the issued shares of Focus Media Network Limited (Incorporated in British Virgin Islands) at a purchase consideration of HK$35,441,048.

28 Particulars of Principal Subsidiaries

As at 31 December 2014, the Company has direct and indirect interests in the following subsidiaries:

Name of company	Class of share held	Place of incorporation/ establishment and form of legal entity	Place of operation	Particular of issued share capital/paid up registered capital	Attributable equity interest of the Group (%) Directly held	Indirectly held	Principal activities
Direct subsidiary							
Focus Media Network Limited	Ordinary	British Virgin Islands, limited liability company	British Virgin Islands	10,780,000 ordinary shares of HK$0.01 each	100	—	Investment holding
Indirect subsidiaries							
Focus Media Hong Kong Limited	Ordinary	Hong Kong, limited liability company	Hong Kong	10,000 ordinary shares of HK$1 each	—	100	Provision of out-of-home advertising services
Focus Media Singapore Pte. Ltd.	Ordinary	Singapore, limited liability company	Singapore	10 ordinary shares of SG$1 each	—	100	Provision of out-of-home advertising services
Creative Execution Limited	Ordinary	Hong Kong, limited liability company	Hong Kong	10,000 ordinary shares of HK$1 each	—	100	Provision of out-of-home advertising services
Babysteps Limited	Ordinary	Hong Kong, limited liability company	Hong Kong	100 ordinary shares of HK$1 each	—	70	Provision of nursery services
鋭奕(上海)廣告有限公司	Ordinary	People's Republic of China, wholly foreign owned enterprise	People's Republic of China	RMB$1,000,000	—	100	Provision of out-of-home advertising services
Creative Execution (Pte.) Limited	Ordinary	Singapore, limited liability company	Singapore	10 ordinary shares of SG$1 each	—	100	Provision of out-of-home advertising services
CNP Cosmetics Singapore Pte. Limited	Ordinary	Singapore, limited liability company	Singapore	1,000 ordinary shares of SG$1 each	—	100	Distribution of skin care products